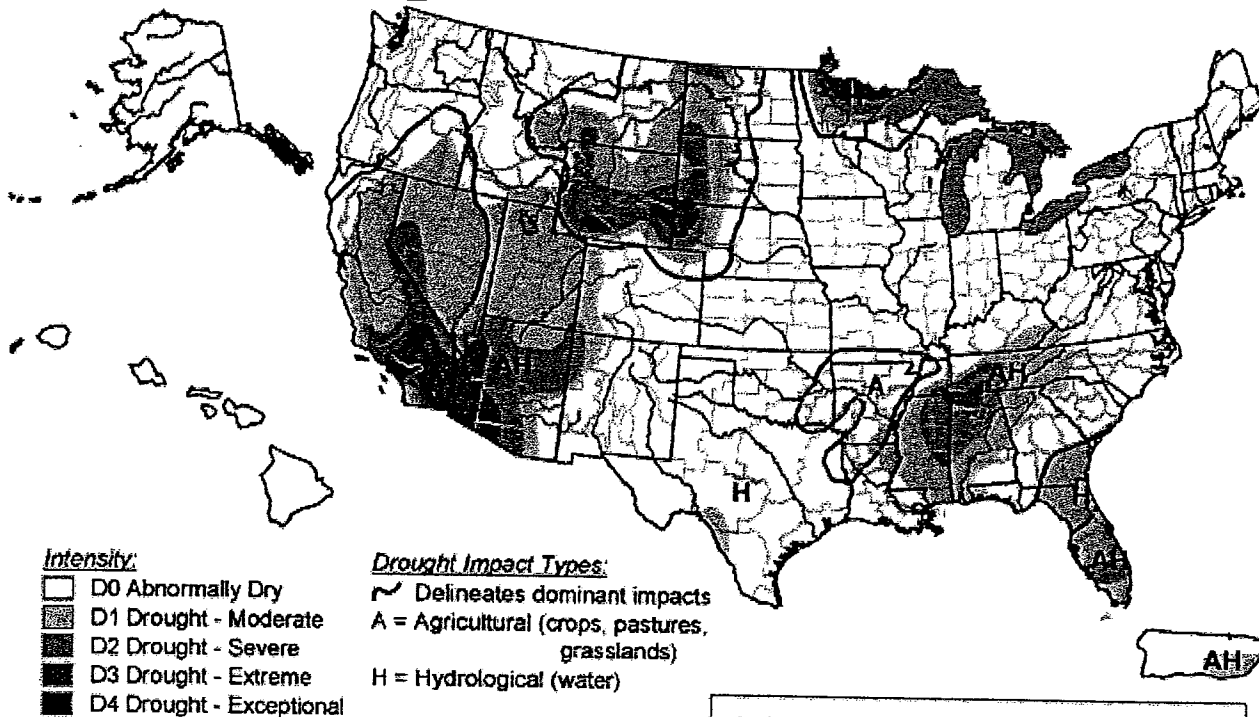


APPENDIX 2
U.S. DROUGHT MONITOR

U.S. Drought Monitor

April 10, 2007
Valid 6 a.m. EDT



The Drought Monitor focuses on broad-scale conditions.
Local conditions may vary. See accompanying text summary
for forecast statements.

<http://drought.unl.edu/dm>



Released Thursday, April 12, 2007
Author: Thomas Hurlingham, ORO/NOAA

ATTACHMENT 10
MOST RECENT TCEQ INVESTIGATIONS

Investigation Report

INLINE UTILITIES LLC

INLINE DEVELOPMENT

RN102984218

Investigation # 21194

Incident #

Investigator: JEANNETTE MOCK

Site Classification

DOMESTIC MINOR

Conducted: 01/03/2003 -- 01/03/2003

No Industry Code Assigned

Program(s): WASTEWATER

Investigation Type : Site Assessment

Location :

Additional ID(s) : WQ013942-002

Address: 9850 1/2 BOUDREAUX
RD; TOMBALL, TX 77375

Activity Type : WW SITE ASSESS - Site assessment for ww p

Principal(s) :

Role

Name

RESPONDENT

INLINE UTILITIES LLC

Contact(s) :

Role

Title

Name

Phone

Regulated Entity Contact

OWNER

MR MICHAEL
MARTZ

Other Staff Member(s) :

Role

Name

SUPERVISOR

JOHN WARD

Associated Check List

Checklist Name

Unit Name

WQ INVESTIGATION TYPES

Inline Development

WQ DOMESTIC OR INDUSTRIAL WASTEWATER S

Inline Development

Investigation Comments :

No Violations Associated to this Investigation

Signed Smou
Environmental Investigator

Date 1/8/03

Signed John R. Ward
Supervisor

Date 1-10-03

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)

☐ Maps, Plans, Sketches

☐ Letter to Facility (specify type) : _____

☐ Photographs

☐ Investigation Report

☐ Correspondence from the facility

☐ Sample Analysis Results

☐ Other (specify) : _____

☐ Manifests

☐ NOR

Texas Commission on Environmental Quality

WQ DOMESTIC OR INDUSTRIAL WASTEWATER SITE ASSESSMENT REPORT Checklist

Unit Name : Inline Development

Investigation # :21194

Facility Name : INLINE DEVELOPMENT

County : HARRIS

TCEQ Investigator : JEANNETTE MOCK

| Item No. | Description | Answer | Comments | Due Date |
|----------|--|----------------------------------|----------|----------|
| 1 | Nature or business of regulated entity producing wastewater/waste: | Apartment Community | | |
| 2 | If an amendment application, indicate changes requested by the applicant: | | | |
| 3 | Is the location of the waste treatment facilities as described in the application? If no, describe and indicate on an attached map. | YES | | |
| 4 | Is the discharge route or disposal site as described in the application? If no, describe and indicate on an attached map. | YES | | |
| 5 | Are any alternate discharge routes or disposal sites available? If yes, describe and indicate on an attached map. | NO | | |
| 6 | Is the general character of the areas adjacent to the disposal area as shown on the application map? If no, describe. | YES | | |
| 7 | Is there any residential property within 500 feet of the plant site? If yes, estimate distance. | NO | | |
| 8 | Downstream land area is: (industrial, residential, commercial, undeveloped, agricultural, other (specify)) | Undeveloped | | |
| 9 | For discharge to a watercourse, is a domestic water supply intake located within 500 feet downstream of the processed discharge? If yes, describe. | NO | | |
| 10 | Are there regional wastewater systems and/or existing wastewater systems within the area? If yes, describe. | NO | | |
| 11 | Land Application? | NOT APPLICABLE | | |
| 11a | Is the disposal area as described in the application? If no, describe. | NOT APPLICABLE | | |
| 11b | Is the disposal system as described in the application? If no, describe. | NOT APPLICABLE | | |
| 12 | Existing facilities? | NOT APPLICABLE | | |
| 12a | Are treatment units as described in the application? If no, describe. | NOT APPLICABLE | | |
| 12b | Are sludge management and disposal practices as described in the application? If no, describe. | NOT APPLICABLE | | |
| 12c | Describe the present operation and condition of existing facilities: | Not applicable. Plant not built. | | |
| 13 | Are you aware of any public opposition to the use of this site or route of discharge? Comments: | NO | | |
| 14 | Additional comments: | NOT APPLICABLE | | |

| | | | | |
|----|--|----|--|--|
| 21 | SW CCI MS4 PHASE I - Comprehensive compliance investigation for entity with Phase I Municipal Separate Storm Sewer System Permit | NO | | |
| 22 | SW CCI MS4 PHASE II - Comprehensive compliance investigation for entity with Phase II Municipal Separate Storm Sewer System Permit | NO | | |
| 23 | SW CONSTRUCTION - Comprehensive compliance investigation for entity with Stormwater Construction General Permit | NO | | |
| 24 | SW RECON - Reconnaissance investigation for entity subject to stormwater requirements | NO | | |
| 25 | SW FI - Follow-up stormwater compliance investigation | NO | | |
| 26 | SW COMPLAINT - Complaint investigation | NO | | |
| 27 | SW FRR - Record review | NO | | |
| 28 | SW ENF FI - Enforcement Follow up investigation | NO | | |
| 29 | SGE CCI TRANSPORT - Comprehensive compliance investigation for transporter | NO | | |
| 30 | SGE ENF FI TRANSPORT - Enforcement Follow-up investigation for transporter | NO | | |
| 31 | SGE NON-GRANT CCI BFU - Comprehensive compliance investigation for beneficial use sites not counted towards the 319 grant by R4 and R12. | NO | | |
| 32 | SGE NON-GRANT FI BFU - Follow-up investigations for beneficial use conducted by R4 or R12 not counted toward the 319 grant. | NO | | |
| 33 | SGE SITE ASSESS - Site assessment for beneficial use registration application | NO | | |
| 34 | SGE COMPLAINT - Complaint investigation | NO | | |
| 35 | SGE GRANT CCI BFU - Comprehensive compliance investigation for beneficial use counted towards the 319 grant by R4 or R12. | NO | | |
| 36 | SGE GRANT FI BFU - Follow-up investigation for beneficial use counted towards the 319 grant by R4 or R12. | NO | | |
| 37 | SGE FRR - Record review | NO | | |
| 38 | SGE ENF FI - Enforcement Follow up investigation | NO | | |
| 39 | WR COMPLAINT - Water Rights Complaint | NO | | |
| 40 | WR TEMP PERMIT - Water Rights Temporary Permit | NO | | |
| 41 | WR FRR - Record Review | NO | | |

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



PWSI 101327/ICO

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 29, 2006

Mr. Michael Merka, President
Inline Utilities, LLC
10100 Boudreaux Rd
Tomball, Texas 77375-7475

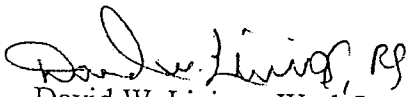
Re: Comprehensive Compliance Investigation at:
Cottage Gardens, 1027 Sweetnectar, Tomball, Harris County, Texas
TCEQ ID No. 1013271

Dear Mr. Merka:

On June 29, 2006, Mr. Bobby Holder of the Texas Commission on Environmental Quality (TCEQ), Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for public water supply systems. No violations were documented during the investigation. Please be aware that additional violations may be documented based upon further review of records or self-reporting.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Bobby Holder in the Houston Region Office at (713)767-3650.

Sincerely,


David W. Livings, Work Leader
Public Water Supply
Houston Region Office

DWL/BJH/ra

cc: Harris Co. Health Dept.

REPLY TO: REGION 12 • 5425 POLK ST., STE. H • HOUSTON, TEXAS 77023-1452 • 713/767-3500 • FAX 713/767-3520

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

printed on recycled paper using soy-based ink

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



PWSI 101327/ICO

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10100 Boudreaux Rd
Tomball, Texas 77375-7475

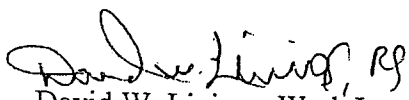
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Sincerely,


David W. Livings, Work Leader
Public Water Supply
Houston Region Office

DWL/BJH/ra

cc: Harris Co. Health Dept.

REPLY TO: REGION 12 • 5425 POLK ST., STE. H • HOUSTON, TEXAS 77023-1452 • 713/767-3500 • FAX 713/767-3520

P.O. Box 13087 • Austin, Texas 78711-3087 • 512/239-1000 • Internet address: www.tceq.state.tx.us

printed on recycled paper using soy-based ink

Texas Commission on Environmental Quality

Investigation Report

INLINE UTILITIES LLC

CN601479777

COTTAGE GARDENS

RN102975737

Investigation # 460249

Incident #

Investigator: BOBBY HOLDER

Site Classification

GW 251-1K CONNECTION

Conducted: 06/29/2006 -- 06/29/2006

No Industry Code Assigned

Program(s): PUBLIC WATER SYSTEM/SUPPLY

Investigation Type : Compliance Investigation

Location : AT BACK OF MOBILE HOME
SUBD. 1027 SWEETNECTAR.
KEY MAP 289U

Additional ID(s) : 1013271

Address: 10100 BOUDREAUX
RD; TOMBALL, TX 77375

Activity Type : REGION 12 - HOUSTON
PWSCCIDS - PWS CCI- Comprehensive compliance
investigation of Discretionary Groundwater, Purchase

Principal(s) :

Role

Name

RESPONDENT

INLINE UTILITIES LLC

Contact(s) :

Role

Title

Name

Phone

Participated in Investigation

OPERATOR/SUPERVISOR
MR DARREN SHAW

(281) 225-7502

Regulated Entity Contact

OWNER

MR MICHAEL
MARTZ

Work (281) 583-6855

Work (281) 655-1800

(281) 655-7870

Other Staff Member(s) :

Role

Name

QA Reviewer
Supervisor

DAVID LIVINGS
DAVID LIVINGS

Associated Check List

Checklist Name

PWS GENERIC VIOLATIONS

Unit Name

Generic Violations

Investigation Comments :

Introduction

Summary/General Information

Name of System: Cottage Gardens PWS ID: 0200102 CCN/Reg: 12080

Investigation Date: 06/29/2006

TCEQ Investigator: Bobby Holder

System consists of Ground Water, 2 subm. wells, 1 GST, 1 PT, 3 SP, treatment and distribution.

Surveyed with: Darren Shaw, Operator.

System Type: Comm

Area Served: Cottage Gardens Subd.. Exit interview conducted with: Darren Shaw

Type of Letter Sent: GC

The System does not have Superior status

Additional Contacts / Title

Mike Martz, President

Phone Number

281-655-1800

0.85 Mg/L Free Tested psi: 51 Location Tested: 10110 Berry Patch Ln

Chemical Analysis

| Type | Latest Date | Compliant? |
|------------|-------------|------------------------------------|
| Min | 11.10.03 | Y |
| Metals | 11.10.03 | N* Fe= 0.393 mg/L, sequestering-OK |
| NO2/NO3 | Unk | Y |
| Radio Chem | 11.10.03 | Y |
| VOC | 11.10.03 | Y |
| SOC 5 | Unk | NA |
| DBP's | 11.10.03 | Y |

Exceedances and comments: NA

Notification/Date: Annual CCR

Total Well Production: 520 GPM 0.748 MGD

System Capacities

| Capacities: | Required | Provided | Meets |
|--|----------|----------|-------|
| Well Prod.(gpm/conn): 0.6 x 273 Conn.= 163 GPM | 520 MGD | | Y |
| EST/Pressure(gal/conn): 20 x 273 Conn.= 0.00546 MG | 0.012 MG | | Y |
| Ground/Ttl(gal/conn): 200 x 273 Conn.= 0.0546 MG | 0.123 MG | | Y |
| Svc. Pump(gpm/conn): 2 x 273 Conn. = 546 gpm | 1435 gpm | | Y |
| Svc. Pump Peaking Factor: NA | | | |

Background

Current Enforcement Actions: NA

Agreed Orders and Compliance Agreements: NA

Complaints, and other Compliance Issues: NA

Additional Information

NA

Conclusions:

NA

Interconnection Calculations.

NA

ALLEGED VIOLATIONS NOTED AND RESOLVED

Track No: 184888

Resolution Date: 8/8/2006

30 TAC Chapter 290.46(n)(2)

Alleged Violation:

Investigation: 342371

Comment Date: 12/03/2004

Operating Practices for Public Water Systems

Failure to prepare and maintain a map of the distribution system so that valves and mains may be easily located during emergencies.

No distribution map was made available at the time of the investigation.

Investigation: 460249

Comment Date: 08/08/2006

Failure to meet the commission's minimum standards noted in the most recent chemical analysis conducted by the certified laboratory which indicates the quality of the water produced by the system. Specifically, the iron concentration of 0.393 mg/L exceeds the maximum permissible level for this constituent which is 0.3 mg/L.

Elevated iron levels may stain laundry and plumbing fixtures.

Consequently, facilities must be provided to sequester the iron or reduce the concentration of the constituent to acceptable levels. Please be aware that if sequestering facilities prove to be ineffective, the agency will require the concentration of the constituent to be reduced.

Investigation: 460249

Comment Date: 08/08/2006

Failure to provide a maximum permissible level for iron concentration at 0.3 mg/L or less

Recommended Corrective Action: Submit documentation showing that the entity is sequestering as per agency regulations to verify compliance.

Resolution: System is now using polyphosphates to sequester the high iron concentrations.

Signed

B. Holden

Environmental Investigator

Date

8/28/06

Signed

D. J. J. J.

Supervisor

Date

8/28/2006

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)

☒ Letter to Facility (specify type) : GC

Investigation Report

☐ Sample Analysis Results

☐ Manifests

☐ NOR

☒ Maps, Plans, Sketches

☐ Photographs

☐ Correspondence from the facility

☒ Other (specify) :

IMPD DRAFT

COTTAGE GARDENS
10100 BOUDREAUX RD
TOMBALL, HARRIS COUNTY, TX 77375
Additional ID(s): 1013271

Investigation: 460249
Investigation Date: 06/29/2006

ALLEGED VIOLATIONS NOTED AND RESOLVED

Track No: 184888

30 TAC Chapter 290.46(n)(2)

Alleged Violation:

Investigation: 342371

Comment Date: 12/3/2004

Operating Practices for Public Water Systems

Failure to prepare and maintain a map of the distribution system so that valves and mains may be easily located during emergencies.

No distribution map was made available at the time of the investigation.

Investigation: 460249

Comment Date: 8/8/2006

Failure to provide at the time of the investigation a distribution map.

Recommended Corrective Action: Submit a copy of the accurate distribution map as per agency regulations to verify compliance.

Resolution: Distribution map is now available on site. Violation resolved via follow up inspection on 06/23/2006.

Track No: 184889

30 TAC Chapter 290.45(b)(1)(D)(v)

Alleged Violation:

Investigation: 342371

Comment Date: 12/3/2004

Requirements

Failure to provide emergency power to deliver water to the distribution system in the event of the loss of normal power supply or an emergency interconnection with another public water supply. Under emergency conditions, the combined systems must be able to supply at least 0.35 gallons per minute per connection.

At the time of the investigation, no emergency power nor an interconnect with another public water system was provided. The entity serves 273 connections.

Investigation: 460249

Comment Date: 8/8/2006

Failure to provide emergency power to deliver water to the distribution system in the event of the loss of normal power supply or an emergency interconnection with another public water supply.

Recommended Corrective Action: Submit a photo, invoice, or work order, showing that emergency power or an emergency interconnect with another public water system has been obtained as per agency regulations to verify compliance.

Resolution: System now has a gas generator onsite. Violation resolved via follow up inspection on 06/23/2006.

Track No: 184890

30 TAC Chapter 290.42(e)(4)(A)

Alleged Violation:

Investigation: 342371

Comment Date: 12/3/2004

Disinfection

Failure to provide a small bottle of fresh ammonia solution which must be readily accessible outside the chlorinator room, to test for possible chlorine leakage.

At the time of the investigation, no ammonia solution was provided.

Investigation: 460249

Comment Date: 8/8/2006

Failure to provide ammonia solution as per agency regulations.

Recommended Corrective Action: Submit a photo, invoice, or work order, showing that an ammonia solution is provided as per agency regulations to verify compliance.

Resolution: Ammonia bottle was provided during follow up inspection on 06/23/2006

Track No: 184892

30 TAC Chapter 290.118[G]

30 TAC Chapter 290.42(b)(2)[G]

Alleged Violation:

Investigation: 342371

Comment Date: 12/3/2004

Chemical Analysis

Failure to meet the commission's minimum standards noted in the most recent chemical analysis conducted by the certified laboratory which indicates the quality of the water produced by the system. Specifically, the iron concentration of 0.393 mg/L exceeds the maximum permissible level for this constituent which is 0.3 mg/L.

Elevated iron levels may stain laundry and plumbing fixtures.

Consequently, facilities must be provided to sequester the iron or reduce the concentration of the constituent to acceptable levels. Please be aware that if sequestering facilities prove to be ineffective, the agency will require the concentration of the constituent to be reduced.

Investigation: 460249

Comment Date: 8/8/2006

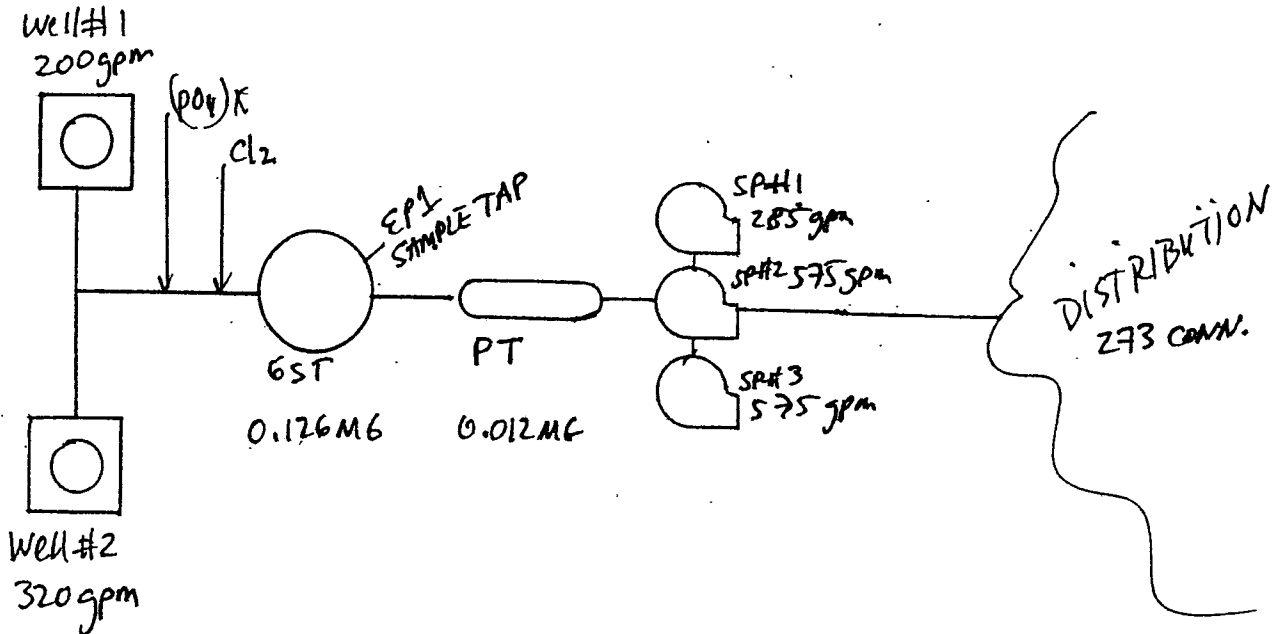
Failure to provide a maximum permissible level for iron concentration at 0.3 mg/L or less

Recommended Corrective Action: Submit documentation showing that the entity is sequestering as per agency regulations to verify compliance.

Resolution: System is now using polyphosphates to sequester the high iron concentrations.

PWS - SYSTEM FLOW DIAGRAM

| | | | | |
|---|-----------------|--------------------|------------------|---------|
| Name of System: | Cottage Gardens | | Additional ID(s) | 1013271 |
| Investigation # | 460249 | Investigation Date | 06.29.06 | |
| Description of Sources, Treatment, Entry Points and Distribution Labelling: owner's source names and TCEQ wtrsrc code designation, types of treatment and chemicals, entry points to distribution, entry point sample taps, booster disinfection, distribution connections and layout (if possible). | | | | |



08/03/2006

9:04:49AM

Texas Commission on Environmental Quality

Water System Data Sheet

WSDSR

| | |
|-----------|-----------------|
| PWS ID: | 1013271 |
| PWS Name: | COTTAGE GARDENS |

| | | | |
|---------------------------|--|---------|--------------|
| Organization/Mailing Name | | | |
| INLINE UTILITIES LLC | | | |
| Address | | City | St |
| 10100 BOUDREAUX RD | | TOMBALL | TX |
| | | Zip | 77375 - 7475 |

| | | |
|----------------------|-----------|---|
| Responsible Official | Job Title | Phone / E-Mail / Pager |
| MICHAEL MARTZ | OWNER | (281) 655-1569 BUSPHONE (281) 655-7870 OTHER |

| | |
|------------|---|
| Owner Type | Owner Type Options: COUNTY, DISTRICT/AUTHORITY, EXEMPT, FEDERAL GOVERNMENT, INVESTOR, MUNICIPALITY, NATIVE AMERICAN, PRIVATE, SUBMETER \ ALLOCATION, STATE GOVERNMENT, WATER SUPPLY CORPORATION, MISC/UNKNOWN |
| PRIVATE | |

| | |
|-------------|--|
| System Type | System Type Options: COMMUNITY, TRANSIENT/NON-COMMUNITY, NON-PUBLIC, NON-TRANSIENT/NON-COMMUNITY |
| COMMUNITY | |

| Customer Class | Customer Category | Population Served | # of Connect | # of Meters | # I/C w/other PWS |
|----------------|-------------------|-------------------|--------------|-------------|-------------------|
| RESIDENTIAL | MOBILE HOME PARK | 819 | 273 | 273 | 0 |

| Total Product (MGD) | Average Daily Consump. | Total Storage (MG) | Elev. Storage (MG) | Booster Pump Cap. (MGD) | Aux.Prod.Cap. Max.Pur.Cap.(MGD) | Pressure Tank Cap.(MG) |
|---------------------|------------------------|--------------------|--------------------|-------------------------|---------------------------------|------------------------|
| 0.749 | 0.045 | 0.126 | 0.000 | 2.066 | 0.000 | 0.01200 |

| Activity Status | Deactivation Date | Reason |
|-----------------|-------------------|--------------|
| ACTIVE | | SEE COMMENTS |

| Operator Grade | Number |
|----------------------|--------|
| WATER GRADE C GROUND | 1 |

| Last Survey Date | Surveyor | Survey Type | Code | Region | County | Def.Score |
|------------------|----------------|-------------|------|--------|--------|-----------|
| 10/05/2004 | DESHAUNE BLAKE | SURVEY | | 12 | HARRIS | 14 |

6/29/06

Bob Hilde

12

Ø

703-574-4459 - Dale Martz
Holiday La h-105-

At the time of your query this data was the most current information available from our database, which is in real time. Every effort was made to retrieve it according to your query. Thank-you for using WUD.

Kathleen Hartnett White, *Chairman*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



PWSI 1013084/ICO

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 12, 2006

Mr. York Galland, President
Sugarberry 35 LP
PO Box 1848
Provo, Utah 84603-1848

RECEIVED

Re: Comprehensive Compliance Evaluation Investigation at:
Sugarberry Place, 9806 Thistleberry, Tomball, Harris County, Texas
TCEQ ID No. 1013084

Dear Mr. Shaw:

The Texas Commission on Environmental Quality (TCEQ), Houston Region Office, has received the compliance documentation that you submitted September 6, 2006 for the alleged violation noted during the investigation of the above-referenced facility conducted on July 25, 2006. The compliance documentation contained in your response appears to indicate that corrective action has been taken for the alleged violation. No further submittal from you is required concerning this investigation. Please be aware that additional violations may be documented based upon further review of records or self-reporting.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Lan Vu in the Houston Region Office at (713)767-3650.

Sincerely,

A handwritten signature in dark ink, appearing to read "David W. Livings".

David W. Livings, Work Leader
Public Water Supply
Houston Region Office

DWL/lhv

cc: Harris Co. Health Dept.
Mr. Darren Shaw, Operator, Aucoin and Associates Inc, 8765 Spring Cypress Rd, Ste L,
#173, Spring, TX 77379

Enclosure: Summary of Investigation Findings

Texas Commission on Environmental Quality

Investigation Report

SUGARBERRY 35 LP CN602719494

SUGARBERRY PLACE

RN102673266

Investigation # 511961

Incident #

Investigator: LAN VU

Site Classification

GW 51-250 CONNECTION

Conducted: 09/07/2006 -- 09/07/2006

No Industry Code Assigned

Program(s): PUBLIC WATER SYSTEM/SUPPLY

Investigation Type : Compliance Invest File Review

Location : 9806 THISTLEBERRY
Key Map 289U

Additional ID(s) : 1013084

Address: 9850 BOUDREAUX RD;
TOMBALL, TX 77375Activity Type : REGION 12 - HOUSTON
PWSFRR - PWS NOV Record ReviewPrincipal(s) :

Role

Name

RESPONDENT

SUGARBERRY 35 LP

Contact(s) :

Role

Title

Name

Phone

Regulated Entity Mail Contact

OPERATOR

DARREN SHAW

Work (281) 583-6855

Other Staff Member(s) :

Role

Name

QA Reviewer
SupervisorMELODY KIRKSEY
DAVID LIVINGS

Associated Check List

Checklist Name

PWS GENERIC VIOLATIONS

Unit Name

GENERIC VIOLATIONS

Investigation Comments :

This file review was conducted to resolve an alleged violation noted during the CCI investigation conducted on July 25, 2006. Please see investigation #489017 for more information.

ALLEGED VIOLATIONS NOTED AND RESOLVED

Track No: 184254

Resolution Date: 9/7/2006

30 TAC Chapter 290.44(h)(4)

Alleged Violation:

Investigation: 340604

Comment Date: 11/22/2004

Operating Practices for Public Water Systems

Failure by the regulated entity to establish and enforce a plumbing ordinance, regulation, or service agreement with a prohibition of potential cross-connections or other undesirable plumbing practices. Backflow prevention assemblies must be installed at the swimming pool to provide protection against health hazards and must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester. Any assemblies already installed to

Summary of Investigation Findings

SUGARBERRY PLACE
9850 BOUDREAUX RD
TOMBALL, HARRIS COUNTY, TX 77375
Additional ID(s): 1013084

Investigation # 511961
Investigation Date: 09/07/2006

ALLEGED VIOLATIONS NOTED AND RESOLVED

Track No: 184254

30 TAC Chapter 290.44(h)(4)[G]

Alleged Violation:

Investigation: 340604

Comment Date: 11/22/2004

Operating Practices for Public Water Systems

Failure by the regulated entity to establish and enforce a plumbing ordinance, regulation, or service agreement with a prohibition of potential cross-connections or other undesirable plumbing practices. Backflow prevention assemblies must be installed at the swimming pool to provide protection against health hazards and must also be tested and certified to be operating within specifications at least annually by a recognized backflow prevention assembly tester. Any assemblies already installed to provide protection against health hazards must be tested and certified to be operating with specifications at least annually by a certified backflow prevention assembly tester.

Investigation: 489017

Comment Date: 8/7/2006

Failure to provide a reduced-pressure principle backflow assembly, which is required to be inspected annually, at the swimming pool. The system had installed a pressure vacuum breaker which has no inspection ports.

Investigation: 511961

Comment Date: 9/7/2006

Failure to provide a reduced-pressure principle backflow assembly at the swimming pool as per agency regulations.

Recommended Corrective Action: Submit a copy of the backflow prevention assembly test and maintenance report showing that a reduced-pressure principle backflow assembly has been installed and tested as per agency regulations to verify compliance.

Resolution: Per fax received on 09/06/06, the RPZ had been installed and tested on August 3, 2006.

provide protection against health hazards must be tested and certified to be operating with specifications at least annually by a certified backflow prevention assembly tester.

Investigation: 489017

Comment Date: 08/07/2006

Failure to provide a reduced-pressure principle backflow assembly, which is required to be inspected annually, at the swimming pool. The system had installed a pressure vacuum breaker which has no inspection ports.

Investigation: 511961

Comment Date: 09/07/2006

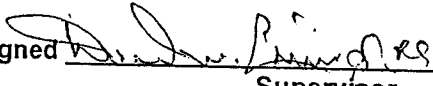
Failure to provide a reduced-pressure principle backflow assembly at the swimming pool as per agency regulations.

Recommended Corrective Action: Submit a copy of the backflow prevention assembly test and maintenance report showing that a reduced-pressure principle backflow assembly has been installed and tested as per agency regulations to verify compliance.

Resolution: Per fax received on 09/06/06, the RPZ had been installed and tested on August 3, 2006.

Signed 
Environmental Investigator

Date Sept 8, 2006

Signed 
Supervisor

Date SEPT 12, 2006

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)

☒ Letter to Facility (specify type): Compliance (LS)

Investigation Report

☐ Sample Analysis Results

☐ Manifests

☐ NOR

☐ Maps, Plans, Sketches

☐ Photographs

☒ Correspondence from the facility

☐ Other (specify):

AUCCOIN AND ASSOCIATES INC.
8765 SPRING CYPRESS RD.
SUITE L, # 173
SPRING, TEXAS 77379
OFFICE-281-583-6855
FAX- 281-225-7502

DATE: 9-6-06

OSTA
SEP 06 2006
REGION 12

TO: MS. LAN VU

FROM: DARREN
FAX NO. 713 767 3291

RE: SUGARBERRY BACKFLOW

NO. OF PAGES INCLUDING COVER: 4

REMARKS: I INSTALLED NEW RPZ AT THE
POOL. HERE IS THE REPORT TO
CONFIRM THANK YOU
[Signature]

AUCOIN AND ASSOCIATES
8765 SPRING CYPRESS-L #173
SPRING, TX 77379

BACKFLOW PREVENTION TEST AND MAINTENANCE REPORT

NAME OF PROPERTY: SUGAR BERRY PLACE
 PROPERTY ADDRESS: 9806 THISTLE BERRY
 CITY: TOMBALL STATE: TX ZIP: 77375 KEY MAP # _____ PHONE #: _____
 MAILING ADDRESS: 8765 SPRING CYPRESS CONTACT PERSON: DARREN SHAW
SPRING TX 77379

THE BACKFLOW PREVENTION ASSEMBLY DETAILLED HERE ON HAS BEEN TESTED AND MAINTAINED AS REQUIRED BY TNRCC-Chapter 290, RULES AND REGULATIONS FOR PUBLIC WATER SYSTEMS, CITIES UNIFORM PLUMBING CODE, AND IS CERTIFIED TO COMPLY WITH THE REQUIREMENTS.

TYPE OF ASSEMBLY

☒ REDUCED PRESSURE PRINCIPLE (RP) ☐ REDUCED PRESSURE PRINCIPLE-DETECTOR (RPD) ☐ PRESSURE VACUUM BREAKER (PVB)
☐ DOUBLE CHECK VALVE (DCV) ☐ DOUBLE CHECK VALVE-DETECTOR (DCD) ☐ SPILL-RESISTANT PRESSURE VACUUM BREAKER (SVB)

MANUFACTURER: WILKINS MODEL # RP2 SIZE 1" SERIAL NUMBER 2197169
 LOCATED AT: POOL DATE INSTALLED 8-3-06

Is the assembly installed in accordance with manufacturer recommendations and/or City's Uniform Plumbing Code? YES

| | REDUCED PRESSURE PRINCIPLE ASSEMBLY | | | PRESSURE VACUUM BREAKER & SVB | |
|---------------------------|---|---|--|--|---|
| | DOUBLE CHECK VALVE ASSEMBLY | | RELIEF VALVE | AIR INLET | CHECK VALVE |
| | CHECK VALVE #1 | CHECK VALVE #2 | | | |
| INITIAL TEST | D.C. CLOSED TIGHT <input type="checkbox"/> RP <u>8.1</u> PSID LEAKED <input type="checkbox"/> | CLOSED TIGHT <input checked="" type="checkbox"/> PSID _____ LEAKED <input type="checkbox"/> | OPENED AT <u>2.9</u> PSID DID NOT OPEN <input type="checkbox"/> | OPENED AT _____ PSID DID NOT OPEN <input checked="" type="checkbox"/> | HELD AT _____ PSID LEAKED <input type="checkbox"/> |
| REPAIRS AND MATERIAL USED | | | | | |
| FINAL TEST | D.C. CLOSED TIGHT <input type="checkbox"/> RP <u>8.1</u> PSID | CLOSED TIGHT <input checked="" type="checkbox"/> PSID _____ | OPENED AT <u>3.0</u> PSID | OPENED AT _____ PSID | HELD AT _____ PSID |

TEST GAUGE USED: MAKE, MODEL: WILKINS SN 11050594 CALIBRATION DATE 11-11-05 (TESTER SIGNATURE)

REMARKS: NEW RP2

THE ABOVE TEST IS CERTIFIED TO BE TRUE AT THE TIME OF TESTING

FIRM NAME: AUCOIN & ASSOC.
 FIRM ADDRESS: 8765 SPRING CYPRESS
1 SPRING TX 77379
 FIRM PHONE: 2815824555

CERTIFIED TESTER: DARREN SHAW
 CERTIFIED TESTER # BP0009664
 TEST DATE: 8-3-06

TEST REPORTS MUST BE KEPT FOR AT LEAST THREE YEARS
 TESTING IS REQUIRED UPON INSTALLATION, REPAIR, OR RELOCATION AND ANNUALLY THEREAFTER

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 10, 2006

Mr. Michael Martz, Owner
Inline Utilities
9850 Boudreaux Road
Tomball, Texas 77375-7475

Re: Compliance Evaluation Investigation at:
Sugarberry's Place, Tomball, Harris County, Texas
TCEQ ID No.: WQ0013942-001, EPA ID No.: TX0117633

Dear Mr. Martz:

On November 21, 2005, Jeannette Mock of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable requirements for wastewater treatment. No violations were documented during the investigation. However, please be advised that self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Jeannette Mock in the Houston Region Office at 713-767-3728.

Sincerely,

A handwritten signature in cursive script, appearing to read "Barbara S. Sullivan".

Barbara S. Sullivan
Work Leader
Water Quality Management
Houston Region Office

BSS/jkm/ra

cc: Mr. Pat Aucoin, President Aucoin & Associates, 8765 Spring Cypress Road, Suite L, #173, Spring, Texas 77379

Texas Commission on Environmental Quality
Investigation Report
INLINE UTILITIES LLC
CN601479777

INLINE DEVELOPMENT

RN102916988

Investigation # 405237

Investigator: JEANNETTE MOCK

Incident #

Site Classification

DOMESTIC MINOR

Conducted: 11/21/2005 -- 11/21/2005

Program(s): WASTEWATER

SIC Code: 6515

Investigation Type : Compliance Investigation

Location : ?

**Additional ID(s) : TPDES0117633
WQ0013942001**

Address: ; ,

**Activity Type : REGION 12 - HOUSTON
WWCCIMDMIN - WW CCI Mandatory Minor**

Principal(s) :

Role

Name

RESPONDENT

INLINE UTILITIES LLC

Contact(s) :

Role

Title

Name

Phone

Regulated Entity Mail Contact

OWNER

**MR MICHAEL
MARTZ**

(281) 655-1323

Participated in Investigation

OPERATOR

DARREN SHAW

Work (281) 655-1800

Cell (713) 202-3401

Cell (832) 309-9392

(281) 225-7502

Work (281) 583-6855

Other Staff Member(s) :

Role

Name

**QA REVIEWER
SUPERVISOR**

**MICHELLE RUCKSTUHL
BARBARA SULLIVAN**

Associated Check List

Checklist Name

WQ DOMESTIC CCI

WQ GENERAL CCI CHECKLIST

Unit Name

Inline

Inline

Investigation Comments :

This is a 0.25 MGD activated sludge plant which is operated in the extended aeration mode (see attached schematic). This facility is operating under the final effluent limits of the permit. The wastewater plant serves a mobile home community.

The permittee has made no modifications since the last inspection. There have not been any unauthorized discharges reported since the last inspection.

The operator for this facility is Darren Shaw, who holds a 'B' wastewater certification, license number WW0023786, which expires on 09/15/2008.

The thirty minute settleable solids concentration in the aeration basin was 28%. The sludge blanket in the clarifier was 2 feet in a 10 foot water depth. The chlorine contact chamber contained no sludge. Gas chlorination is used to disinfect the effluent.

INFORMATION COPY

in the clarifier was 2 feet in a 10 foot water depth. The chlorine contact chamber contained no sludge. Gas chlorination is used to disinfect the effluent.

The primary and secondary flow measuring devices for Outfall 001 include a 90 degree V-notch weir with a Milltronics OCM III flow meter and totalizer. Flow measurements were made at Outfall 001 to determine the accuracy of the flow meter. The flow accuracy check for the outfall is attached to this report.

The flow increases during rainfall events and the effluent quality is effected to some extent, but no effluent violations have been documented since the last inspection.

The WWTP has not reached 75% of the permitted capacity.

The Reduced Pressure Zone backflow preventor (RPZ) for the potable water line was tested and certified on August 12, 2005.

BMI, Transporter #22430, hauls sludge to Dincan's Farm, permit number 04456, for land application.

The permittee has a commercial laboratory, North Water District Laboratory, that performs all of the effluent analyses except chlorine residual. The operator performs chlorine residual analysis.

The receiving stream is to a storm water retention pond; thence to Willow Creek; thence to Spring Creek in Segment No. 1008 of the San Jacinto River Basin. No sewage related materials were observed in the retention pond. There was no discharge from the pond at the time of the inspection.

Samples were collected at the time of inspection. See attached sample results.

No Violations Associated to this Investigation

Signed

Smock
Environmental Investigator

Date

12/27/05

Signed

Barbara S. Sill
Supervisor

Date

1/9/05

Attachments: (in order of final report submittal)

☐ Enforcement Action Request (EAR)

☒ Letter to Facility (specify type) : General

Investigation Report

☒ Sample Analysis Results

☐ Manifests

☐ NOR

☒ Maps, Plans, Sketches

☐ Photographs

☐ Correspondence from the facility

☒ Other (specify) :

field notes

INVESTIGATION SAMPLE RESULTS
TPDES PERMIT NO:

Regulated Entity Name: Inline Utilities

Authorization ID(s): WQ0013942-001, TX0117633

Date of Investigation: November 21, 2005

| Outfall & Parameter | Measured Value | Permit Limit | Type Sample | COC ID No. | Primary Source of Wastewater |
|---------------------|----------------|-----------------|---------------|------------|------------------------------|
| 001 | | | | | |
| Flow (MGD)* | 0.06 | N/A | Instantaneous | N/A | Domestic |
| CBOD (mg/L) | 3 | 35 | Grab | 012063 | wastewater |
| TSS (mg/L) | 19 | 60 | Grab | ' | ' |
| VSS (mg/L) | 14 | N/A | Grab | ' | ' |
| NH3N (mg/L) | 0.27 | 15 | Grab | ' | ' |
| Cl2 (mg/L) * | 2.1 | $\geq 1 \leq 4$ | Grab | N/A | ' |
| pH (s.u.) * | 7.05 | $\geq 6 \leq 9$ | Grab | ' | ' |
| DO (mg/L)* | 5.23 | > 4.0 | Grab | ' | ' |
| | | | | | |
| | | | | | |

* = Field Analysis



Nº 012063

Wlene

Permit #:

13942

Sampler telephone number:

For Laboratory Use:

N 5.4 deg. C

Preservatives

SECRET

Seals Intact:



5144 East Sam Houston Parkway No
Houston, Texas 77015
Phone: (281) 457-5229
Fax: (281) 457-9107
Contact:
Shirley Best, Wet Chemistry Dept.
Cheryl Haelen, Metals Dept.

TCEQ Laboratory Report of Analysis

December 08, 2005 11:22

| | | |
|------------------------------------|--------------------------------------|----------------------|
| TCEQ Sample #: AA03373 | Chain of Custody #: 012063-01 | Region: 12 |
| Program: Water | Sample Matrix: LIQUID | Organization #: 4212 |
| Sample Collected: 11/21/2005 10:30 | Collected By: jmock@tceq.state.tx.us | Work #: 25071 |
| Sample Received: 11/23/2005 | | Permit #: 13942 |

| | | | |
|--|-------|-----------|---------------|
| Sample Depth: | CL2R: | Field pH: | Conductivity: |
| Collection Site: Inline-Grab-field blank | | | |

| CONSTITUENT | RESULT | UNIT | ANALYSIS DATE | METHOD |
|---------------------------|--------|------|------------------|------------|
| Ammonia as N | <0.05 | mg/L | 12/02/2005 13:55 | EPA 350.1 |
| CBOD, 5-Day | <3 | mg/L | 11/23/2005 08:25 | SM18 5210B |
| Total Suspended Solids | <1 | mg/L | 11/23/2005 08:15 | EPA 160.2 |
| Volatile Suspended Solids | <1 | mg/L | 11/23/2005 08:15 | EPA 160.4 |

End of Report for TCEQ Sample Number: AA03373

Laboratory Approval: _____

Dec 08, 2005



5144 East Sam Houston Parkway No
Houston, Texas 77015
Phone: (281) 457-5229
Fax: (281) 457-9107
Contact:
Shirley Best, Wet Chemistry Dept.
Cheryl Haelen, Metals Dept.

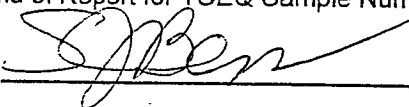
TCEQ Laboratory Report of Analysis

December 07, 2005 14:37

| | | |
|---|--------------------------------------|----------------------|
| TCEQ Sample #: AA03374 | Chain of Custody #: 012063-03 | Region: 12 |
| Program: Water | Sample Matrix: LIQUID | Organization #: 4212 |
| Sample Collected: 11/21/2005 10:35 | Collected By: jmock@tceq.state.tx.us | Work #: 25071 |
| Sample Received: 11/23/2005 | | Permit #: 13942 |
| Sample Depth: CL2R: | Field pH: | Conductivity: |
| Collection Site: Inline--Grab--Effluent | | |

| CONSTITUENT | RESULT | UNIT | ANALYSIS DATE | METHO |
|---------------------------|--------|------|------------------|-----------|
| Ammonia as N | 0.27 | mg/L | 12/02/2005 13:55 | EPA 350.1 |
| CBOD, 5-Day | 3 | mg/L | 11/23/2005 08:25 | SM18 5210 |
| Total Suspended Solids | 19 | mg/L | 11/23/2005 08:15 | EPA 160.2 |
| Volatile Suspended Solids | 14 | mg/L | 11/23/2005 08:15 | EPA 160.4 |

End of Report for TCEQ Sample Number: AA03374

Laboratory Approval: 

Dec 07, 2005



5144 East Sam Houston Parkway N
Houston, Texas 77015
Phone: (281) 457-5229
Fax: (281) 457-9107
Contact:
Shirley Best, Wet Chemistry Dept.
Cheryl Haelen, Metals Dept.

TCEQ Laboratory Report of Analysis

December 07, 2005 14:37

| | | |
|------------------------------------|--------------------------------------|----------------------|
| TCEQ Sample #: AA03375 | Chain of Custody #: 012063-04 | Region: 12 |
| Program: Water | Sample Matrix: LIQUID | Organization #: 4212 |
| Sample Collected: 11/21/2005 10:35 | Collected By: jmock@tceq.state.tx.us | Work #: 25071 |
| Sample Received: 11/23/2005 | | Permit #: 13942 |

| | | | |
|--|-------|-----------|---------------|
| Sample Depth: | CL2R: | Field pH: | Conductivity: |
| Collection Site: Inline—Grab—duplicate | | | |

| CONSTITUENT | RESULT | UNIT | ANALYSIS DATE | METHOD |
|---------------------------|--------|------|------------------|------------|
| Ammonia as N | 0.28 | mg/L | 12/01/2005 10:55 | EPA 350.1 |
| CBOD, 5-Day | 3 | mg/L | 11/23/2005 08:25 | SM18 5210B |
| Total Suspended Solids | 19 | mg/L | 11/23/2005 08:15 | EPA 160.2 |
| Volatile Suspended Solids | 13 | mg/L | 11/23/2005 08:15 | EPA 160.4 |

End of Report for TCEQ Sample Number: AA03375

Laboratory Approval: _____

Dec 07, 2005

ATTACHMENT
ACCURACY CHECK
FLOW INDICATING/RECORDING EQUIPMENT

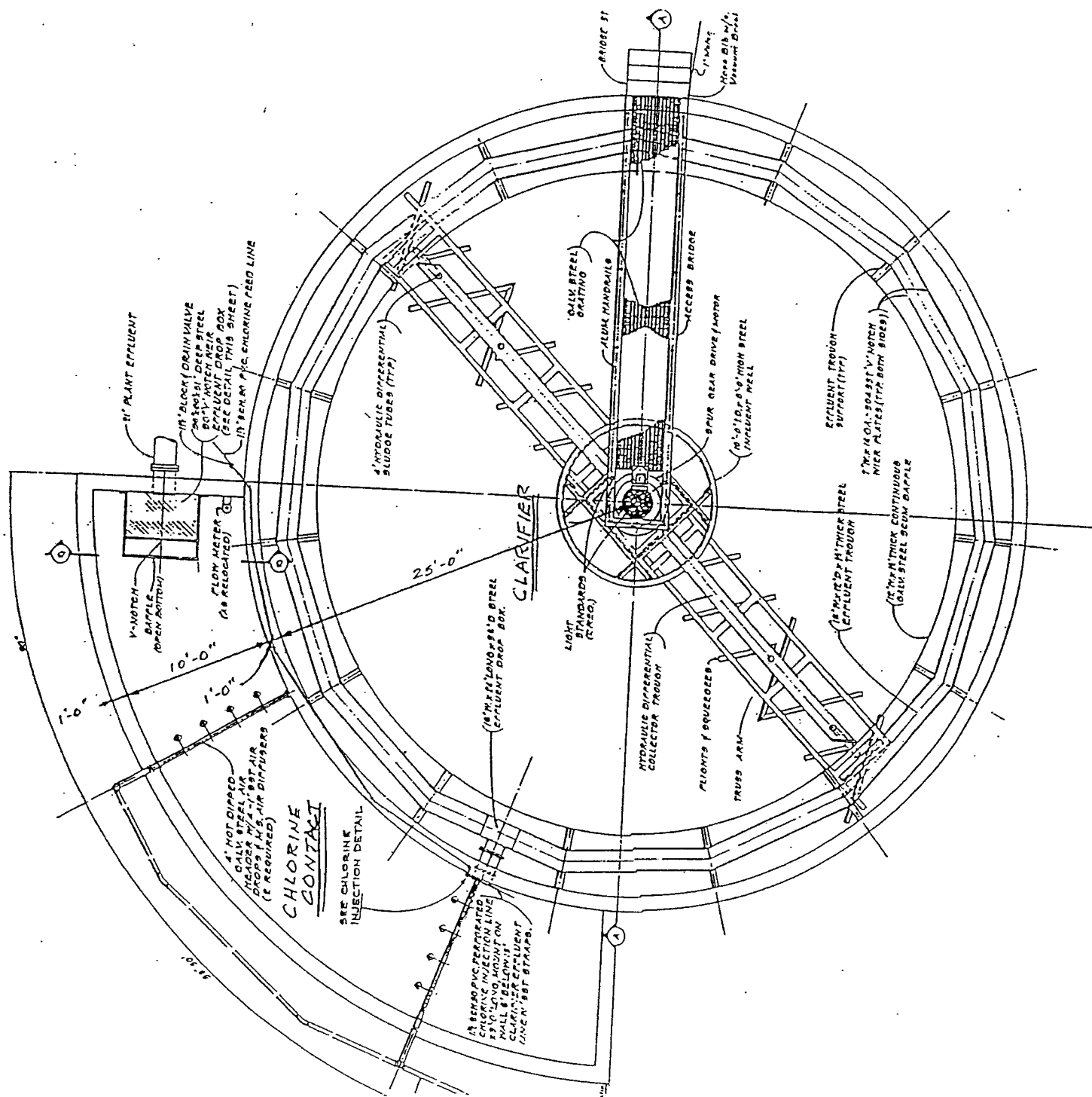
Regulated Entity Name: Inline Utilities

Authorization ID(s): WQ0013942-001, TX0117633

Date of Investigation: November 21, 2005

| Items Checked | Information Collected |
|---|---|
| Outfall | 001 |
| Type of primary flow measuring device | 90° v-notch weir |
| Type of secondary flow measuring device | Milltronics Hydroranger |
| Time | 10:15 |
| Head | (3.25) inches () feet |
| Recorded flow at time listed | 0.62 |
| Calculated flow | 0.60 |
| Reference for calculated flow | <i>ISCO Open Channel Flow Measurement Handbook, 5th edition</i> |
| Percent error <u>(recorded value - calculated value) (100)</u> calculated value | $\frac{0.62-0.60}{0.60} \times 100 = 3.33\%$ |
| Date of last calibration | 08/12/2005 |
| Calibration performed by | Al Prescott |

Comments:



ATTACHMENT 11

COMMITMENT LETTER FROM STERLING BANK

❖Sterling Bank❖

Robert M. Neyland
CEO - Upper Kirby Office

April 18, 2007

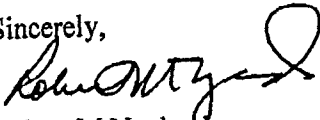
Michael Martz
10100 Boudreaux Rd
Tomball, TX 77375

RE: Waste Water and Water Facility
(Hwy 249 Project)

Dear Michael,

In regards to the above facility the bank would be willing to facilitate an offering for the amount of \$1,450,000 to construct a Waste Water and Water Facility Plant for the Hwy 249 Project. The facility is subject to an approved appraisal and survey, in addition to other requirements that can be discussed later.

Sincerely,



Robert M Neyland
Market CEO

** Transmit Conf. Report **

P.1

May 20 2009 7:40

Line Number: 1 TCEQ

Fax: 5122391209

| Fax/Phone Number | Mode | Start | Time | Page | Result | Note |
|------------------|--------|----------|-------|------|--------|------|
| 94754994 | NORMAL | 20, 7:40 | 0'29" | 2 | # O K | |

| | | | |
|---|------------------------------|------------------------------------|-------------|
| (Revised - 11/06/06) | | FOR SOAH USE ONLY | (req. form) |
| Date complete request received by SOAH: | Proceeding date set by SOAH: | SOAH Docket Number & type of case: | |

REQUEST TO DOCKET CASE (Please type or print)

PLEASE CHECK ACTION REQUESTED:**

☒ SETTING OF HEARING ☐ ASSIGNMENT OF ALJ * ☐ ALTERNATIVE DISPUTE RESOLUTION (ADR/MEDIATION)

REFERRING AGENCY NAME: TCEQ AGENCY NO.: _____ AGENCY'S FILE/CASE NO.: 2009-0444-UCR

NAME/STYLE OF THE CASE: INLINE UTILITIES, LLC

DATE APPLICATION FILED AT AGENCY: _____ DOCKET NO. SUFFIX, if applicable: UCR

PROCEEDING DATE(S) REQUESTED (include range of dates if possible): JULY 29, 2009

EXPECTED NUMBER OF HOURS (if less than a day) OR DAYS NEEDED FOR PROCEEDING: _____ HOURS 11 DAYS

☐ ADMIN. FINE ☐ GRIEVANCE ☐ ENFORCEMENT ☐ CONTRACT CLAIM (Gov't Code 2260) ☐ OTHER _____

SPECIAL NEEDS OR ACCOMMODATIONS: HEARING IN AUSTIN. SEATING FOR 10 PEOPLE

IF ADR REQUESTED PLEASE DESCRIBE PROCESS NEEDED: _____

☐ PREHEARING CONFERENCE REQUESTED ☐ INTERPRETER NEEDED (See 1 TAC 155.43(g))

☐ CASE FILE and/or ☐ HEARING IS CONFIDENTIAL (Specify applicable statute): _____

NAME OF INDIVIDUAL SENDING REQUEST FORM: EMILY REYNA PHONE NO.: 239-3304 FAX NO.: 239-3311

PARTIES AND REPRESENTATIVES

PARTY REPRESENTED BY: ☐ SELF ☒ ATTORNEY
☐ OTHER, if so, relationship:

REPRESENTATIVE'S NAME: DOUGLAS BROWN

PARTY'S NAME:

ADDRESS:

PHONE No.: (512) 239-2253
(Direct Phone Number Please)

FAX No.:

PARTY REPRESENTED BY: ☐ SELF ☐ ATTORNEY
☐ OTHER, if so, relationship:

REPRESENTATIVE'S NAME:

PARTY'S NAME:

ADDRESS:

PHONE No.:
(Direct Phone Number Please)

FAX No.:

PLEASE LIST ADDITIONAL PARTIES AND/OR REPRESENTATIVES ON EXTRA FORM PROVIDED.

SEND TO:

STATE OFFICE OF ADMINISTRATIVE HEARINGS
ATTN.: Deputy Clerk
William P. Clements Building
300 West 15th Street, Suite 504
Austin, Texas 78701

OR

Post Office Box 13025
Austin, Texas 78711-3025
Docket Phone No. (512) 475-3445
Fax No. (512) 475-4994

*PLEASE FORWARD A COPY OF THE APPLICATION, APPEAL, OR COMPLAINT WITH THIS REQUEST FORM, AS WELL AS ANY OTHER PLEADING FILED IN THE CASE TO DATE IF REQUESTING ASSIGNMENT OF ALJ or ALTERNATIVE DISPUTE RESOLUTION (ADR/MEDIATION). A COPY OF THE NOTICE OF PROCEEDING MUST BE FORWARDED TO SOAH AT THE SAME TIME IT IS MAILED TO THE PARTIES.

OCC FAXED TO SOAH ON May 20, 2009

SOURCE

ENVIRONMENTAL SCIENCES, INC.

AIR ★ WATER ★ WASTE CONSULTANTS

100 WESTHEIMER, SUITE 106
HOUSTON, TEXAS 77027-4427
source@source-environmental.com
Phone: (713) 621-4474
Fax: (713) 621-4588

May 7, 2009

Ms. Stacy Foster
Utilities and Districts Section, Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY
2009 MAY 14 PM 2:30
CHIEF CLERKS OFFICE

Subject: Pending Hearing Regarding the Inline Utilities CCN Application, Docket No. 2009-0444-UCR

Dear Ms. Foster,

I am writing in response to your letter notifying us that the TCEQ has requested a hearing regarding the Inline Utilities applications for a water and a wastewater CCN. I wish to thank you for responding to my telephone call regarding the subject hearing. My understanding of the information you provided is:

1. The hearing likely will be scheduled in approximately 90 days.
2. Since there were no public objections to the CCNs, the attendees will most likely be from the TCEQ and Inline Utilities only.
3. The purpose of the hearing will be to discuss the three items listed in your April 7, 2009 letter.
4. The Hearing Officer can make judgments as to whether the three items have been answered properly and if the TCEQ should approve the application as is or with amendments.

I have a few official requests here, or if this isn't the appropriate media, please let me know how and where to make these requests proper and official.

1. **Location of Hearing:** We believe the hearing should be scheduled at the official Texas Hearing Office in North Houston. This is necessary because there may be numerous property owners, investors, and developers who wish to attend the hearing and learn first hand the reasons the TCEQ has delayed processing the applications. This location is near the proposed CCN area and it might benefit the TCEQ attendees to personally visit the proposed CCN area.
2. **Supplemental Information Required:** Your letter states that "the application and supplemental information continue to lack comprehensive financial information". On the



www.source-environmental.com

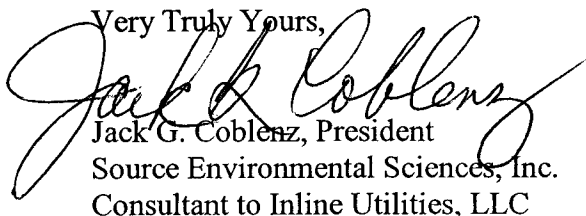


assumption that it would be valuable for us to bring this information to the hearing, we wish to know more exactly what information is required. As you know, we have provided all information that is expressly required by the TCEQ rules and guidelines for CCN applications. We have also provided extensive additional information in accordance with your previous requests. Now we wish to know more precisely what further information is needed. It would also be helpful if we have information regarding the dollar amounts related to the financial information required. Are these amounts related to costs to construct and operate the water and wastewater plants or some other larger amounts. We also request that we be furnished the TCEQ rules and guidelines related to financial requirements for issuing or denying CCN applications.

3. **Need for Service in the Proposed Area:** In your letter it states, "The need for service in the proposed area remains speculative". We have provided a detailed marketing study in support of the CCNs for the proposed areas, now we need to know more precisely what additional information is required. We also believe that it would be appropriate that we be furnished the specific TCEQ Regulations, Guidelines, or Standards that spell out the requirements necessary to establish "the need" for water or sewer services in a designated area.
4. **Required Plans and Specs:** Your letter indicates that no plans, specs, or an engineering report have been submitted to the Water Supply Division. Since Inline Utilities already has an existing TCEQ wastewater permit for a sewer plant inside the CCN area, we assume the requirements relate to the water plant. We therefore request to know exactly what specific plans, specs, or engineering data for the water plant are required.
5. **Related TCEQ Rules or Water Code Regulations:** We have reviewed the Water Code Section 13.246 referred to in your letter. It appears to us that this section only describes hearings when affected parties request a hearing. Since no affected parties protested the applications nor requested a hearing, we assume that the hearing will be in compliance with some other rule. Can you please provide us information regarding that rule or regarding the rule or regulation under which this hearing will be held.
6. **Staff Requests for Information (RFI's):** Your letter indicated that we should be receiving an RFI within a few weeks, we will do our best to provide all information that is requested.

I will be the main contact for this hearing. It would also be beneficial if you will also send copies of all related correspondence to Mr. Michael Martz, President, Inline Utilities, LLC. 21755 I45, Bldg. 11, Spring, Texas 77388.

Very Truly Yours,


Jack G. Coblenz, President
Source Environmental Sciences, Inc.
Consultant to Inline Utilities, LLC

**Response to Docket No. 2009-0444-UCR
Inline Utilities, LLC
Application Nos. 36063-C and 36064-C
Mailing List**

Cc: Tammy Benter
Texas Commission on Environmental Quality
Utilities & Districts Section
Water Supply Division
P.O. Box 13087
Austin, Texas 78711

Doug Holcomb, Section Manager
Texas Commission on Environmental Quality
Utilities & Districts Section
Water Supply Division
P.O. Box 13087
Austin, Texas 78711

Hearing Officer Assigned to Docket No. 2009-0444-UCR
Office of the Chief Clerk, MC 105
P.O. Box 13087
Austin, TX 78711

Michael Martz, President
Inline Utilities, LLC.
21755 I45, Bldg. 11
Spring, Texas 77388

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 7, 2009

CERTIFIED MAIL

BY FAX TO 713/621-4588 AND
BY CERTIFIED MAIL

Mr. Jack G. Coblenz, P.G.
Source Environmental Sciences, Inc.
4100 Westheimer, Suite 106
Houston, Texas 77027-4427

Re: Docket No. 2009-0444-UCR; Application from Inline Utilities, LLC, A1386, to Obtain a Water Certificate of Convenience and Necessity (CCN) in Harris County; Application No. 36063-C

Docket No. 2009-0444-UCR; Application from Inline Utilities, LLC, A1387, to Obtain a Sewer CCN in Harris County; Application No. 36064-C

CN: 601479777; RN: 105537930 (water) and 105537948 (sewer)

Dear Mr. Coblenz:

After careful review of the information submitted in response to our Notice of Deficiency (NOD) letters dated December 9, 2008 and January 20, 2009, respectively, staff is requesting a hearing for the following reasons:

- ▶ The application and supplemental information continue to lack comprehensive financial information.
- ▶ The need for service in the proposed area remains speculative.
- ▶ No plans and specs, or engineering report have been submitted to the Water Supply Division for review.

The Commission's Chief Clerk has assigned Docket No. 2009-0444-UCR to this matter. Any further communications should refer to this docket number. V.T.C.A. Water Code, Section 13.246 provides that affected parties may protest the applications and request a hearing on whether a CCN should be amended. Please see the enclosed mailing list.

This matter has been referred to the State Office of Administrative Hearings to schedule a hearing. When a hearing has been scheduled, you will receive a notice of hearing which explains when and where the hearing will be held.

Mr. Jack G. Coblenz, P.G.

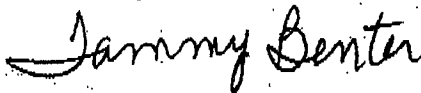
Page 2

April 7, 2009

In order to review the applications, the staff of the TCEQ may need additional information regarding your utility's service. You may be receiving Staff Requests for Information (RFI's) within a few weeks. We would appreciate your cooperation in providing the information requested.

If you have questions about this process or what material you should bring with you to the hearing, please contact Ms. Stacy Leigh Foster at (512) 239-3105.

Sincerely,



for Doug Holcomb, P.E., Section Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

DH/TB/SLF/ln

cc: Attached Mailing List

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

LaDonna Castañuela JUN 24 2009
LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality

STATE OF TEXAS §

COUNTY OF TRAVIS §

I, LaDonna Castañuela, Chief Clerk of the Texas Commission on Environmental Quality, do hereby certify that the attached mailing list provides the persons to whom the notice of the public hearing for Inline Utilities, LLC, SOAH Docket No. 582-09-4318, TCEQ Docket No. 2009-0444-UCR, was mailed on June 19, 2009.

Given under my hand and the seal of the Texas Commission on Environmental Quality, this
the 19th day of June, 2009.

LaDonna Castañuela
LaDonna Castañuela, Chief Clerk
Texas Commission on Environmental Quality

(SEAL)

MAILING LIST
Inline Utilities, LLC
SOAH Docket No. 582-09-4318
TCEQ Docket No. 2009-0444-UCR

Jack G. Coblenz, P.G.
Source Environmental Sciences, Inc.
4100 Westheimer, Suite 106
Houston, Texas 77027-4427
Representing: Inline Utilities, LLC

Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

Via electronic mail:

Douglas Brown, Staff Attorney, Environmental Law Division (MC 173)
Stacy Leigh Foster, Technical Staff, Water Supply Division, Utilities & Districts Section
(MC 153)
Brian Dickey, Technical Staff, Water Supply Division, Utilities & Districts Section
(MC 153)
Blas Coy, Office of Public Interest Counsel (MC 103)

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2009 JUN 25 AM 8:46

**TEXAS COMMISSION
ON ENVIRONMENTAL QUALITY**

TRANSMITTAL OF ADMINISTRATIVE RECORD



DATE: June 24, 2009

TO: SOAH Natural Resources Docket Clerk

FROM:  Emily Reyna

RE: Inline Utilities, LLC
SOAH Docket No. 582-09-4318; TCEQ Docket No. 2009-0444-UCR

Pursuant to 30 TAC § 80.6(b)(4) regarding referrals to SOAH, a copy of the Chief Clerk's case file is attached. Please find **certified** copies of the following documents:

-  1. the application;
-  2. public hearing notice and Chief Clerk's affidavit

If any of these documents are not included as enclosures with this memo, please notify Deanna Avalos, Final Documents Team Leader at (512) 239-3327.