in charge of his presence and shall exhibit proper credentials. If any member, employee, Commission contractor, or agent is refused the right to enter in or on public or private property under this authority, the Executive Director may invoke the remedies authorized in TWC §7.002. The statement above, that Commission entry shall occur in accordance with an establishment's rules and regulations concerning safety, internal security, and fire protection, is not grounds for denial or restriction of entry to any part of the facility, but merely describes the Commission's duty to observe appropriate rules and regulations during an inspection.

4. Permit Amendment or Renewal

a. The permittee shall give notice to the Executive Director as soon as possible of any planned physical alterations or additions to the permitted facility if such alterations or additions would require a permit amendment or result in a violation of permit requirements. Notice shall also be required under this paragraph when:

i. the alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in accordance with 30 TAC §305.534 (relating to New Sources and New Dischargers); or

ii. the alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants that are subject neither to effluent limitations in the permit, nor to notification requirements in Monitoring and Reporting Requirements No. 9; or

iii. the alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan.

b. Prior to any facility modifications, additions, or expansions that will increase the plant capacity beyond the permitted flow, the permittee must apply for and obtain proper authorization from the Commission before commencing construction.

c. The permittee must apply for an amendment or renewal at least 180 days prior to expiration of the existing permit in order to continue a permitted activity after the expiration date of the permit. If an application is submitted prior to the expiration date of the permit, the existing permit shall remain in effect until the application is approved, denied, or returned. If the application is returned or denied, authorization to continue such activity shall terminate upon the effective date of the action. If an application is not submitted prior to the expiration date of the permit, the permit shall expire and authorization to continue such activity shall terminate.

d. Prior to accepting or generating wastes that are not described in the permit application or that would result in a significant change in the quantity or quality of the existing discharge, the permittee must report the proposed changes to the Commission. The permittee must apply for a permit amendment reflecting any necessary changes in permit conditions, including effluent limitations for pollutants not identified and limited by this permit.

e. In accordance with the TWC §26.029(b), after a public hearing, notice of which shall be given to the permittee, the Commission may require the permittee, from time to time, for good cause, in accordance with applicable laws, to conform to new or additional conditions.

f. If any toxic effluent standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is promulgated under CWA §307(a) for a toxic pollutant that is present in the discharge and that standard or prohibition is more stringent than any limitation on the pollutant in this permit, this permit shall be modified or revoked and reissued to conform to the toxic effluent standard or prohibition. The permittee shall comply with effluent standards or prohibitions established under CWA §307(a)for toxic pollutants within the time provided in the regulations that established those standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

5. Permit Transfer

   a. Prior to any transfer of this permit, Commission approval must be obtained. The Commission shall be notified in writing of any change in control or ownership of facilities authorized by this permit. Such notification should be sent to the Applications Review and Processing Team (MC 148) of the Water Quality Division.

   b. A permit may be transferred only according to the provisions of 30 TAC §305.64 (relating to Transfer of Permits) and 30 TAC §50.133 (relating to Executive Director Action on Application or WQMP update).

6. Relationship to Hazardous Waste Activities

   This permit does not authorize any activity of hazardous waste storage, processing, or disposal that requires a permit or other authorization pursuant to the Texas Health and Safety Code.

7. Relationship to Water Rights

   Disposal of treated effluent by any means other than discharge directly to water in the state must be specifically authorized in this permit and may require a permit pursuant to Texas Water Code Chapter 11.

8. Property Rights

   A permit does not convey any property rights of any sort, or any exclusive privilege.

9. Permit Enforceability

   The conditions of this permit are severable, and if any provision of this permit, or the application of any provision of this permit to any circumstances, is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

10. Relationship to Permit Application

    The application pursuant to which the permit has been issued is incorporated herein; provided, however, that in the event of a conflict between the provisions of this permit and the application, the provisions of the permit shall control.

11. Notice of Bankruptcy.

    a. Each permittee shall notify the executive director, in writing, immediately following the filing of a voluntary or involuntary petition for bankruptcy under any chapter of Title 11 (Bankruptcy) of the United States Code (11 USC) by or against:

       i. the permittee;
       ii. an entity (as that term is defined in 11 USC, §101(15)) controlling the permittee or listing the permit or permittee as property of the estate; or
       iii. an affiliate (as that term is defined in 11 USC, §101(2)) of the permittee.

    b. This notification must indicate:

       i. the name of the permittee;
       ii. the permit number(s);
       iii. the bankruptcy court in which the petition for bankruptcy was filed; and
       iv. the date of filing of the petition.

OPERATIONAL REQUIREMENTS

1. The permittee shall at all times ensure that the facility and all of its systems of collection, treatment, and disposal are properly operated and maintained. This includes, but is not limited to, the regular, periodic examination of wastewater solids within the treatment plant by the operator in order to maintain an appropriate quantity and quality of solids inventory as described in the

various operator training manuals and according to accepted industry standards for process control. Process control, maintenance, and operations records shall be retained at the facility site, or shall be readily available for review by a TCEQ representative, for a period of three years.

2. Upon request by the Executive Director, the permittee shall take appropriate samples and provide proper analysis in order to demonstrate compliance with Commission rules. Unless otherwise specified in this permit or otherwise ordered by the Commission, the permittee shall comply with all applicable provisions of 30 TAC Chapter 312 concerning sewage sludge use and disposal and 30 TAC §§319.21 - 319.29 concerning the discharge of certain hazardous metals.

3. Domestic wastewater treatment facilities shall comply with the following provisions:

   a. The permittee shall notify the Municipal Permits Team, Wastewater Permitting Section (MC 148) of the Water Quality Division, in writing, of any facility expansion at least 90 days prior to conducting such activity.

   b. The permittee shall submit a closure plan for review and approval to the Municipal Permits Team, Wastewater Permitting Section (MC 148) of the Water Quality Division, for any closure activity at least 90 days prior to conducting such activity. Closure is the act of permanently taking a waste management unit or treatment facility out of service and includes the permanent removal from service of any pit, tank, pond, lagoon, surface impoundment and/or other treatment unit regulated by this permit.

4. The permittee is responsible for installing prior to plant start-up, and subsequently maintaining, adequate safeguards to prevent the discharge of untreated or inadequately treated wastes during electrical power failures by means of alternate power sources, standby generators, and/or retention of inadequately treated wastewater.

5. Unless otherwise specified, the permittee shall provide a readily accessible sampling point and, where applicable, an effluent flow measuring device or other acceptable means by which effluent flow may be determined.

6. The permittee shall remit an annual water quality fee to the Commission as required by 30 TAC Chapter 21. Failure to pay the fee may result in revocation of this permit under TWC §7.302(b)(6).

7. Documentation

   For all written notifications to the Commission required of the permittee by this permit, the permittee shall keep and make available a copy of each such notification under the same conditions as self-monitoring data are required to be kept and made available. Except for information required for TPDES permit applications, effluent data, including effluent data in permits, draft permits and permit applications, and other information specified as not confidential in 30 TAC §1.5(d), any information submitted pursuant to this permit may be claimed as confidential by the submitter. Any such claim must be asserted in the manner prescribed in the application form or by stamping the words "confidential business information" on each page containing such information. If no claim is made at the time of submission, information may be made available to the public without further notice. If the Commission or Executive Director agrees with the designation of confidentiality, the TCEQ will not provide the information for public inspection unless required by the Texas Attorney General or a court pursuant to an open records request. If the Executive Director does not agree with the designation of confidentiality, the person submitting the information will be notified.

8. Facilities that generate domestic wastewater shall comply with the following provisions; domestic wastewater treatment facilities at permitted industrial sites are excluded.

   a. Whenever flow measurements for any domestic sewage treatment facility reach 75% of the permitted daily average or annual average flow for three consecutive months, the permittee must initiate engineering and financial planning for expansion and/or upgrading of the domestic wastewater treatment and/or collection facilities. Whenever the flow reaches 90% of the permitted daily average or annual average flow for three consecutive months, the permittee shall obtain necessary authorization from the Commission to commence construction of the necessary additional treatment and/or collection facilities. In the case of a domestic

wastewater treatment facility that reaches 75% of the permitted daily average or annual average flow for three consecutive months, and the planned population to be served or the quantity of waste produced is not expected to exceed the design limitations of the treatment facility, the permittee shall submit an engineering report supporting this claim to the Executive Director of the Commission.

If in the judgment of the Executive Director the population to be served will not cause permit noncompliance, then the requirement of this section may be waived. To be effective, any waiver must be in writing and signed by the Director of the Enforcement Division (MC 149) of the Commission, and such waiver of these requirements will be reviewed upon expiration of the existing permit; however, any such waiver shall not be interpreted as condoning or excusing any violation of any permit parameter.

b. The plans and specifications for domestic sewage collection and treatment works associated with any domestic permit must be approved by the Commission, and failure to secure approval before commencing construction of such works or making a discharge is a violation of this permit and each day is an additional violation until approval has been secured.

c. Permits for domestic wastewater treatment plants are granted subject to the policy of the Commission to encourage the development of area-wide waste collection, treatment, and disposal systems. The Commission reserves the right to amend any domestic wastewater permit in accordance with applicable procedural requirements to require the system covered by this permit to be integrated into an area-wide system, should such be developed; to require the delivery of the wastes authorized to be collected in, treated by or discharged from said system, to such area-wide system; or to amend this permit in any other particular to effectuate the Commission's policy. Such amendments may be made when the changes required are advisable for water quality control purposes and are feasible on the basis of waste treatment technology, engineering, financial, and related considerations existing at the time the changes are required, exclusive of the loss of investment in or revenues from any then existing or proposed waste collection, treatment or disposal system.

9. Domestic wastewater treatment plants shall be operated and maintained by sewage plant operators holding a valid certificate of competency at the required level as defined in 30 TAC Chapter 30.

10. For Publicly Owned Treatment Works (POTWs), the 30-day average (or monthly average) percent removal for BOD and TSS shall not be less than 85%, unless otherwise authorized by this permit.

11. Facilities that generate industrial solid waste as defined in 30 TAC §335.1 shall comply with these provisions:

a. Any solid waste, as defined in 30 TAC §335.1 (including but not limited to such wastes as garbage, refuse, sludge from a waste treatment, water supply treatment plant or air pollution control facility, discarded materials, discarded materials to be recycled, whether the waste is solid, liquid, or semisolid), generated by the permittee during the management and treatment of wastewater, must be managed in accordance with all applicable provisions of 30 TAC Chapter 335, relating to Industrial Solid Waste Management.

b. Industrial wastewater that is being collected, accumulated, stored, or processed before discharge through any final discharge outfall, specified by this permit, is considered to be industrial solid waste until the wastewater passes through the actual point source discharge and must be managed in accordance with all applicable provisions of 30 TAC Chapter 335.

c. The permittee shall provide written notification, pursuant to the requirements of 30 TAC §335.8(b)(1), to the Corrective Action Section (MC 127) of the Remediation Division informing the Commission of any closure activity involving an Industrial Solid Waste Management Uuit, at least 90 days prior to conducting such an activity.

d. Construction of any industrial solid waste management unit requires the prior written notification of the proposed activity to the Registration and Reporting Section (MC 129) of the Permitting and Remediation Support Division. No person shall dispose of industrial solid waste, including sludge or other solids from wastewater treatment processes, prior to fulfilling the deed recordation requirements of 30 TAC §335.5.

e. The term "industrial solid waste management unit" means a landfill, surface impoundment, waste-pile, industrial furnace, incinerator, cement kiln, injection well, container, drum, salt dome waste containment cavern, or any other structure vessel, appurtenance, or other improvement on land used to manage industrial solid waste.

f. The permittee shall keep management records for all sludge (or other waste) removed from any wastewater treatment process. These records shall fulfill all applicable requirements of 30 TAC Chapter 335 and must include the following, as it pertains to wastewater treatment and discharge:

i. volume of waste and date(s) generated from treatment process;
ii. volume of waste disposed of on-site or shipped off-site;
iii. date(s) of disposal;
iv. identity of hauler or transporter;
v. location of disposal site; and
vi. method of final disposal.

The above records shall be maintained on a monthly basis. The records shall be retained at the facility site, or shall be readily available for review by authorized representatives of the TCEQ for at least five years.

12. For industrial facilities to which the requirements of 30 TAC Chapter 335 do not apply, sludge and solid wastes, including tank cleaning and contaminated solids for disposal, shall be disposed of in accordance with THSC Code Chapter 361.

OTHER REQUIREMENTS

1. Violations of daily maximum limitations for the following pollutants shall be reported orally or by facsimile to TCEQ Region 5 within 24 hours from the time the permittee becomes aware of the violation, followed by a written report within five working days to TCEQ Region 5 and the Enforcement Division (MC-224):

METALS AND CYANIDE

Pollutant	MAL* (mg/L)
Aluminum (Total)	0.0025
Cadmium (Total)	0.001
Chromium (Total)	0.003
Copper (Total)	0.002
Cyanide (Total)	0.010
Lead (Total)	0.0005
Nickel (Total)	0.002
Silver (Total)	0.0005
Zinc (Total)	0.005

* Minimum analytical level

Test methods utilized shall be sensitive enough to demonstrate compliance with the permit effluent limitations. Permit compliance/noncompliance determinations will be based on the effluent limitations contained in this permit with consideration given to the MAL for the parameters specified above.

When an analysis of an effluent sample for any of the parameters listed above indicates no detectable levels above the MAL and the test method detection level is as sensitive as the specified MAL, a value of zero (0) shall be used for that measurement when determining calculations and reporting requirements for the self-reporting form. This applies to determinations of daily maximum concentration, calculations of loading and daily averages, and other reportable results.

When a reported value is zero (0) based on this MAL provision, the permittee shall submit the following statement with the self-reporting form either as a separate attachment to the form or as a statement in the comments section of the form.

> "The reported value(s) of zero (0) for [list parameter(s)] on the self-reporting form for [monitoring period date range] is based on the following conditions: 1) the analytical method used had a method detection level as sensitive as the MAL specified in the permit, and 2) the analytical results contained no detectable levels above the specified MAL."

When an analysis of an effluent sample for a parameter indicates no detectable levels and the test method detection level is not as sensitive as the MAL specified in the permit, or an MAL is not specified in the permit for that parameter, the level of detection achieved shall be used for that measurement when determining calculations and reporting requirements for the self-reporting form. A zero (0) may not be used.

2. RECEIPT AND DISCHARGE OF THIRD PARTY WASTES

This permit does not provide authorization for permittee to accept wastewaters from third party sources, neither does it prohibit acceptance of such wastewaters. This permit only provides the authorization to discharge these wastes. Should authorization to accept third party waste be required, it is the obligation of the permittee to obtain such authorization from the appropriate regulatory authority.

It is recognized that the permittee currently accepts wastewaters from the Red River Army Depot facilities via pipeline (subsurface collection system). The permittee shall provide written notification ninety (90) days prior to accepting any non-sanitary wastewaters from sources other than RRAD, or accepting any non-sanitary wastewaters that are of different character than those wastes currently accepted and treated. The written notification shall be made to the TCEQ Wastewater Permitting Section (MC-148) and Region 5 Office. Under some circumstances, the acceptance of non-sanitary third-party wastes may require the permit to be amended to include effluent limitations as required by the effluent limitation guidelines for the Centralized Waste Treatment Point Source Category under 40 CFR Part 437.

The quality and quantity of industrial wastewater discharged to the sanitary sewer must be monitored and controlled. The permittee shall maintain relevant records on-site for a period of five years. These records must be made readily available to TCEQ or EPA officials upon request. Relevant records include, but are not limited to, the following:

A. copies of any agreements or contracts concerning the acceptance and treatment of wastewaters from third parties;

B. maps, schematics, photographs, drawings, and narrative descriptions which demonstrate the agreed-upon transfer of responsibility between the permittee and other third parties for the wastewaters which are accepted via pipelines or other conducts;

C. analytical data which characterizes influent sources of wastewater into the collection system; and

D. any additional monitoring data for any wastewaters which are introduced into the collection system.

3. Plans and specifications for any additions to the waste collection and treatment works authorized by this permit must be approved pursuant to State Law, and failure to secure approval before commencing construction of such works is a violation of this permit.

4. The domestic wastewater treatment plant must be operated and maintained by a wastewater treatment plant operator holding a valid certificate of competency. The certificate of competency for the operator must be a Class A, Class B, Class C, or Class D certificate in accordance with 30 TAC §30.350.

5. The term "TTO" shall mean total toxic organics, which is the summation of all quantifiable values greater than 0.01 mg/L for the toxic organics listed in 40 CFR 433 Subpart A.

   In lieu of monitoring TTO, the permittee may make the following certification statement, to be submitted to the TCEQ Wastewater Permitting Section (MC-148) in September of each year.

   "Based on my inquiry of the person or persons directly responsible for managing compliance with the permit limitation for TTO, I certify that, to the best of my knowledge and belief, no dumping of concentrated toxic organics into the wastewaters has occurred since filing of the last discharge monitoring report. I further certify that this facility is implementing the toxic organic management plan submitted to the permitting authority."

6. REQUIREMENTS FOR NEW PONDS

   A. Subsequent to this permit issuance date, all **new** wastewater ponds must be lined in compliance with one of the following requirements:

      1. Soil Liner: The soil liner must contain clay-rich soil material (at least 30% of the liner material passing through a #200 mesh sieve, liquid limit greater than or equal to 30, and plasticity index greater than or equal to 15) along the sides and bottom of the pond. The liner material must be compacted in lifts of no more than 8 inches to 95% standard proctor

density at the optimum moisture content in accordance with ASTM D 698 to achieve a permeability equal to or less than 1×10^{-7} cm/sec. The liner must be a minimum thickness of 2.0 feet for water depths less than or equal to 8.0 feet and a minimum thickness of 3.0 feet for water depths greater than 8.0 feet.

2. Synthetic/Plastic/Rubber Liner: The liner must be either a plastic or rubber membrane liner at least 40 mils in thickness which completely covers the sides and the bottom of the pond and which is not subject to degradation due to reaction with wastewater with which it will come into contact. If this lining material is vulnerable to ozone or ultraviolet deterioration it must be covered with a protective layer of soil of at least six inches. A wastewater pond with a membrane liner must include an underdrain with a leachate detection and collection system.
3. Alternate Liner: The permittee shall submit plans for any other pond lining method. Pond liner plans must be approved in writing by the Executive Director of the TCEQ prior to pond construction.

The permittee shall provide certification, signed and sealed by a Texas-licensed professional engineer, that the completed pond lining and any required underdrain with leachate detection and collection system for the pond meet the above requirements prior to utilization of the facilities. The certification must be provided to the TCEQ Water Quality Assessment Team (MC-150), Compliance Monitoring Section (MC-224), and Region 5 Office. A copy of the liner certification must be kept on-site for future reference. Also, liner and any underdrain construction details (i.e., as-built drawings) for the storage pond must be provided to the TCEQ Water Quality Assessment Team (MC-150), Enforcement Division (MC-224), and Region 5 Office upon construction completion.

B. The permittee shall notify the TCEQ Region 5 Office upon completion of construction of any pond and at least a week prior to its use.

7. REQUIREMENTS FOR ALL PONDS

A. The permittee shall maintain a minimum two-foot freeboard for all wastewater ponds.

B. At least once per month, the permittee shall inspect any pond leak detection systems that are in service. Leaking ponds must be removed from service either until repairs are made or replacement ponds are constructed.

C. The liner must be recertified by a Texas-licensed professional engineer ensuring that the liner for the storage pond meets the above requirements each time the liner undergoes repair or each time sediments are cleaned from the pond. Within 45 days of completion of repair or cleaning, liner certifications should be provided to the TCEQ Water Quality Assessment Team (MC-150), Enforcement Division (MC-224), and Region 5 Office. A copy of the liner certification must be kept on-site for future reference.

8. SLUDGE REQUIREMENTS

The permittee shall comply with the following sludge requirements:

A. The permittee is authorized to dispose of sludge at a co-disposal landfill or land application site permitted or registered by the TCEQ.

B. The permittee shall use only those sewage sludge disposal practices that comply with the federal regulations for landfills and solid waste disposal established in 40 CFR Parts 257 and 258 and in accordance with all the applicable rules of the TCEQ.

C. The permittee shall handle and dispose of sewage sludge in accordance with all applicable state and federal regulations to protect public health and the environment from any reasonable anticipated adverse effects due to any toxic pollutants which may be present.

D. If an applicable "acceptable management practice" or numerical limitation for pollutants in sewage sludge promulgated under Clean Water Act (CWA) Section 405(d)(2) is more stringent than the sludge pollutant limit or acceptable management practice in this permit, or controls a pollutant not listed in this permit, the TCEQ may modify, revoke, or reissue this permit to conform to the requirements promulgated under CWA Section 405(d)(2). In accordance with 40 CFR §122.41, the facility must be in compliance with all requirements within one year following promulgation of the technical sludge regulation (40 CFR §5.3), regardless of whether the permit is modified to incorporate these standards.

E. Sewage sludge must be tested once during the term of the permit in accordance with the method specified in 40 CFR Part 261, Appendix II (Toxicity Characteristic Leaching Procedure, TCLP) or other method which receives the prior approval of the TCEQ. Sewage sludge failing this test must be managed according to Resource Conservation and Recovery Act (RCRA) standards for generators of hazardous waste processing, storage, or disposal. Following failure of any TCLP test, the management or disposal of sewage sludge at a facility other than an authorized hazardous waste processing, storage, or disposal facility is prohibited until such time as the permittee can demonstrate the sewage sludge no longer exhibits the hazardous waste toxicity characteristics (as demonstrated by the result of the TCLP tests). A written report must be provided to both the TCEQ Industrial and Hazardous Waste Permits Section (MC-130) and Region 5 Waste Section Manager within seven days after failing the TCLP test. The report must contain test results, certification that unauthorized waste management has stopped, and a summary of alternative disposal plans that comply with RCRA standards for the management of hazardous waste. In addition, the permittee shall prepare an annual report on the results of all sludge toxicity testing. The annual report must be submitted to the TCEQ Enforcement Division (MC-224) and Region 5 Office in May of each year.

F. Sewage Sludge Management Practices

1. Sewage sludge, if land applied, must not be spread when soil is saturated, frozen, or covered with ice, or during rain or when precipitation is imminent.
2. Disposal of sewage sludge must not cause a discharge to water in the State, including groundwater, or cause non-point source pollution of water in the State. Sludge must not be applied closer than 200 feet to any natural or artificial body of water.
3. Disposal of sewage sludge must not cause or contribute to the taking of any endangered or threatened species of plant, fish, or wildlife.
4. Disposal of sewage sludge must not result in the destruction or adverse modification of the critical habitat of endangered or threatened species.
5. Sludge must not be applied under provisions of this section on land within a designated 100-year flood plain.

G. The permittee shall give 180 days prior notice to the Executive Director of any change planned in the sewage sludge disposal practice.

H. Reporting Requirements

The permittee shall keep records of all sludge disposal activities. Such records must include the following information:

i. dry weight (tons, or, if land applied, pounds per acre) of sludge disposed of at each disposal site;

ii. date(s) of disposal;

iii. identity of hauler(s);

iv. location of disposal site(s);

v. method of final disposal;

vi. owner of disposal site;

vii. results of TCLP tests (pass/fail); and

viii. TCEQ or TPDES permit number.

The above records must be maintained on a monthly basis and must be reported to the TCEQ Enforcement Division (MC-224) and Region 5 Office in May of each year. The permittee shall maintain the above records for five years, and they must be made available to the TCEQ upon request.

9. There is no mixing zone established for this discharge to an intermittent stream. Acute toxic criteria apply at the point of discharge.

10. The term "industrial wastewater" includes, but is not limited to: wastewater resulting directly from industrial process activity; water which comes into contact with a raw ingredient, an intermediate product, a final product, or a waste product related to an industrial process; stormwater or groundwater which has come into contact with soils which may be contaminated as a result of current or historical industrial process activities on the facility.

11. All wastewater containing domestic sewage must be given complete treatment (both primary and secondary) and chlorinated sufficiently to maintain at least a 1.0 mg/L chlorine residual and at most a 4.0 mg/L chlorine residual after at least 20 minutes contact time (based on peak flow) prior to discharge.

12. PERMIT EXPIRATION AND APPLICATION FOR RENEWAL

Except as provided in item B below, the expiration of this permit occurs at midnight at the end of the day on the expiration date.

A. In accordance with 30 TAC § 305.65, the permittee shall submit an application for permit renewal a minimum of 180 days before the expiration date specified on the cover page of this permit, except when written permission for a later date has been granted by the Executive Director. Under no circumstances will an initial application for renewal be accepted after January 1, 2018.

B. In accordance with 30 TAC § 305.65, if renewal procedures have been initiated before the permit expiration date (i.e., on or before January 1, 2018), the existing permit will remain in full force and effect and will not expire until Commission action on the application for renewal is final.

13. Monitoring results must be provided at the intervals specified in the permit. For pollutants which are monitored annually, effluent reports must be submitted in September of each year.

48-HOUR ACUTE BIOMONITORING REQUIREMENTS: FRESHWATER

The provisions of this Section apply to Outfall 001 for whole effluent toxicity (WET) testing.

1. Scope, Frequency and Methodology

a. The permittee shall test the effluent for toxicity in accordance with the provisions below. Such testing will determine if an appropriately dilute effluent sample adversely affects the survival of the test organisms.

b. The permittee shall conduct the following toxicity tests utilizing the test organisms, procedures, and quality assurance requirements specified in this section of the permit and in accordance with "Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, Fifth Edition" (EPA-821-R-02-012), or its most recent update:

1) Acute static renewal 48-hour definitive toxicity test using the water flea (*Daphnia pulex* or *Ceriodaphnia dubia*). A minimum of five replicates with eight organisms per replicate shall be used in the control and in each dilution. This test shall be conducted once per quarter.

2) Acute static renewal 48-hour definitive toxicity test using the fathead minnow (*Pimephales promelas*). A minimum of five replicates with eight organisms per replicate shall be used in the control and in each dilution. This test shall be conducted once per quarter.

The permittee must perform and submit a valid test for each test species during the required reporting period for that species. A minimum of five replicates with eight organisms per replicate shall be used in the control and each dilution. A repeat test shall include the control and all effluent dilutions and use the appropriate number of organisms and replicates, as specified above. An invalid test is herein defined as any test failing to satisfy the test acceptability criteria, procedures, and quality assurance requirements specified in the test methods and permit.

c. The permittee shall use five effluent dilution concentrations and a control in each toxicity test. These additional effluent concentrations are 32%, 42%, 56%, 75%, and 100% effluent. The critical dilution, defined as 100% effluent, is the effluent concentration representative of the proportion of effluent in the receiving water during critical low flow or critical mixing conditions.

d. This permit may be amended to require a Whole Effluent Toxicity (WET) limit, Chemical-Specific (CS) effluent limits, a Best Management Practice (BMP), additional toxicity testing, and/or other appropriate actions to address sublethal toxicity. The permittee may be required to conduct a Toxicity Reduction Evaluation (TRE) for multiple toxic events.

e. Testing Frequency Reduction

1) If none of the first four consecutive quarterly tests demonstrates significant lethality, the permittee may submit this information in writing and, upon approval, reduce the testing frequency to once per six months for the invertebrate test species and once per year for the vertebrate test species.

2) If one or more of the first four consecutive quarterly tests demonstrates significant lethality, the permittee shall continue quarterly testing for that species until the permit is reissued. If a testing frequency reduction had been previously granted and a subsequent test demonstrates significant toxicity, the permittee will resume a quarterly testing frequency for that species until the permit is reissued.

f. The lethal No Observed Effect Concentration (NOEC) effluent limitations for both species of not less than 100% (see the EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS section) are effective at permit issuance.

g. If a test fails to meet the lethal NOEC of 100%, the testing frequency for that species will increase to monthly until such time compliance is demonstrated for a period of three consecutive months, at which time the permittee may return to quarterly testing.

2. Required Toxicity Testing Conditions

a. Test Acceptance - The permittee shall repeat any toxicity test, including the control and all effluent dilutions, which fails to meet any of the following criteria:

1) a control mean survival of 90% or greater; and

2) a Coefficient of Variation percent (CV%) of 40 or less for both the control and critical dilution. However, if significant lethality is demonstrated, a CV% greater than 40 shall not invalidate the test. The CV% requirement does not apply when significant lethality occurs.

b. Statistical Interpretation

1) For the water flea and fathead minnow tests, the statistical analyses used to determine if there is a significant difference between the control and an effluent dilution shall be in accordance with the manual referenced above, or its most recent update.

2) The permittee is responsible for reviewing test concentration-response relationships to ensure that calculated test-results are interpreted and reported correctly. The EPA manual, "Method Guidance and Recommendation for Whole Effluent Toxicity (WET) Testing (40 CFR Part 136)" (EPA 821-B-00-004), provides guidance on determining the validity of test results.

3) If significant lethality is demonstrated (that is, there is a statistically significant difference in survival at the critical dilution when compared to the control), the conditions of test acceptability are met, and the survival of the test organisms are equal to or greater than 90% in the critical dilution and all dilutions below that, then the permittee shall report a survival No Observed Effect Concentration (NOEC) of not less than the critical dilution for the reporting requirements.

4) The NOEC is defined as the greatest effluent dilution at which no significant lethality is demonstrated. The Lowest Observed Effect Concentration (LOEC) is defined as the lowest effluent dilution at which significant lethality is demonstrated. Significant lethality is herein defined as a statistically significant difference between the survival of the test organism(s) in a specified effluent dilution compared to the survival of the test organism(s) in the control (0% effluent).

5) The use of NOECs and LOECs assumes either a monotonic (continuous) concentration-response relationship or a threshold model of the concentration-response relationship. For any test result that demonstrates a non-monotonic (non-continuous) response, the NOEC should be determined based on the guidance manual referenced in Item 2 above.

6) Pursuant to the responsibility assigned to the permittee in Part 2.b.2, test results that demonstrate a non-monotonic (non-continuous) concentration-response relationship may be submitted, prior to the due date, for technical review. The above-referenced guidance manual will be used when making a determination of test acceptability.

7) Staff will review test results for consistency with rules, procedures, and permit requirements.

c. Dilution Water

1) Dilution water used in the toxicity tests shall be the receiving water collected at a point upstream of the discharge as close as possible to the discharge point, but unaffected by the discharge. Where the toxicity tests are conducted on effluent discharges to receiving waters that are classified as intermittent streams, or where the toxicity tests are conducted on effluent discharges where no receiving water is available due to zero flow conditions, the permittee shall; (a) substitute a synthetic dilution water that has a pH, hardness, and alkalinity similar to that of the closest downstream perennial water unaffected by the discharge, or (b) utilize the closest downstream perennial water unaffected by the discharge.

2) Where the receiving water proves unsatisfactory as a result of preexisting instream toxicity (i.e. fails to fulfill the test acceptance criteria of item 2.a.), the permittee may substitute synthetic dilution water for the receiving water in all subsequent tests provided the unacceptable receiving water test met the following stipulations:

a) a synthetic lab water control was performed (in addition to the receiving water control) which fulfilled the test acceptance requirements of item 2.a;

b) the test indicating receiving water toxicity was carried out to completion; and

c) the permittee submitted all test results indicating receiving water toxicity with the reports and information required in Part 3 of this Section.

3) The synthetic dilution water shall consist of standard, moderately hard, reconstituted water. Upon approval, the permittee may substitute other appropriate dilution water with chemical and physical characteristics similar to that of the receiving water.

d. Samples and Composites

1) The permittee shall collect a minimum of two composite samples from Outfall 001. The second composite sample will be used for the renewal of the dilution concentrations for each toxicity test.

2) The permittee shall collect the composite samples such that the samples are representative of any periodic episode of chlorination, biocide usage, or other potentially toxic substance discharged on an intermittent basis.

3) The permittee shall initiate the toxicity tests within 36 hours after collection of the last portion of the first composite sample. The holding time for the subsequent composite sample shall not exceed 72 hours. Samples shall be maintained at a temperature of 0-6 degrees Centigrade during collection, shipping, and storage.

4) If Outfall 001 ceases discharging during the collection of effluent samples, the requirements for the minimum number of effluent samples, the minimum numbers of effluent portions, and the sample holding time, are waived during that sampling period. However, the permittee must have collected an effluent composite sample volume sufficient to complete the required toxicity tests with renewal of the effluent. When possible, the effluent samples used for the toxicity tests shall be collected on separate days if the discharge occurs over multiple days. The sample collection duration and the static renewal protocol associated with the abbreviated sample collection must be documented in the full report.

3. Reporting

All reports, tables, plans, summaries, and related correspondence required in any Part of this Section shall be submitted to the attention of the Standards Implementation Team (MC 150) of the Water Quality Division.

a. The permittee shall prepare a full report of the results of all tests conducted in accordance with the manual referenced above, or its most recent update, for every valid and invalid toxicity test initiated whether carried to completion or not.

b. The permittee shall routinely report the results of each biomonitoring test on the Table 1 forms provided with this permit.

1) Annual biomonitoring test results are due on or before January 20th for biomonitoring conducted during the previous 12 month period.

2) Semiannual biomonitoring test results are due on or before July 20th and January 20th for biomonitoring conducted during the previous 6 month period.

3) Quarterly biomonitoring test results are due on or before April 20th, July 20th, October 20th, and January 20th, for biomonitoring conducted during the previous calendar quarter.

4) Monthly biomonitoring test results are due on or before the 20th day of the month following sampling.

c. Enter the following codes for the appropriate parameters for valid tests only:

1) For the water flea, Parameter TEM3D, enter a "1" if the NOEC for survival is less than the critical dilution; otherwise, enter a "0."

2) For the water flea, Parameter TOM3D, report the NOEC for survival.

3) For the water flea, Parameter TXM3D, report the LOEC for survival.

4) For the fathead minnow, Parameter TEM6C, enter a "1" if the NOEC for survival is less than the critical dilution; otherwise, enter a "0."

5) For the fathead minnow, Parameter TOM6C, report the NOEC for survival.

6) For the fathead minnow, Parameter TXM6C, report the LOEC for survival.

d. The permittee shall report the lethal WET values for the 30-day average and the 7-day minimum under Parameter No. 22414 for the appropriate reporting period for both test species. If more than one valid test for one or both test species was performed during the reporting period, the NOECs will be averaged arithmetically and reported as the daily average NOEC. The data submitted should reflect the lowest lethal values during the reporting period.

TABLE 1 (SHEET 1 OF 2)

WATER FLEA SURVIVAL

Dates and Times Composites Collected — Date Time / Date Time

No. 1 FROM: _____ TO: _____

No. 2 FROM: _____ TO: _____

Test initiated: _____ am/pm _____ date

Dilution water used: _____ Receiving water _____ Synthetic Dilution water

PERCENT SURVIVAL

Time	Rep	Percent effluent					
		0%	32%	42%	56%	75%	100%
24h	A						
	B						
	C						
	D						
	E						
48h	A						
	B						
	C						
	D						
	E						
Mean at test end							
CV%*							

*Coefficient of Variation = Standard Deviation × 100/mean

Dunnett's Procedure or Steel's Many-One Rank Test as appropriate:

Is the mean survival at 48 hours significantly less than the control survival?

CRITICAL DILUTION (100%): _____ YES _____ NO

Enter percent effluent corresponding to the NOEC below:

1) NOEC survival = _____% effluent

2) LOEC survival = _____% effluent

TABLE 1 (SHEET 2 OF 2)

FATHEAD MINNOW SURVIVAL

Dates and Times Composites Collected

No. 1 FROM: _____ Date Time TO: _____ Date Time

No. 2 FROM: _____ TO: _____

Test initiated: _____ am/pm _____ date

Dilution water used: _____ Receiving water _____ Synthetic Dilution water

PERCENT SURVIVAL

Time	Rep	Percent effluent					
		0%	32%	42%	56%	75%	100%
24h	A						
	B						
	C						
	D						
	E						
48h	A						
	B						
	C						
	D						
	E						
Mean at test end							
CV%*							

* Coefficient of Variation = standard deviation × 100/mean

Dunnett's Procedure or Steel's Many-One Rank Test as appropriate:

Is the mean survival at 48 hours significantly less than the control survival?

CRITICAL DILUTION (100%): _____ YES _____ NO

Enter percent effluent corresponding to the NOEC below:

1) NOEC survival = _____% effluent

2) LOEC survival = _____% effluent

24-HOUR ACUTE BIOMONITORING REQUIREMENTS: FRESHWATER

The provisions of this section apply to Outfall 001 for whole effluent toxicity testing (biomonitoring)

1. Scope, Frequency and Methodology

a. The permittee shall test the effluent for lethality in accordance with the provisions in this Section. Such testing will determine compliance with the Texas Surface Water Quality Standards, 30 TAC §307.6(e)(2)(B), of greater than 50% survival of the appropriate test organisms in 100% effluent for a 24-hour period.

b. The toxicity tests specified shall be conducted once per six months. The permittee shall conduct the following toxicity tests utilizing the test organisms, procedures, and quality assurance requirements specified in this section of the permit and in accordance with "Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, Fifth Edition" (EPA-821-R-02-012), or its most recent update:

1) Acute 24-hour static toxicity test using the water flea (*Daphnia pulex* or *Ceriodaphnia dubia*). A minimum of five replicates with eight organisms per replicate shall be used in the control and in each dilution.

2) Acute 24-hour static toxicity test using the fathead minnow (*Pimephales promelas*). A minimum of five replicates with eight organisms per replicate shall be used in the control and in each dilution.

The permittee must perform and report a valid test for each test species during the prescribed reporting period. An invalid test must be repeated during the same reporting period. An invalid test is herein defined as any test failing to satisfy the test acceptability criteria, procedures, and quality assurance requirements specified in the test methods and permit. All test results, valid or invalid, must be submitted as described below.

c. In addition to an appropriate control, a 100% effluent concentration shall be used in the toxicity tests. The control and dilution water shall consist of standard, synthetic, moderately hard, reconstituted water.

d. This permit may be amended to require a WET limit, a Best Management Practice (BMP), Chemical-Specific (CS) limits, or other appropriate actions to address toxicity. The permittee may be required to conduct a Toxicity Reduction Evaluation after multiple toxic events.

e. As the dilution series specified in the 48-Hour Acute Biomonitoring Requirements includes a 100% effluent concentration, the results from those tests may fulfill the requirements of this Section; any tests performed in the proper time interval may be substituted. Compliance will be evaluated as specified in item a. The 50% survival in 100% effluent for a 24-hour period standard applies to all tests utilizing a 100% effluent dilution, regardless of whether the results are submitted to comply with the minimum testing frequency defined in item b.

2. Required Toxicity Testing Conditions

a. Test Acceptance – The permittee shall repeat any toxicity test, including the control, if the control fails to meet a mean survival equal to or greater than 90%.

b. Dilution Water - In accordance with item 1.c., the control and dilution water shall consist of standard, synthetic, moderately hard, reconstituted water.

c. Samples and Composites

1) The permittee shall collect one composite sample from Outfall 001.

2) The permittee shall collect the composite samples such that the samples are representative of any periodic episode of chlorination, biocide usage, or other potentially toxic substance discharged on an intermittent basis.

3) The permittee shall initiate the toxicity tests within 36 hours after collection of the last portion of the composite sample. Samples shall be maintained at a temperature of 0-6 degrees Centigrade during collection, shipping, and storage.

4) If Outfall 001 ceases discharging during the collection of the effluent composite sample, the requirements for the minimum number of effluent portions are waived. However, the permittee must have collected a composite sample volume sufficient for completion of the required test. The abbreviated sample collection, duration, and methodology must be documented in the full report required in Part 3 of this Section.

5) The effluent samples shall not be dechlorinated after sample collection.

3. Reporting

All reports, tables, plans, summaries, and related correspondence required in any Part of this Section shall be submitted to the attention of the Standards Implementation Team (MC 150) of the Water Quality Division.

a. The permittee shall prepare a full report of the results of all tests conducted pursuant to this permit in accordance with the manual referenced above, or its most recent update, for every valid and invalid toxicity test initiated.

b. The permittee shall routinely report the results of each biomonitoring test on the Table 2 forms provided with this permit.

1) Semiannual biomonitoring test results are due on or before January 20th and July 20th for biomonitoring conducted during the previous 6 month period.

2) Quarterly biomonitoring test results are due on or before January 20th, April 20th, July 20th, and October 20th, for biomonitoring conducted during the previous calendar quarter.

c. Enter the following codes for the appropriate parameters for valid tests only:

1) For the water flea, Parameter TIE3D, enter a "0" if the mean survival at 24-hours is greater than 50% in the 100% effluent dilution; if the mean survival is less than or equal to 50%, enter "1."

2) For the fathead minnow, Parameter TIE6C, enter a "0" if the mean survival at 24-hours is greater than 50% in the 100% effluent dilution; if the mean survival is less than or equal to 50%, enter "1."

d. Enter the following codes for retests only:

1) For retest number 1, Parameter 22415, enter a "0" if the mean survival at 24-hours is greater than 50% in the 100% effluent dilution; if the mean survival is less than or equal to 50%, enter "1."

2) For retest number 2, Parameter 22416, enter a "0" if the mean survival at 24-hours is greater than 50% in the 100% effluent dilution; if the mean survival is less than or equal to 50%, enter "1."

4. Persistent Mortality

The requirements of this Part apply when a toxicity test demonstrates significant lethality, here defined as a mean mortality of 50% or greater to organisms exposed to the 100% effluent concentration after 24-hours.

a. The permittee shall conduct 2 additional tests (retests) for each species that demonstrates significant lethality. The two retests shall be conducted once per week for 2 weeks. Five effluent dilution concentrations in addition to an appropriate control shall be used in the retests. These additional effluent concentrations are 6%, 13%, 25%, 50% and 100% effluent. The first retest shall be conducted within 15 days of the laboratory determination of significant lethality. All test results shall be submitted within 20 days of test completion of the second retest. Test completion is defined as the 24th hour.

b. If one or both of the two retests specified in item 4.a. demonstrates significant lethality, the permittee shall initiate the TRE requirements as specified in Part 5 of this Section.

5. Toxicity Reduction Evaluation

a. Within 45 days of the retest that demonstrates significant lethality, the permittee shall submit a General Outline for initiating a Toxicity Reduction Evaluation (TRE). The outline shall include, but not be limited to, a description of project personnel, a schedule for obtaining consultants (if needed), a discussion of influent and effluent data available for review, a sampling and analytical schedule, and a proposed TRE initiation date.

b. Within 90 days of the retest that demonstrates significant lethality, the permittee shall submit a TRE Action Plan and Schedule for conducting a TRE. The plan shall specify the approach and methodology to be used in performing the TRE. A TRE is a step-wise investigation combining toxicity testing with physical and chemical analysis to determine actions necessary to eliminate or reduce effluent toxicity to a level not effecting significant lethality at the critical dilution. The TRE Action Plan shall lead to the successful elimination of significant lethality for both test species defined in item 1.b. As a minimum, the TRE Action Plan shall include the following:

1) Specific Activities - The TRE Action Plan shall specify the approach the permittee intends to utilize in conducting the TRE, including toxicity characterizations, identifications, confirmations, source evaluations, treatability studies, and alternative approaches. When conducting characterization analyses, the permittee shall perform multiple characterizations and follow the procedures specified in the document entitled, "Methods for Aquatic Toxicity Identification Evaluations: Phase I Toxicity Characterization Procedures" (EPA/600/6-91/003), or alternate procedures. The permittee shall perform multiple identifications and follow the methods specified in the documents entitled, "Methods for Aquatic Toxicity Identification Evaluations, Phase II Toxicity Identification Procedures for Samples Exhibiting Acute and Chronic Toxicity" (EPA/600/R-92/080) and "Methods for Aquatic Toxicity Identification Evaluations, Phase III Toxicity Confirmation Procedures for Samples Exhibiting Acute and Chronic Toxicity" (EPA/600/R-92/081). All characterization, identification, and confirmation tests shall be conducted in an orderly and logical progression;

2) Sampling Plan - The TRE Action Plan should describe sampling locations, methods, holding times, chain of custody, and preservation techniques. The effluent sample volume collected for all tests shall be adequate to perform the toxicity characterization/ identification/confirmation procedures, and chemical-specific analyses when the toxicity tests show significant lethality. Where the permittee has identified or suspects specific pollutant(s) and source(s) of effluent toxicity, the permittee shall conduct, concurrent with toxicity testing, chemical-specific analyses for the identified and suspected pollutant(s) and source(s) of effluent toxicity;

3) Quality Assurance Plan - The TRE Action Plan should address record keeping and data evaluation, calibration and standardization, baseline tests, system blanks, controls, duplicates, spikes, toxicity persistence in the samples, randomization, reference toxicant control charts, as well as mechanisms to detect artifactual toxicity; and

4) Project Organization - The TRE Action Plan should describe the project staff, manager, consulting engineering services (where applicable), consulting analytical and toxicological services, etc.

c. Within 30 days of submittal of the TRE Action Plan and Schedule, the permittee shall implement the TRE.

d. The permittee shall submit quarterly TRE Activities Reports concerning the progress of the TRE. The quarterly TRE Activities Reports are due on or before April 20th, July 20th, October 20th, and January 20th. The report shall detail information regarding the TRE activities including:

1) results and interpretation of any chemical-specific analyses for the identified and suspected pollutant(s) performed during the quarter;

2) results and interpretation of any characterization, identification, and confirmation tests performed during the quarter;

3) any data and substantiating documentation which identifies the pollutant(s) and source(s) of effluent toxicity;

4) results of any studies/evaluations concerning the treatability of the facility's effluent toxicity;

5) any data which identifies effluent toxicity control mechanisms that will reduce effluent toxicity to the level necessary to eliminate significant lethality; and

6) any changes to the initial TRE Plan and Schedule that are believed necessary as a result of the TRE findings.

Copies of the TRE Activities Report shall also be submitted to the U.S. EPA Region 6 office.

e. During the TRE, the permittee shall perform, at a minimum, quarterly testing using the more sensitive species; testing for the less sensitive species shall continue at the frequency specified in Part 1.b.

f. If the effluent ceases to effect significant lethality, the permittee may end the TRE. A "cessation of lethality" is defined as no significant lethality for a period of 12 consecutive weeks with at least weekly testing. At the end of the 12 weeks, the permittee shall submit a statement of intent to cease the TRE and may then resume the testing

frequency specified in Part 1.b. The permittee may only apply the "cessation of lethality" provision once.

This provision accommodates situations where operational errors and upsets, spills, or sampling errors triggered the TRE, in contrast to a situation where a single toxicant or group of toxicants cause lethality. This provision does not apply as a result of corrective actions taken by the permittee. "Corrective actions" are herein defined as proactive efforts which eliminate or reduce effluent toxicity. These include, but are not limited to, source reduction or elimination, improved housekeeping, changes in chemical usage, and modifications of influent streams and effluent treatment.

The permittee may only apply this cessation of lethality provision once. If the effluent again demonstrates significant lethality to the same species, the permit will be amended to add a WET limit with a compliance period, if appropriate. However, prior to the effective date of the WET limit, the permittee may apply for a permit amendment removing and replacing the WET limit with an alternate toxicity control measure by identifying and confirming the toxicant and an appropriate control measure.

g. The permittee shall complete the TRE and submit a Final Report on the TRE Activities no later than 18 months from the last test day of the retest that demonstrates significant lethality. The permittee may petition the Executive Director (in writing) for an extension of the 18-month limit. However, to warrant an extension the permittee must have demonstrated due diligence in their pursuit of the TIE/TRE and must prove that circumstances beyond their control stalled the TIE/TRE. The report shall specify the control mechanism(s) that will, when implemented, reduce effluent toxicity as specified in item 5.g. The report will also specify a corrective action schedule for implementing the selected control mechanism(s). A copy of the TRE Final Report shall also be submitted to the U.S. EPA Region 6 office.

h. Within 3 years of the last day of the test confirming toxicity, the permittee shall comply with 30 TAC §307.6(e)(2)(B), which requires greater than 50% survival of the test organism in 100% effluent at the end of 24 hours. The permittee may petition the Executive Director (in writing) for an extension of the 3-year limit. However, to warrant an extension the permittee must have demonstrated due diligence in their pursuit of the TIE/TRE and must prove that circumstances beyond their control stalled the TIE/TRE.

The requirement to comply with 30 TAC §307.6(e)(2)(B) may be exempted upon proof that toxicity is caused by an excess, imbalance, or deficiency of dissolved salts. This exemption excludes instances where individually toxic components (e.g. metals) form a salt compound. Following the exemption, the permit may be amended to include an ion-adjustment protocol, alternate species testing, or single species testing.

i. Based upon the results of the TRE and proposed corrective actions, this permit may be amended to modify the biomonitoring requirements where necessary, to require a compliance schedule for implementation of corrective actions, to specify a WET limit, to specify a BMP, and to specify a CS limit.

TABLE 2 (SHEET 1 OF 2)

WATER FLEA SURVIVAL

GENERAL INFORMATION

	Time	Date
Composite Sample Collected		
Test Initiated		

PERCENT SURVIVAL

Time	Rep	Percent effluent					
		0%	6%	13%	25%	50%	100%
24h	A						
	B						
	C						
	D						
	E						
	MEAN*						

Enter percent effluent corresponding to the LC50 below:

24 hour LC50 = _____% effluent

TABLE 2 (SHEET 2 OF 2)

FATHEAD MINNOW SURVIVAL

GENERAL INFORMATION

	Time	Date
Composite Sample Collected		
Test Initiated		

PERCENT SURVIVAL

Time	Rep	Percent effluent					
		0%	6%	13%	25%	50%	100%
24h	A						
	B						
	C						
	D						
	E						
	MEAN						

Enter percent effluent corresponding to the LC50 below:

24 hour LC50 = _____% effluent

SCHEDULE C-2
Copies of Certificates of Convenience and Necessity

See Attached page

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 29, 2012

Mr. William V. Cork, Executive Director
TexAmericas Center
107 Chapel Lane
New Boston, Texas 75570

Re: Application from TexAmericas Center, A1977, to Obtain a Water Certificate of Convenience and Necessity (CCN), in Bowie County; Application No. 37137-C

Application from TexAmericas Center, A1978, to Obtain a Sewer CCN, in Bowie County; Application No. 37138-C

CN: 600702740; RN: 106132574 (water) and 106132590 (sewer)

Dear Mr. Cork:

Enclosed are the following documents issued by the Commission in the above referenced applications:

- certified copy of the order
- certified copy of the maps
- copy of the CCNs

This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

You are now authorized to provide utility service in accordance with the rules and regulations of the Commission. Your last step is to file a certified copy of the CCN maps along with a written description of the CCN service areas in the county clerk's office pursuant to Texas Water Code, sections 13.257 (r) and (s).

If you have any questions, please contact Mr. Kent Steelman by phone at 512/239-5143, by fax at 512/239-6972, by email at Kent.Steelman@tceq.texas.gov, or if by correspondence, include MC 153 in the letterhead address.

Sincerely,

Linda Brookins

Linda Brookins, Director
Water Supply Division

LB/KS/mmg

Enclosures

cc: mailing list

MAILING LIST FOR APPLICATION NOS. 37137-C & 37138-C

Mr. William V. Cork, Executive Director
TexAmericas Center
107 Chapel Lane
New Boston, Texas 75570

Ms. Ruth Anne Sutton — Protestant
P.O. Box 6002
Texarkana, Texas 75505

Ms. Mary E. Gieb — Protestant
P.O. Box 5965
Texarkana, Texas 75505

TCEQ:

Region 5 Office

Data Entry, Business Support Section, Water Supply Division, MC 157
PDW Inventory Subgroup. MC 155

Please send a copy of the signed order to Central Records to be included in the following Certificate of Convenience and Necessity (CCN) permanent files:

TexAmericas Center, CCN No. 13210
TexAmericas Center, CCN No. 21067

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 29, 2012

TO: Persons on the attached mailing list.

RE: TexAmericas Center
Certificate of Convenience and Necessity Nos. 13210 and 21067

This letter is your notice that the Texas Commission on Environmental Quality (TCEQ) executive director (ED) has issued final approval of the above-named application. According to 30 Texas Administrative Code (TAC) Section 50.135 the approval became effective on the date the ED signed the approval. A copy of the final approval is enclosed and cites the effective date.

You may file a **motion to overturn** with the chief clerk. A motion to overturn is a request for the commission to review the TCEQ ED's approval of the application. Any motion must explain why the commission should review the TCEQ executive director's action. According to 30 TAC Section 50.139 an action by the ED is not affected by a motion to overturn filed under this section unless expressly ordered by the commission.

A motion to overturn must be received by the chief clerk within 23 days after the date of this letter. An original and 7 copies of a motion must be filed with the chief clerk in person, or by mail to the chief clerk's address on the attached mailing list. On the same day the motion is transmitted to the chief clerk, please provide copies to the applicant, the ED's attorney, and the Public Interest Counsel at the addresses listed on the attached mailing list. If a motion to overturn is not acted on by the commission within 45 days after the date of this letter, then the motion shall be deemed overruled.

You may also request **judicial review** of the ED's approval. According to Texas Water Code Section 5.351 a person affected by the ED's approval must file a petition appealing the ED's approval in Travis County district court within 30 days after the effective date of the approval. Even if you request judicial review, you still must exhaust your administrative remedies, which includes filing a motion to overturn in accordance with the previous paragraphs.

Individual members of the public may seek further information by calling the TCEQ Public Education Program, toll free, at 1-800-687-4040.

Sincerely,

Bridget C. Bohac

Bridget C. Bohac
Chief Clerk

BCB/ms

MAILING LIST
for
TexAmericas Center
Certificate of Convenience and Necessity Nos. 13210 and 21067

FOR THE APPLICANT:

William V. Cork, Executive Director
TexAmericas Center
107 Chapel Lane
New Boston, Texas 75570

INTERESTED PERSONS:

Ruth Anne Suttton
P.O. Box 6002
Texarkana, Texas 75505

Mary E. Gieb
P.O. Box 5965
Texarkana, Texas 75505

FOR THE EXECUTIVE DIRECTOR
via electronic mail:

Todd Galiga, Senior Attorney
Texas Commission on Environmental Quality
Environmental Law Division MC-173
P.O. Box 13087
Austin, Texas 78711-3087

Kent Steelman, Technical Staff
Texas Commission on Environmental Quality
Water Supply Division MC-153
P.O. Box 13087
Austin, Texas 78711-3087

FOR PUBLIC INTEREST COUNSEL
via electronic mail:

Blas J. Coy, Jr., Attorney
Texas Commission on Environmental Quality
Public Interest Counsel MC-103
P.O. Box 13087
Austin, Texas 78711-3087

FOR THE CHIEF CLERK
via electronic mail:

Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality
Office of Chief Clerk MC-105
P.O. Box 13087
Austin, Texas 78711-3087

Texas Commission On Environmental Quality

By These Presents Be It Known To All That

TexAmericas Center

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 13210

to provide continuous and adequate water utility service to that service area in Bowie County as by final Order duly entered by this Commission, which Order resulting from Application No. 37137-C is on file at the Commission offices in Austin, Texas; and is a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of TexAmericas Center to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this **May 23, 2012**

For the Commission

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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
Bridget C. Bohac MAY 29 2012
Bridget C. Bohac, Chief Clerk
Texas Commission on Environmental Quality

APPLICATION NOS. 37137-C & 37138-C

IN THE MATTER OF THE APPLICATIONS OF TEXAMERICAS CENTER TO OBTAIN WATER AND SEWER CERTIFICATES OF CONVENIENCE AND NECESSITY IN BOWIE COUNTY, TEXAS.	§ § § § § § §	BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

On **May 23, 2012**, the Executive Director of the Texas Commission on Environmental Quality pursuant to Chapters 5 and 13 of the Texas Water Code considered the applications of TexAmericas Center to obtain water and sewer Certificates of Convenience and Necessity in Bowie County, Texas.

Notice of the applications was given to all affected and interested parties. Protests from Mary E. Geib and Ruth Anne Sutton, were received on October 17, 2011. The protests were subsequently withdrawn on December 15, 2012 and December 29, 2012, respectively.

The criteria set forth in *Texas Water Code* Section 13.246(c) has been considered; and

Granting the certificates is necessary for the service, accommodation, convenience, and safety of the public.

Now, therefore, be it ordered by the Texas Commission on Environmental Quality that the applications are granted and Certificates of Convenience and Necessity Nos. 13210 and 21067 be issued in accordance with the terms and conditions set forth herein and in the certificates.

Texas Commission on Environmental Quality

Issued date: **May 23, 2012**

For the Commission

Texas Commission On Environmental Quality

By These Presents Be It Known To All That

TexAmericas Center

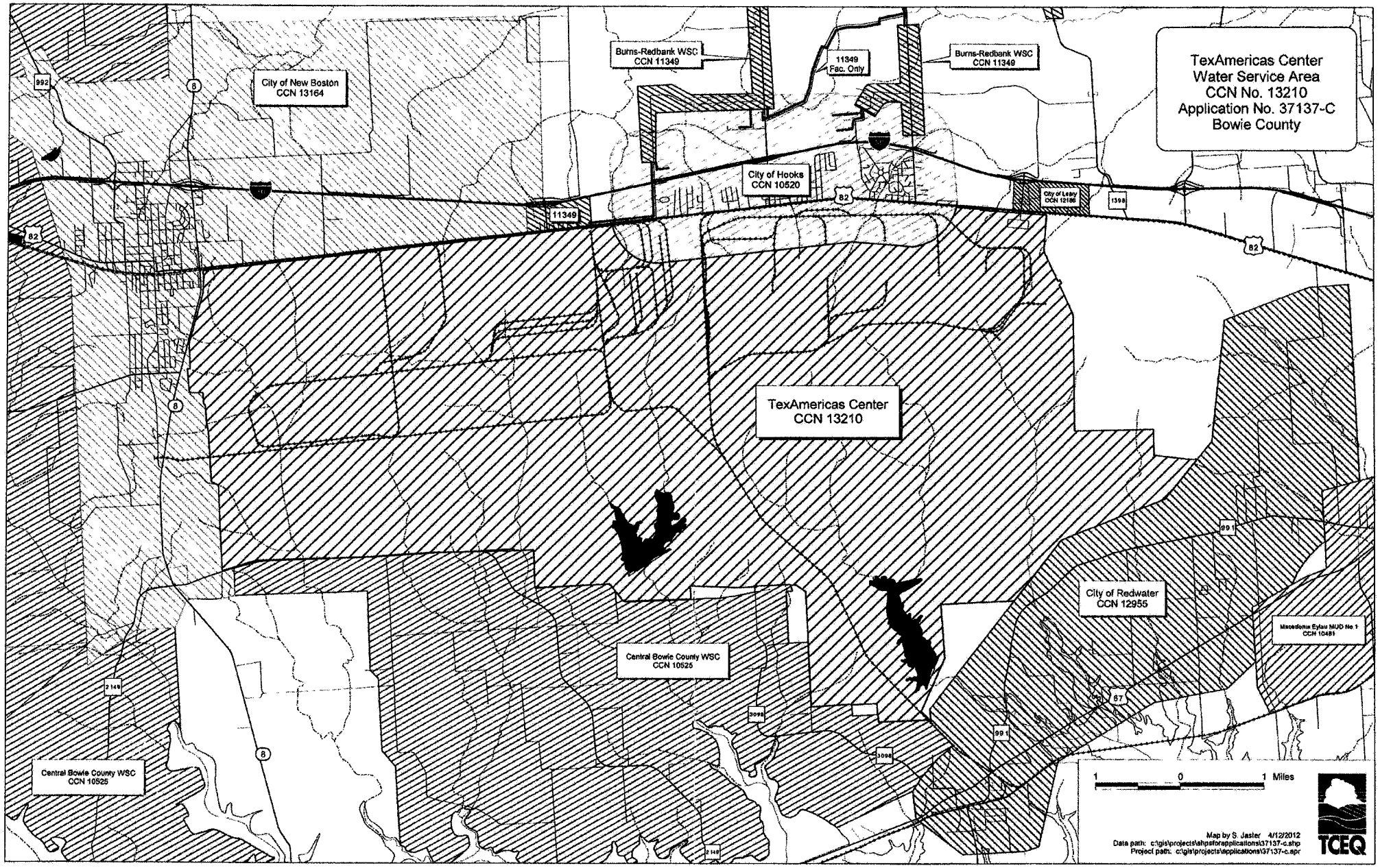
having duly applied for certification to provide sewer utility service for the convenience and necessity of the public, and it having been determined by this commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 21067

to provide continuous and adequate sewer utility service to that service area in Bowie County as by final Order duly entered by this Commission, which Order resulting from Application No. 37138-C is on file at the Commission offices in Austin, Texas; is a matter of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of TexAmericas Center to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this **May 23 2012**

For the Commission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CCN No. 13210
Application No. 37137-C
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City of New Boston
CCN 13164
Burns-Redbank WSC
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Burns-Redbank WSC
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City of Hooks
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TexAmericas Center
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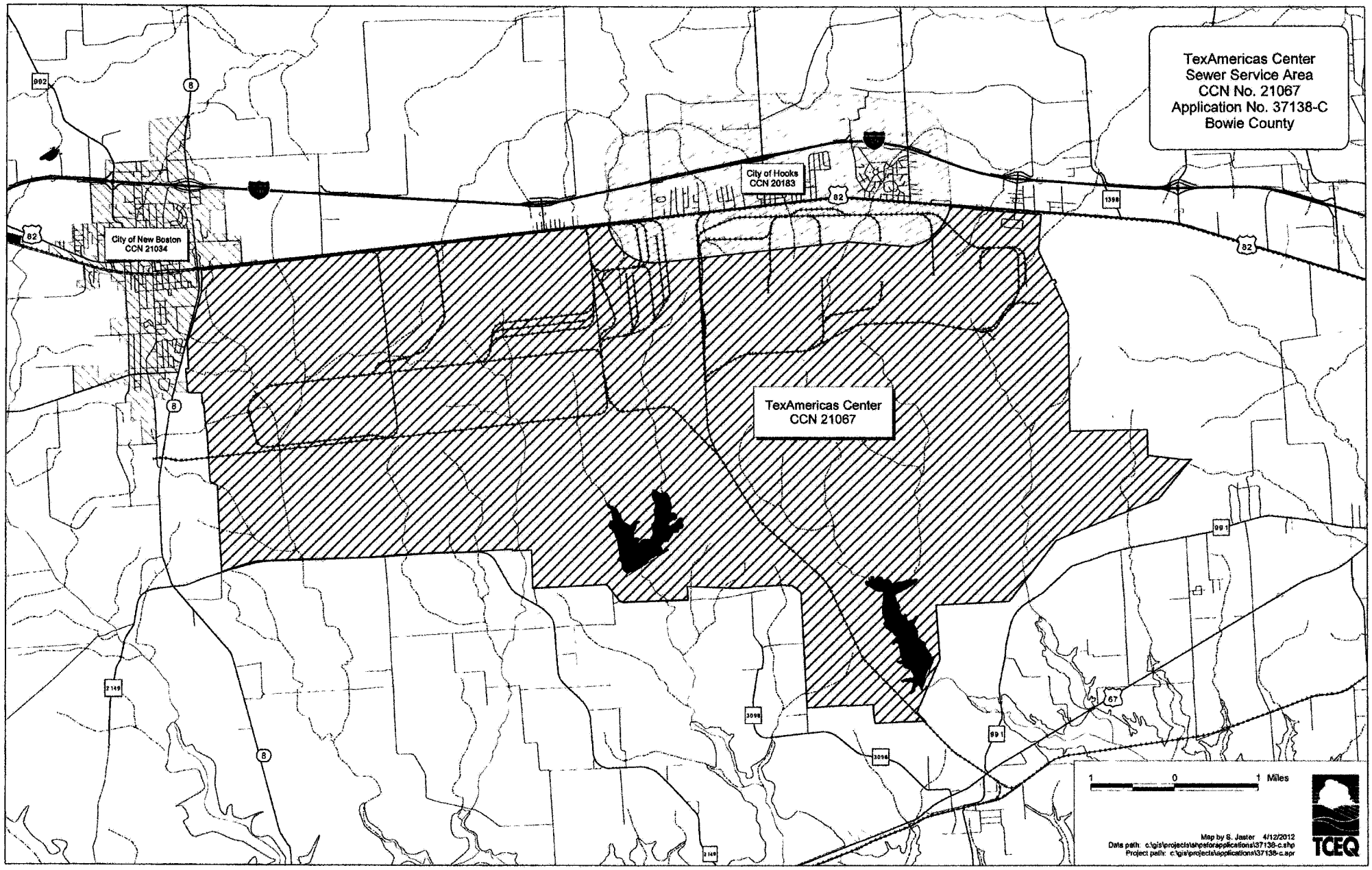
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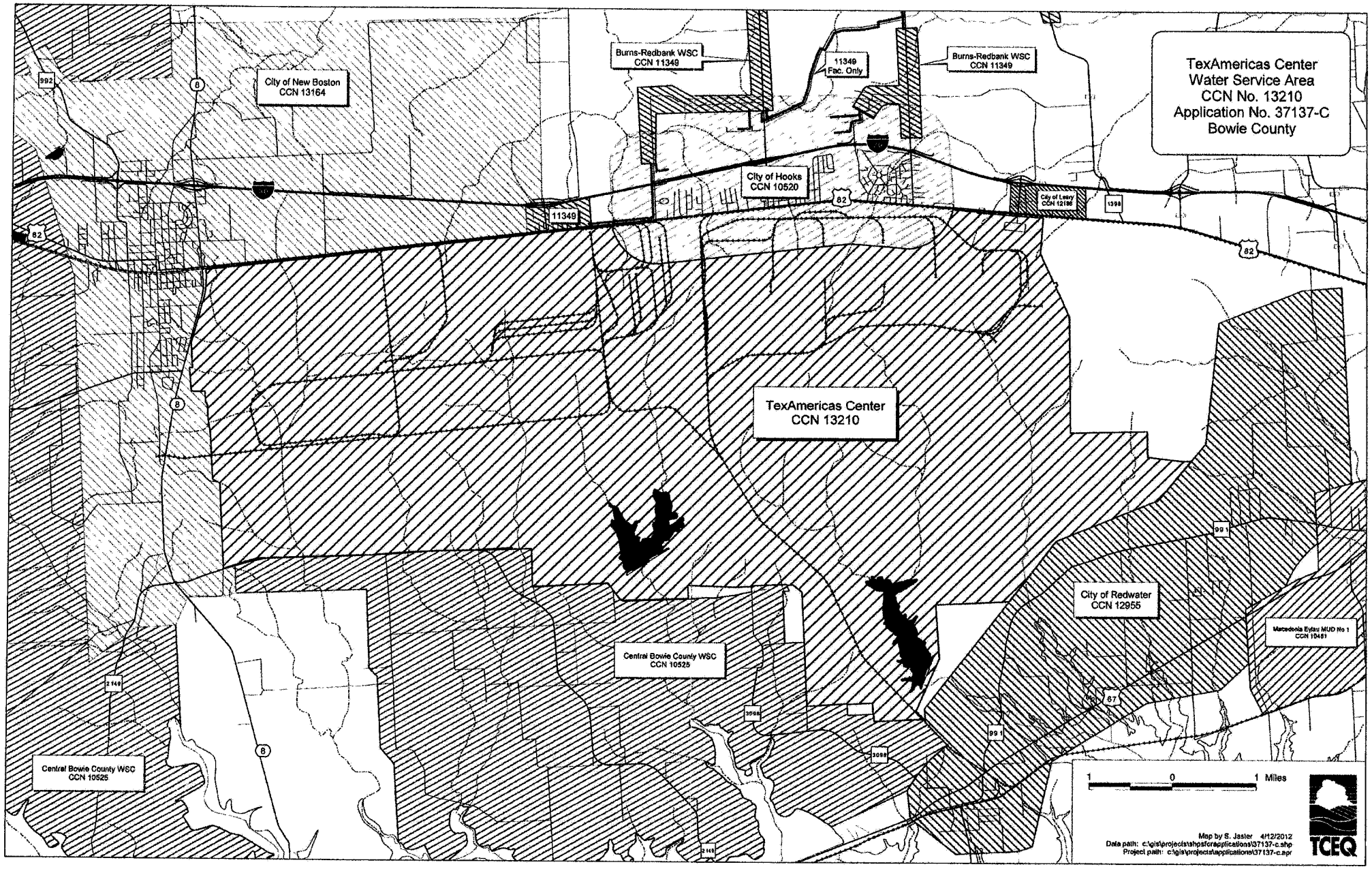
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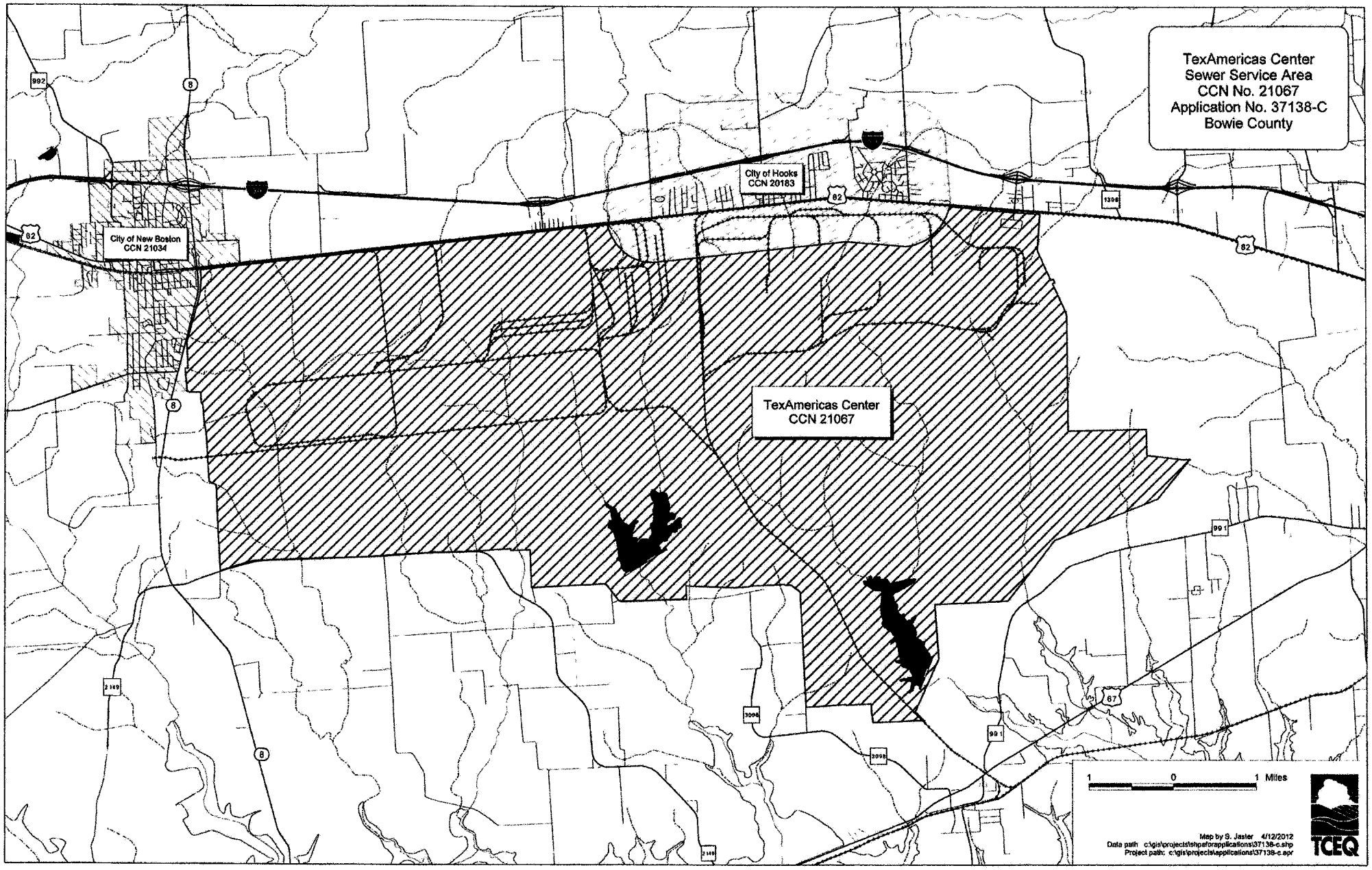
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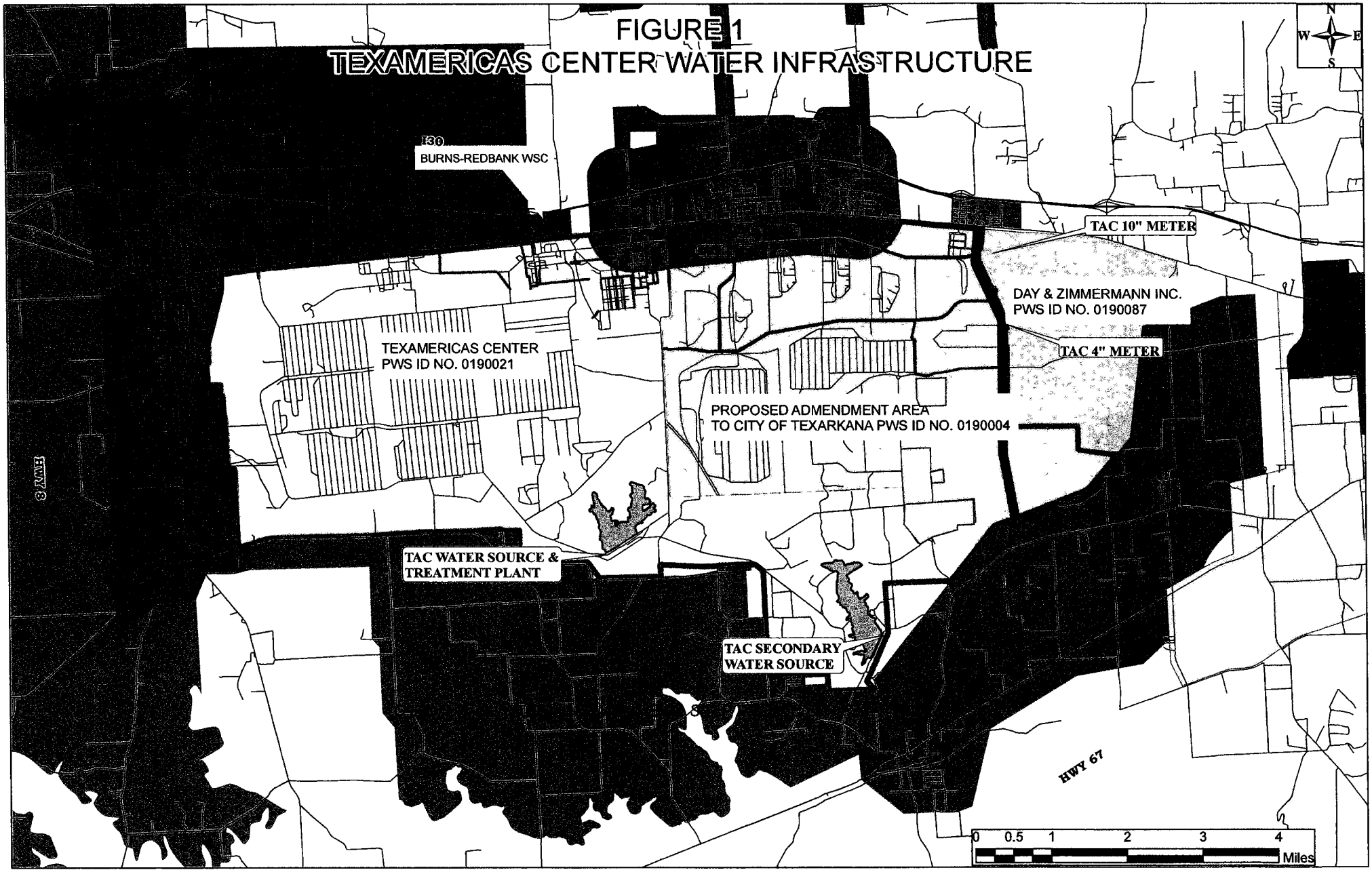
Preceding permit modified upon execution of the Texarkana EDC agreement as depicted on the following page

FIGURE 1
TEXAMERICAS CENTER WATER INFRASTRUCTURE



SCHEDULE D
List of Outstanding Bonds

A. *TexAmericas Center Water and Wastewater System Revenue Refunding Bond Taxable Series 2014A.*

B. *TexAmericas Center Water and Wastewater System Revenue Improvement Bond Taxable Series 2014B.*

SCHEDULE E-1
Listing of Non-Army Water, Wastewater and Industrial Wastewater Contracts

Customer Name	Location
TXI	0
W. W. Williams	1100 N. Boundary Patrol Rd
Quail Tools (North meter)	1000 N. Boundary Patrol Rd
Quail Tools (South meter)	1000 N. Boundary Patrol Rd
Ray Johnston # 1 House	#29 Oak Grove Place
Ray Johnston # 2 Sprinkler	#29 Oak Grove Place
William J. Pass #1 House South	#12 Oak Grove Place
William J. Pass #2 Sprinkler North	#12 Oak Grove Place
Ralph Fellers #1 House	#13 Oak Grove Place
Ralph Fellers #2 Sprinkler	#13 Oak Grove Place
Ron Deaver #1 House	#11 Oak Grove Place
Ron Deaver #2 Sprinkler	#11 Oak Grove Place
William J. Pass Father #1 House	#6 Oak Grove Place
William J. Pass Father #2 Sprinkler	#6 Oak Grove Place
Oak Grove Golf Course	Maintenance Building
Oak Grove Land Company	705 A & B
Oak Grove Land Company	707 A & B
Oak Grove Land Company	708
Oak Grove Land Company - New Meter	715
Oak Grove Land Company	717
Oak Grove Land Company	700 - 704
Oak Grove Land Company	710
Vacant	Bldg 714
Oak Grove Golf Course #9	No 9 Golf Course
Oak Grove Golf Course	Club House, Pro Shop
Oak Grove Golf Course	Manager House, Bldg 56
Oak Grove Land Company	Bldg 57
Oak Grove Land Company	Bldg 34
Oak Grove Land Company	Bldg 40
Texarkana College	Bldg 10, 15 James Carlow Drive
WW Williams - New Meter	133 Miller Street
WW Williams	135 Miller Street
Genova, Inc	139 Miller Street
RRAD	150 Service Street
RRAD	154 Service Street
RRAD	154 Service Street - Dead Meter
TAC Enterprise Maint Shop	164 Arkansas Avenue
Four Thirteen	176 Arkansas Avenue
Col Grubbs	Bldg 175

Control Concepts	125 Ammo Drive
M2 Services	Bldg 123
WW Williams	Bldg 245
Vacant	290 Combat
BAE Systems	318 Combat Road
Corps of Engineers	342 Texas Avenue
M-2 Services	320 Panther Creek Road
M2 Services	Fire Hydrant #1
Cherokee Nation	312 Panther Creek Drive
RRAD	Water #1, 333 Panther Creek Drive
RRAD	Water #2, 333 Panther Creek Drive
RRAD	333A, 333 Panther Creek Drive
RR Biodiesel (North meter)	280 Texas Avenue
RR Biodiesel (South meter)	280 Texas Avenue
RR Biodiesel Clean Up	280 Texas Avenue
VSE Corporation	490-C Texas Avenue
University of Alabama	Bldg 11, 11 Chapel Lane
Wyle Labs	Bldg 11, 11 Chapel Lane
TAC General Fund	Bldg 11, 11 Chapel Lane - Dead Meter
TAC General Fund	Bldg 107, 107 Chapel Lane - New Meter
URS	Bldg 12, 12 Chapel Lane - Dead Meter
URS	Bldg 12, 12 Chapel Lane - New Meter
Vacant	Bldg 11B
GCC Enterprises	Fire Hydrant #3
GCC Enterprises	3rd Street Construction Office
GCC Enterprises	Fire Hydrant #2 - 4th Street
GCC Enterprises	Fire Hydrant #4 - North of 446 OUT OF SERVICE
Excel Utility Construction	Fire Hydrant #5
Excel Utility Construction	Fire Hydrant #1 - 4th Street
IsoNova	TAC-E Bldg 480 Oak Street
TAC-East Hunt House	400 Cypress Street
TAC-East Maint Shop	253 Oak Street
	201 Bowie Parkway
Murphy & Son Timber	125 Austin
Bldg C-1	580 Oak Street-TWU pulled meter
X Plant - Old	450 Hopkins Road NOT HOOKED UP
X Plant - New	450 Hopkins Road
D&Z 3" to I-38	198 Cedar Street
3/4" to I-67	Bowie Parkway Gate 4
D&Z 2 1/2" to I-71	150 Lamar Street
D&Z 3" to I-30	201 Walnut Street
D&Z 4" to I-13	394 Lamar Street
D&Z 3" to HEDG	0
D&Z 4" to HEBG	0

D&Z 6" to Area H	150 Oak Street
D&Z Footprint - 80% Sewer	0
D&Z Boiler Houses - 10% Sewer	0
AEP	900 N Boundary Road

TexAmericas CENTER™
107 CHAPEL LANE | NEW BOSTON, TEXAS 75570

July 6, 2011

RE: Sanitary Wastewater Discharge to TexAmericas Center Sewer System

Dear Utility Customer:

The purpose of this memo is to identify and control effluent discharges from Users to the TexAmericas Center (TAC) sewer systems. TAC sewer systems are comprised of all conveyance, storage, and treatment facilities. In addition, the purpose is to notify all Users that all Federal, State of Texas and local requirements must be followed or a violation will result.

TAC has no formal written policy regarding pretreatment to the sewer systems. The TCEQ & EPA have not mandated TAC to have a pretreatment policy. Staff is currently working to come up with a fair and effective pretreatment program. TAC has completed the design of a new wastewater treatment plant and awaiting TCEQ and TWDB approval. TAC anticipates construction to last 18-24 months depending on weather conditions. After the completion of the new wastewater treatment plant TAC will reevaluate the plants limits and establish a formal Pretreatment Policy.

In the interim no person or entity or User may discharge or allow to be discharged into TAC sewer systems any wastewater that causes pass-through or interference, or contributes to a violation of any parameter in TAC's Texas Pollutant Discharge Elimination System (TPDES) Permit or other discharges that contain any regulated materials not covered by the Permit, including but not limited to corrosive wastes, discolored materials, excessive discharge, explosive and/or flammable mixtures, foaming agents, heated wastes, improperly shredded garbage, medical waste, noxious materials, oil and grease, oxidation reduction potential (ORP) altering wastes, pollutants resulting in toxic gases, radioactive wastes, reject product, solid or viscous wastes, storm water, substances interfering with sludge management, and toxic pollutants.

Customers must comply with the following:

1. Monitor and meter all effluent into TAC sewer systems.
2. All flows from a single source or operation greater than 50,000 gallons per day must provide some form of equalization, holding capacity for a percentage of their effluent and valve controls.
3. Operations that cannot meet the effluent limits from a single grab sample must work with TAC on a case by case basis to determine pretreatment and system discharge flow limitations.

4. Discharges of sludge and solids to TAC sewer systems are strictly prohibited without prior approval.
5. Develop and implement a Slug and Spill Prevention Plan which includes maintaining emergency response equipment.
6. TAC wastewater treatment system has no metals reducing capabilities.

Maximum Effluent Limitations for Waste Water-Plant:

Effluent Parameter	Limit (mg/L)	Effluent Parameter	Limit (mg/L)
Flow	0.05 MGD	Phosphates	15.0
CBOD	20	BOD	20
TSS	30.0	PH	> 6 & < 9
Oil and grease	10.0	*No floating solids	
Ammonia Nitrogen	7.0	*No visible foam	

*Batch discharge only

Technical Contact:

Nate Hahm 903-908-4120

Emergency Contact Information (Operations):

Philip Grant 903-280-5704
Randy Mansfield 903-826-1653
Scott Norton 903-276-2521

Please contact me with any questions or concerns about this notice or our intent; I can be reached at (903) 223-9841.

Sincerely,

William V. Cork
Executive Director/CEO

Acknowledged Date

AGREEMENT
FOR WATER SUPPLY AND WASTE WATER TREATMENT

This ("Agreement") is made and entered into as of this 1st day of September, 2010 ("Effective Date") by and between the following parties (the "Parties"): the **RED RIVER REDEVELOPMENT AUTHORITY** (the "RRRA"), a Political Subdivision of the State of Texas, organized and operating pursuant to its charter and the Constitution and laws of the State of Texas, acting herein by and through its Board of Directors; and **DAY & ZIMMERMANN LONESTAR LLC** ("D&Z"), a Delaware limited liability company, acting on its own behalf through authorization of its sole member.

GENERAL RECITALS

WHEREAS, portions of the Lone Star Army Ammunition Plant, Texas ("LSAAP") have been deemed surplus and designated for closure by the Defense Base Realignment & Closure Commission pursuant to the Base Realignment & Closure Act of 1990, as amended; and

WHEREAS, the United States of America, acting by and through the Secretary of the Army has agreed to transfer the majority of the real property of LSAAP to the RRRA (the "RRRA Property"), has agreed to transfer approximately 5,500 acres of the real property of LSAAP to D&Z (the "D&Z Property"), and is retaining additional parcels for environmental cleanup; and

WHEREAS, the D&Z Property consists of 8 non-contiguous tracts of land, consisting of the Main Parcel, Parcel I (which includes four separate tracts), Parcel H, Parcel W and Parcel U; and

WHEREAS, the property being retained by the Army for environmental cleanup includes the High Explosives Demolition Ground (the "HEDG") and the High Explosives Burning Grounds (the "HEBG");

WHEREAS, all of the Main Parcel is east of Central Avenue, and all of the RRRA Property is west of Central Avenue; and

WATER RECITALS

WHEREAS, D&Z has a bulk water purchasing agreement with the City of Texarkana, Texas (the "Purchase Agreement"), with the water service entering the Main Parcel from Highway 82; and

WHEREAS, at present the RRRA Property is provided water service from the Main Parcel through 12 inch and 16 inch supply lines extending under Central Avenue; and

WHEREAS, the RRRA intends to install controls to separate the water systems between the Main Parcel and the RRRA Property, which will involve the installation of a meter at one connection point along Central Avenue at the eastern boundary of the RRRA Property on either a 12 inch or 16 inch line and the closing of the other lines through which water flows between the Main Parcel and the RRRA Property (the "Segmentation Process"); and

WHEREAS, the RRRA intends to obtain a certificate of convenience and necessity ("CCN") from the Texas Commission on Environmental Quality so that the RRRA may sell water to retail customers, and D&Z is desirous of supporting the RRRA receiving the CCN; and

WHEREAS, prior to completion of the Segmentation Process, D&Z desires to transport and sell to the RRRA on a wholesale basis, and the RRRA desires to purchase from D&Z on a wholesale basis, a portion of the water received by D&Z pursuant to the Purchase Agreement, so the RRRA can supply water on a temporary basis to its customers while pursuing segmentation of the LSAAP water system and establishment of permanent facilities; and

WHEREAS, after completion of the Segmentation Process, the RRRA intends to purchase water from a public water utility and not from D&Z; and

WHEREAS, D&Z requires water in each of the four tracts of Parcel I and in Parcel H and for operations which it will perform under contract with the Army at the HEBG and the HEDG (but does not require water in Parcel U and Parcel W); and

WHEREAS, before completion of the Segmentation Process, the RRRA and DZI desire that the RRRA transport to D&Z over the RRRA Property water owned by D&Z so that D&Z may satisfy its water requirements for Parcel H, Parcel I, the HEBG and the HEDG; and

WHEREAS, after completion of the Segmentation Process, the RRRA desires to sell to D&Z, and D&Z desires to purchase from the RRRA, water for D&Z's needs in Parcel H, Parcel I, the HEBG and the HEDG.

WASTE WATER RECITALS

WHEREAS, the RRRA owns and operates a waste water treatment facility on the RRRA Property; and

WHEREAS, at present D&Z receives waste water treatment services from such facility for many of its needs arising from the Main Parcel and other portions of the D&Z Property; and

WHEREAS, D&Z presently treats and discharges portions of its own industrial and other waste through a conventional septic system at Building T-3 on the Main Parcel for restroom facilities, an aerobic treatment system-at Building Q-50 on the Main Parcel for restroom facilities, an aerobic treatment system at Building S-7 on the Main Parcel to treat restroom facilities, a lead and heavy metals treatment plant in Area P on the Main Parcel (all of the above systems and plants discharging onto or into the ground) and a pink water treatment

facility in Area O of the Main Parcel that discharges into the trunk line leading to the RRRA Waste Water Treatment Facility; and

WHEREAS, the RRRA desires to provide long term waste water treatment services to D&Z, and D&Z is desirous of receiving such services except to the extent that D&Z otherwise presently treats and discharges industrial and other waste on the Main Parcel or in the future treats and discharges on the Main Parcel at additional sites.

FURTHER GENERAL RECITALS

WHEREAS, the Parties desire to enter into this Agreement to, among other things, memorialize the responsibilities of the Parties to one another in connection with the transportation, sale and purchase of water and the treatment of waste water.

NOW, THEREFORE, be it resolved that for and in consideration of the mutual covenants, benefits and agreements hereinafter set forth, the adequacy and sufficiency of which is evidenced by the Parties' respective execution of this Agreement, the Parties agree as follows:

AGREEMENT

A. Water Provision.

1. RRRA Water Delivery Point.

   a. During the Interim Term (as hereinafter defined), D&Z shall transport and deliver water received by D&Z pursuant to the Purchase Agreement to one point on the RRRA Property at or near the eastern boundary of the property line of the RRRA Property along Central Avenue as D&Z and the RRRA shall agree (the "RRRA Water Delivery Point"), not to exceed in the aggregate 550 gallons per minute (500,000 gallons per day).

   b. The RRRA shall determine the size and design of the meter (subject to approval by D&Z not to be unreasonably withheld) and shall bear the responsibility for all metering equipment and installation costs associated with the installation of the metering station at the RRRA Water Delivery Point. The RRRA agrees to install and have operational the meter at the RRRA Water Delivery Point within sixty days of the Effective Date. The meter shall be equipped with a valve for pulling samples so that either RRRA or D&Z can confirm that the water quality meets the requirements of this Agreement, and the RRRA shall permit D&Z access to the Water Delivery Point for purposes of meter reading and pulling water samples. The meter design shall further include valves and other devices that prevent backflow so that water on the RRRA side of the meter cannot be commingled with water on the D&Z side of the meter and a bypass of the meter in the event of meter failure. In the present configuration at the time of the execution of this

Agreement, water flowing from the Main Parcel onto the RRRA Property returns to the Main Parcel through a return loop. As part of installing the meter at the RRRA Water Delivery Point, all lines through which water flows between the Main Parcel and the RRRA Property will be closed by D&Z, other than the line on which the RRRA Water Delivery Point is located Thereafter, if the RRRA wishes to establish a loop for its water system it will construct same on the RRRA Property. The RRRA agrees to maintain and periodically calibrate the meter to assure accurate measurement.

c. Water delivered by D&Z to the RRRA Water Delivery Points shall be of substantially the same quality and specifications as water received by D&Z pursuant to the Purchase Agreement, and D&Z shall not be obligated to treat the water delivered by it to the RRRA Water Delivery Point. RRRA shall bear the responsibility of maintaining the water quality following receipt by the RRRA at the RRRA Delivery Point, including flushing the lines as necessary at RRRA expense. In the event the RRRA requires any treatment of the water received by it to meet its particular needs, the RRRA shall be responsible for providing and paying for such treatment.

2. D&Z Water Delivery Points.

a. During the Water Term (as hereinafter defined), the RRRA shall transport and deliver water received by the RRRA pursuant to this Agreement or from a public water utility (as the case may be) to points in the existing lines at the boundaries of Parcel H, Parcel I the HEBG and the HEDG as D&Z shall designate (the "D&Z Water Delivery Points"), not to exceed 40 gallons per minute (1200 gallons per day) in the aggregate.

b. Metering stations shall be owned, installed and continually operated and maintained by D&Z at the D&Z Water Delivery Points. D&Z shall determine the size of the meter. D&Z shall bear the responsibility for all metering equipment and installation costs associated with the installation of the metering station at the D&Z Delivery Point. D&Z agrees to install and have operational the meter at each of the D&Z Water Delivery Points within sixty days of the Effective Date. The meters shall be equipped with a valve for pulling samples so that either RRRA or D&Z can confirm that the water quality meets the requirements of this Agreement. The meter design shall further include valves and other devices that prevent backflow so that water on the D&Z side of the meter cannot be commingled with water on the RRRA side of the meter. D&Z agrees to maintain and periodically calibrate the meters to assure accurate measurements.

c. Water delivered by the RRRA to the D&Z Delivery Points shall be potable and of the same quality and specifications as water received by the RRRA pursuant to this Agreement or from the public water utility from which purchased (as the case may be). The RRRA shall monitor the chlorination levels of the water at the D&Z Water Delivery Points and shall flush its lines as necessary, at RRRA expense, to maintain chlorine residuals at the D&Z Water Delivery Points in

accordance with Texas Commission of Environmental Quality (TCEQ) requirements for public consumption. In the event D&Z requires any further treatment of the water received by it to meet its particular needs, D&Z shall be responsible for providing and paying for such treatment. The RRRA shall maintain the integrity of the segregation of utilities so that no water furnished by D&Z is commingled with water obtained by the RRRA from any other source.

3. Water Rates, Invoicing and Payment.

a. During the Interim Term D&Z will furnish water to the RRRA at the RRRA Water Delivery Points for redelivery to the D&Z Water Delivery Points, and ownership of the water so furnished will remain in D&Z. The water so furnished will not constitute a purchase or sale of water by either the RRRA or D&Z, and the RRRA will not make any charge for transporting the water. D&Z shall also make a wholesale sale of water to the RRRA.. In the event that the water delivered from D&Z to the RRRA at the RRRA Water Delivery Points is greater than the water delivered by the RRRA to D&Z at the D&Z Water Delivery Points, whether arising from system losses, the RRRA's wholesale or retail sales or otherwise, then the RRRA will reimburse D&Z for such excess at the same rate per one thousand gallons as purchased by D&Z from the City of Texarkana. If requested by D&Z, the RRRA will make payments directly to the City of Texarkana to be credited to the billing by the City of Texarkana to D&Z. On or about the fifteenth (15th) day of each calendar month, beginning with the month after D&Z first delivers water to the RRRA at the RRRA Delivery Points, D&Z will deliver to the RRRA an invoice (the "D&Z Invoice") for amounts due D&Z for water furnished to the RRRA during the previous month less the portions thereof that were redelivered by the RRRA to D&Z at the D&Z Water Delivery Points. The remittance address shall be such address as may be reflected on the D&Z Invoice from time to time. The RRRA shall pay in full the amount indicated on the D&Z Invoice within 15 days after receipt. Subject to the obligations of the RRRA to promptly pay, the RRRA may dispute the amount indicated on the D&Z Invoice and make payment "under protest" by notifying D&Z in writing accompanying the payment. The RRRA, by making payment under protest, will not be deemed to have waived any of its rights, remedies or defenses under this Agreement or otherwise. Each Party will permit the other to examine, audit and copy all records and information necessary to confirm the accuracy of any D&Z Invoice submitted pursuant to this paragraph. The Parties acknowledge that the meters will not be installed until after the Effective Date. Notwithstanding any other provision hereof to the contrary, the Parties agree that the average daily usage of all Parties during the ninety day period commencing after the last of the meters that are described in Section A-1-b and A-2-b are installed shall be presumed to be the daily usage for every day from the Effective Date through the date such meters are installed. D&Z may defer sending the invoice until after the ninety period has expired, and the RRRA will make payment to D&Z for such usage promptly upon being invoiced therefor.

b. After the Interim Term, D&Z will purchase water from the RRRA, and the RRRA

will sell water to D&Z for use by D&Z in Area H, Area I, the HEBG and the HEDG at the lowest rate per one thousand gallons at which water is offered for sale to commercial customers. On or about the fifteenth (15th) day of each calendar month, beginning with the month after the RRRA first purchases water from a public water utility and delivers water to the D&Z Water Delivery Points, the RRRA will deliver to D&Z an invoice (the "RRRA Water Invoice") for amounts due the RRRA for water supplied during the previous month. The remittance address shall be such address as may be reflected on the RRRA Water Invoice from time to time. D&Z shall pay in full the amount indicated on the RRRA Water Invoice within 15 days of receipt; provided however, D&Z may offset such amounts owed against amounts owed by the RRRA to D&Z under Section A(3)(a) hereof. Subject to the obligations of D&Z to promptly pay, D&Z may dispute the amount indicated on the RRRA Water Invoice and make payment "under protest" by notifying the RRRA in writing accompanying the payment. D&Z, by making payment under protest, will not be deemed to have waived any of its rights, remedies or defenses under this Agreement or otherwise. Each Party will permit the other to examine, audit and copy all records and information necessary to confirm the accuracy of any RRRA Water Invoice submitted pursuant to this paragraph.

Water Term.

c. The "Interim Term" shall begin on the Effective Date and shall continue until 10 days after the RRRA advises D&Z in writing that each of the following has occurred: the Segmentation Process is complete and the RRRA has purchased water from a public water utility for the RRRA Property. The RRRA shall promptly provide written notice to D&Z when it has completed the Segmentation Process and when it first purchases water from a public utility.

d. The "Post Segmentation Term" shall begin on the first day after the end of the Interim Term and shall continue for one (1) year thereafter. The Post Segmentation Term shall automatically renew for additional one (1) year terms unless terminated by D&Z by at least thirty (30) day written notice to the RRRA prior to expiration of the existing term.

e. The "Water Term" of this Agreement shall mean collectively the Interim Term and the Post Segmentation Term.

4. Water Regulatory Structure.

a. The RRRA will promptly seek and diligently pursue obtaining the CCN, and D&Z will provide a letter in support of the CCN.

b. D&Z will purchase water at wholesale from the City of Texarkana. D&Z intends to sell water at wholesale to the RRRA.

c. To the extent the furnishing of water by D&Z to the RRRA described herein during the Interim Term requires regulatory oversight, licensing or certificate,