Control Number: 45391

Item Number: 17

Addendum StartPage: 0

DOCKET NO. 45391

APPLICATION OF RANCH UTILITIES, L.P. AND EMCAD WATER AND WASTEWATER, LLC FOR SALE, TRANSFER, OR MERGER OF FACILITIES AND CERTIFICATE RIGHTS IN PARKER COUNTY	§ § §	**PUBLIC UTILITY COMMISSION OF TEXAS**

QUADVEST LP RESPONSE TO PUC REQUEST FOR INFORMATION DATED MAY 23, 2016

Enclosed please find financial review and engineering responses.

Yvette Castro
Quadvest LP
26926 FM 2978
Magnolia, TX 77354
Telephone: 281-356-5347
Fax: 281-356-5382

17

June 7, 2016

Yvette Castro
Ranch Utilities
PO Box 409
Tomball Texas 77377

Re: Sugartree STM Application PUC Request for Additional Information

Ms. Castro,

Please find attached information related to the STM application for Sugratree and EMCAD:

Financial Review
Staff 1-1 – Ranch Utility to Provide
Staff 1-2 – Please see attached

Engineering
Staff 1-3 – Please see attached
Staff 1-4 – The PUC will let us wait until the closing documents are signed to submit this information. Please see proposed response to this item.
Staff 1-5 – See Mayfair response to TCEQ and inspection report
Ranch to Provide Sugartree information.
Staff 1-6 - See Mayfair response to TCEQ and inspection report
Ranch to Provide Sugartree information.

I will be sending this to you electronically and will drop it off to your offices on the morning of 6/7/2016. If you need any additional information please do not hesitate to call me at 713-724-9321.

Thank you

Jeff Goebel

DOCKET NO. 45391

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO EMCAD WATER AND WASTEWATER, LLC (EMCAD) QUESTION NOS. STAFF 1-1 THROUGH STAFF 1-6

Financial Review

Staff 1-1 Please provide audited financial statements, including a balance sheet and income statement for the year ending 2015. If audited financial statements are not available please provide unaudited financial statements for the year ending 2015.

By Quadvest

Staff 1-2 Please provide projected income statements for each of the next five years after 2015.

See Attached

Engineering

Staff 1-3 Please provide proof of payment of Regulatory Assessment Fees (RAF) to the Texas Commission for Environmental Quality (TCEQ) for 2014 for EMCAD Water and Wastewater, LLC.

See Attached

Staff 1-4 Please provide a letter from TCEQ approving the transfer of the Wastewater Discharge Permit from Quadvest, LP/Ranch Utilities LP to EMCAD Water and Wastewater, LLC.

see attached

Staff 1-5 Please explain how the violations for Mayfair Addition and Sugartree Waste Water Treatment Plant (WWTP) will be resolved.

by Quadvest

Staff 1-6 Please provide a copy of the most recent TCEQ inspection reports for Mayfair Addition and Sugartree WWTP.

See Attached

by Quadvest

The applicant requests that this item be provided in the final closing documents. Once the wastewater permit is transferred, lability for the operation and maintiance set forth in the wastewater permit will be EMCAD's responsibility without control of the system. Until such time as the applicant can take control of the system, with PUC approvals, the applicant can not take on these responsibilities before PUC approval.

EMCAD w/Sugartree

	2015	2016	2017	2018	2019	2020
Income Statement						
Revenue						
Service Revenue						
Wastewater	$ 312,939	$ 427,534	$ 432,634	$ 437,734	$ 442,834	$ 447,934
Total Service Revenue	312,939	427,534	432,634	437,734	442,834	447,934
Fee Revenue						
Other Fees	16,404	8,548	8,548	8,548	8,548	8,548
Total Fees and Other Revenue	16,404	8,548	8,548	8,548	8,548	8,548
Total Revenue	329,343	436,082	441,182	446,282	451,382	456,482
Operating Expenses						
O&M						
Contract Operations	$ 72,403	$ 95,176	$ 98,531	$ 102,012	$ 105,624	$ 109,371
Contract Billing & Collections	11,745	20,640	21,259	21,897	22,554	23,231
Postage & Mailing	-	4,381	4,536	4,694	4,856	5,020
Bad Debt Expense	1,025	2,217	2,242	2,268	2,296	2,325
Sludge Removal Expense	16,767	30,000	30,900	31,827	32,782	33,765
Purchased Power	22,025	35,000	36,150	37,340	38,570	39,843
Chemicals	13,754	26,000	26,800	27,626	28,477	29,355
Repairs & Maintenance	-	35,000	35,750	36,523	37,319	38,139
Testing	17,827	25,000	25,930	26,897	27,902	28,947
Insurance - General Liab	5,180	9,000	9,310	9,631	9,964	10,309
Property Taxes	4,474	3,000	3,090	3,183	3,278	3,376
Professional Fees	3,660	3,000	3,000	3,000	3,000	3,000
Other Operating Expenses	14,162	23,400	22,904	22,343	21,709	21,001
Total Operating Expenses	$ 183,022	$ 311,814	$ 320,403	$ 329,240	$ 338,330	$ 347,680
Utility EBITDA	$ 146,321	$ 124,269	$ 120,780	$ 117,042	$ 113,053	$ 108,802
Depreciation	38,801	39,880	45,624	51,655	54,238	56,950
Amortization of CIAC	-	-	-	-	-	-
Interest Expense	10,843	21,785	20,678	19,571	18,464	17,358
Other Non-Utility Income (Expense)	(20,700)	-	74,400	-	-	-
Net Income	$ 75,977	$ 62,604	$ 128,878	$ 45,816	$ 40,350	$ 34,494

Balance Sheet	2015
Assets	
Current Assets	
Cash	$ 16,160
Accounts Receivable (gross)	36,120

Allowance for Bad Debt		-
Prepaid Expenses		4,264
Inventory		-
Other Current Assets		-
Total Current Assets	$	56,544
Land	$	-
Plant and Equipment		822,731
Accumulated Depreciation		(122,204)
Utility Acquisition Adj (Net)		54,110
Unamortized Debt Exp		20,895
Other Non-current Assets		5,000
Total Assets	**$**	**837,077**
Liabilities & Equity		
Current Liabilities		
Accounts Payable	$	30,049
Customer Deposits		1,600
Accrued Interest on Customer Deposits		-
Accrued Taxes		2,305
Other Current Liabilities		-
Total Current Liabilities	$	33,953
CIAC	$	-
Accumulated Amortization of CIAC		-
Long-term Debt		491,027
Other Non-current Liabilities		-
Total Liabilities	$	524,980
Paid in Capital	$	236,118
Retained Earnings		-
Net Income		75,978
Total Equity	$	312,096
Total Liabilities & Equity	**$**	**837,077**
Check		-

Sugartree

	2015	2016	2017	2018	2019	2020
Income Statement						
Revenue						
Service Revenue						
Wastewater	$ 82,920	$ 86,190	$ 91,290	$ 96,390	$ 101,490	$ 106,590
Total Service Revenue	82,920	86,190	91,290	96,390	101,490	106,590
Fee Revenue						
Other Fees	15,364	6,500	6,500	6,500	6,500	6,500
Total Fees and Other Revenue	15,364	6,500	6,500	6,500	6,500	6,500
Total Revenue	98,284	92,690	97,790	102,890	107,990	113,090
Operating Expenses						
O&M						
Contract Operations	$ 24,310	$ 25,000	26,250	27,563	28,941	30,388
Contract Billing & Collections						
Postage & Mailing		1,200	1,260	1,320	1,380	1,440
Bad Debt Expense	474	500	525	551	579	608
Sludge Removal Expense						
Purchased Power	4,774	5,000	5,250	5,513	5,788	6,078
Chemicals		1,000	1,050	1,103	1,158	1,216
Repairs & Maintenance		10,000	10,000	10,000	10,000	10,000
Testing	8,144	9,000	9,450	9,923	10,419	10,940
Insurance - General Liab	1,181	2,000	2,100	2,205	2,315	2,431
Property Taxes						
Professional Fees	2,275	3,000	3,000	3,000	3,000	3,000
Other Operating Expenses	2,790	8,400	7,454	6,429	5,318	4,118
Total Operating Expenses	$ 43,948	$ 65,100	$ 66,339	$ 67,605	$ 68,897	$ 70,217
Utility EBITDA	$ 54,336	$ 27,590	$ 31,451	$ 35,285	$ 39,093	$ 42,873
EBITDA Margin	55.28%	29.77%	32.16%	34.29%	36.20%	37.91%
Depreciation	10,306	10,500	11,025	11,576	12,155	12,763
Amortization of CIAC						
Interest Expense						

Other Non-Utility Income (Expense)				74,400		
Net Income	$ 44,030	$ 17,090	$ 94,826	$ 23,709	$ 26,938	$ 30,110

Balance Sheet	**2015**
Assets	
Current Assets	
Cash	
Accounts Receivable (gross)	6,819
Allowance for Bad Debt	
Prepaid Expenses	2,448
Inventory	
Other Current Assets	
Total Current Assets	$ 9,267
Land	
Plant and Equipment	235,131
Accumulated Depreciation	(94,657)
Utility Acquisition Adj (Net)	
Unamortized Debt Exp	
Other Non-current Assets	
Total Assets	**$ 149,741**
Liabilities & Equity	
Current Liabilities	
Accounts Payable	$ 14,572
Customer Deposits	1,600
Accrued Interest on Customer Deposits	
Accrued Taxes	
Other Current Liabilities	
Total Current Liabilities	$ 16,172
CIAC	
Accumulated Amortization of CIAC	
Long-term Debt	76,800
Other Non-current Liabilities	

Total Liabilities	$	92,972
Paid in Capital		12,739
Retained Earnings		
Net Income		44,030
Total Equity	$	56,769
Total Liabilities & Equity	**$**	**149,741**
Check		-

EMCAD

	2015	2016	2017	2018	2019	2020
Income Statement						
Revenue						
Service Revenue						
Wastewater	$ 230,019	$ 341,344	$ 341,344	$ 341,344	$ 341,344	$ 341,344
Total Service Revenue	230,019	341,344	341,344	341,344	341,344	341,344
Fee Revenue						
Other Fees	1,040	2,048	2,048	2,048	2,048	2,048
Total Fees and Other Revenue	1,040	2,048	2,048	2,048	2,048	2,048
Total Revenue	231,059	343,392	343,392	343,392	343,392	343,392
Operating Expenses						
O&M						
Contract Operations	$ 48,093	$ 70,176	$ 72,281	$ 74,450	$ 76,683	$ 78,984
Contract Billing & Collections	11,745	20,640	21,259	21,897	22,554	23,231
Postage & Mailing	-	3,181	3,276	3,374	3,476	3,580
Bad Debt Expense	551	1,717	1,717	1,717	1,717	1,717
Sludge Removal Expense	16,767	30,000	30,900	31,827	32,782	33,765
Purchased Power	17,251	30,000	30,900	31,827	32,782	33,765
Chemicals	13,754	25,000	25,750	26,523	27,319	28,139
Repairs & Maintenance		25,000	25,750	26,523	27,319	28,139
Testing	9,683	16,000	16,480	16,974	17,483	18,007
Insurance - General Liab	3,999	7,000	7,210	7,426	7,649	7,878
Property Taxes	4,474	3,000	3,090	3,183	3,278	3,376
Professional Fees	1,385	-	-	-	-	-
Other Operating Expenses	11,372	15,000	15,450	15,914	16,391	16,883
Total Operating Expenses	$ 139,074	$ 246,714	$ 254,064	$ 261,635	$ 269,433	$ 277,463
Utility EBITDA	$ 91,985	$ 96,679	$ 89,329	$ 81,757	$ 73,960	$ 65,929
Depreciation	28,495	29,380	34,599	40,079	42,083	44,187
Amortization of CIAC	-	-	-	-	-	-
Interest Expense	10,843	21,785	20,678	19,571	18,464	17,358
Other Non-Utility Income (Expense)	(20,700)	-	-	-	-	-

Net Income	$ 31,947	$ 45,514	$ 34,052	$ 22,107	$ 13,412	$ 4,384

Balance Sheet	**2015**
Assets	
Current Assets	
Cash	$ 16,160
Accounts Receivable (gross)	29,301
Allowance for Bad Debt	-
Prepaid Expenses	1,816
Inventory	-
Other Current Assets	-
Total Current Assets	$ 47,277
Land	-
Plant and Equipment	587,600
Accumulated Depreciation	(27,547)
Utility Acquisition Adj (Net)	54,110
Unamortized Debt Exp	20,895
Other Non-current Assets	5,000
Total Assets	**$ 687,336**
Liabilities & Equity	
Current Liabilities	
Accounts Payable	$ 15,477
Customer Deposits	-
Accrued Interest on Customer Deposits	-
Accrued Taxes	2,305
Other Current Liabilities	-
Total Current Liabilities	$ 17,781
CIAC	-
Accumulated Amortization of CIAC	-
Long-term Debt	414,227
Other Non-current Liabilities	-
Total Liabilities	$ 432,008

Paid in Capital		223,379
Retained Earnings		-
Net Income		31,948
Total Equity	$	255,327
Total Liabilities & Equity	**$**	**687,336**
Check		-

EMCAD WATER AND WASTEWATER LLC
2492 MATTERHORN DR
WEXFORD, PA 15090-7812

1020

32-2/1110 TX
5823

Date 1-21-18

Pay To The Order Of Texas Commission on Environmental Quality $ 2,300.18

Two Thousand Three Hundred and 18/100 Dollars

Bank of America

ACH R/T 111000025

For

⑈001020⑈ ⑆111000025⑆ 488053912767⑈

71031827731
TX State Comptroller
01/27/2016

PAY TO THE ORDER
OF STATE COMPTROLLER
TCEQ

615340 JA 26 16

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Revenue and Regulatory Assessment Report
For PUBLIC UTILITY

UTILITY: EMCAD WATER & WASTEWATER ACCOUNT: A2087

Revenue and Regulatory Assessment Report for the Calendar Year 2015	
1. Enter total revenues from retail water and sewer service in year 2015	1. 230,018.66
2. Enter amount collected OR multiply item 1 by 0.01	2. 2,300.18
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3. 0.00
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4. 0.00
5. Amount due and payable (Add lines 2, 3, and 4).	5. 2.300.18

☒ Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

EMCAD purchased its systems as of April 24, 2015.
Also, Revenue includes revenue for accounts A2087, A2088 & A2089

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature _____ Date 1/21/16

Preparer's name Donald J. Clayton (Please Print) Phone number 724-934-1936

VIPP Form WC04C5 / TCEQ-20098

Calendar Year 2015

REVENUE & REGULATORY ASSESSMENT REPORT

For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM
WITH CHECK OR MONEY ORDER PAYABLE TO.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AMOUNT ENCLOSED	ACCOUNT NO.
#2,300.18	A2087

☒ **CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUMBER HAVE CHANGED. PLEASE INDICATE ADDRESS OR PHONE NUMBER CHANGE ON BACK.**

PAYMENTS NOT RECEIVED BY JANUARY 30, WILL RECEIVE A NOTICE OF VIOLATION

EMCAD WATER & WASTEWATER
6850 MANHATTAN BLVD STE 108
FORT WORTH, TX 76120-1210

0000052087 1533242 00000000000130160

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Revenue and Regulatory Assessment Report
For PUBLIC UTILITY

UTILITY: EMCAD WATER & WASTEWATER ACCOUNT: A2089

Revenue and Regulatory Assessment Report for the Calendar Year 2015	
1. Enter total revenues from retail water and sewer service in year 2015	1.
2. Enter amount collected OR multiply item 1 by 0.01	2.
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3.
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4.
5. Amount due and payable (Add lines 2, 3, and 4).	5. See Account A2087

☐ Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

Paid in account A2087

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature _____ Date 1/21/16

Preparer's name Donald J Clayton (Please Print) Phone number 724-934-1936

VIPP Form WC04C5 / TCEQ-20098

Calendar Year 2015

REVENUE & REGULATORY ASSESSMENT REPORT

For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM
WITH CHECK OR MONEY ORDER PAYABLE TO:

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AMOUNT ENCLOSED	ACCOUNT NO.
	A2089

☒ **CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUMBER HAVE CHANGED. PLEASE INDICATE ADDRESS OR PHONE NUMBER CHANGE ON BACK.**

PAYMENTS NOT RECEIVED BY JANUARY 30, WILL RECEIVE A NOTICE OF VIOLATION

EMCAD WATER & WASTEWATER
PO BOX 172081
ARLINGTON, TX 76003-2081

0000052089 1533242 00000000000130168

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Revenue and Regulatory Assessment Report
For PUBLIC UTILITY

UTILITY: EMCAD WATER & WASTEWATER ACCOUNT: A2088

Revenue and Regulatory Assessment Report for the Calendar Year 2015	
1. Enter total revenues from retail water and sewer service in year 2015	1.
2. Enter amount collected OR multiply item 1 by 0.01	2.
3. Late payment penalty: 5% - If paid after January 30th and before March 1st - multiply line 2 by 0.05 10% - If paid after March 1st - multiply line 2 by 0.10	3.
4. Late payment interest, 1% per month if paid after March 31st: a. Multiply line 2 by 0.01 = monthly interest due, then b. Multiply monthly interest due by the number of months payment is made after March 31, rounded to the nearest month.	4.
5. Amount due and payable (Add lines 2, 3, and 4).	5. See Account A2087

☐ Please note if the utility was inactive for more than a month during the year or experienced other circumstances which affected revenues (attach an additional page if necessary):

paid in account A2087

I declare that the above information is true and correct to the best of my knowledge and belief.

Signature _____ Date 1/21/16

Preparer's name Ronald T. Clayton (Please Print) Phone number 724-934-1936

VIPP Form WC04C5 / TCEQ-20098

Calendar Year 2015

REVENUE & REGULATORY ASSESSMENT REPORT

For PUBLIC UTILITY

PLEASE RETURN ENTIRE ORIGINAL FORM
WITH CHECK OR MONEY ORDER PAYABLE TO:

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AMOUNT ENCLOSED	ACCOUNT NO.
	A2088

☒ **CHECK HERE IF YOUR ADDRESS OR YOUR PHONE NUMBER HAVE CHANGED. PLEASE INDICATE ADDRESS OR PHONE NUMBER CHANGE ON BACK.**

PAYMENTS NOT RECEIVED BY JANUARY 30, WILL RECEIVE A NOTICE OF VIOLATION

EMCAD WATER & WASTEWATER
801 S FILES ST
ITASCA, TX 76055-3100

0000052088 1533242 00000000000130169

PAYMENT INFORMATION

Please return ENTIRE ORIGINAL FORM with your payment in the enclosed envelope.

Your check, certified check, or money order should be made payable to Texas Commission on Environmental Quality. Please include your account number on your check to ensure that payment is properly credited.

If you have questions regarding the regulatory assessment or desire assistance in completing the Revenue & Regulatory Assessment Report, please contact our Regulatory Assessment Coordinator at 512/239-4691.

When submitting assessment payments to the Commission, please note the following:

1. The regulatory assessment applies to charges for water and sewer service only. The fee should not be assessed against surcharges, tap fees, reconnect fees, late fees, or return check charges.
2. Address changes should be submitted on this form, or in writing during the year as changes occur.
3. REPORT EACH UTILITY ON **SEPARATE REPORT APPLICABLE TO THAT UTILITY.**

ADDRESS	
CITY	
STATE	
ZIP CODE	
PHONE NO.	

RETURN **ORIGINAL FORM** TO COMMISSION ☆☆☆ RETAIN COPY FOR YOUR FILES

TCEQ VIPP Form WC04C (Rev 08-16-02)

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY
PO BOX 13089
AUSTIN TX 78711-3089

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

March 18, 2016

WILLIAM L. BOOMER, P.E.
CIVIL SOLUTIONS, INC.
P.O. BOX 100247
FORT WORTH, TX 76185

RE: MAYFAIR WASTEWATER TREATMENT PLANT
MAYFAIR ADDITION WASTEWATER TREATMENT PLANT
Permit No. WQ0015[illegible]
WWPR Log No. 1214-018
CN604519330, RN102287109
TARRANT County

Dear MR. BOOMER:

We have received the project summary transmittal letter dated 12/1/2014.

The codes which regulate the design, installation and testing of domestic wastewater projects are found in 30 TAC, Chapter 217, of the Texas Commission on Environmental Quality (TCEQ) rules titled Design Criteria for Wastewater Systems.

Section 217.6(d), relating to case-by-case reviews, states in part that upon submittal of a summary transmittal letter, the executive director may approve of the project without reviewing a complete set of plans and specifications.

Under the authority of §217.6(e) a technical review of complete plans and specifications is not required. **However, the project proposed in the summary transmittal letter is approved for construction. Please note, that this conditional approval does not relieve the applicant of any responsibilities to obtain all other necessary permits or authorizations, such as wastewater treatment permit or other authorization as required by Chapter 26 of the Texas Water Code.** Below are provisions of the Chapter 217 regulations, which must be met as a condition of approval. These items are provided as a reminder. *If you have already met these requirements, please disregard this additional notice.*

1. You must keep certain materials on file for the life of the project and provide them to TCEQ upon request. These materials include an engineering report, test results, a summary transmittal letter, and the final version of the project plans and specifications. These materials shall be prepared and sealed by a Professional Engineer licensed in the State of Texas and must show substantial compliance with Chapter 217. All plans and specifications must conform to any waste discharge requirements authorized in a permit by the TCEQ. Certain specific items which shall be addressed in the engineering report are discussed in §217.6(e). Additionally, the engineering report must include all constants, graphs,

equations, and calculations needed to show substantial compliance with Chapter 217. The items which shall be included in the summary transmittal letter are addressed in §217.6(c)(1)-(10).

1. Any deviations from Chapter 217 shall be disclosed in the summary transmittal letter and the technical justifications for those deviations shall be provided in the engineering report. Any deviations from Chapter 217 shall be based on the best professional judgement of the licensed professional engineer sealing the materials and the engineer's judgement that the design would not result in a threat to public health or the environment

2. Any variance from a Chapter 217 requirement disclosed in your summary transmittal letter is approved. If in the future, additional variances from the Chapter 217 requirements are desired for the project, each variance must be requested in writing by the design engineer. Then, the TCEQ will consider granting a written approval to the variance from the rules for the specific project and the specific circumstances.

3. Within 60 days of the completion of construction, an appointed engineer shall notify both the Wastewater Permits Section of the TCEQ and the appropriate Region Office of the date of completion. The engineer shall also provide written certification that all construction, materials, and equipment were substantially in accordance with the approved project, the rules of the TCEQ, and any change orders filed with the TCEQ. All notifications, certifications, and change orders must include the signed and dated seal of a Professional Engineer licensed in the State of Texas.

This approval does not mean that future projects will be approved without a complete plans and specifications review. The TCEQ will provide a notification of intent to review whenever a project is to undergo a complete plans and specifications review. Please be reminded of 30 TAC §217.7(a) of the rules which states, "Approval given by the executive director or other authorized review authority does not relieve an owner of any liability or responsibility with respect to designing, constructing, or operating a collection system or treatment facility in accordance with applicable commission rules and the associated wastewater permit".

If you have any questions or if we can be of any further assistance, please call me at (512) 239-4552.

Sincerely,

Louis C. Herrin, III, P.E.
Wastewater Permits Section (MC 148)
Water Quality Division
Texas Commission on Environmental Quality

LCH/rb

cc: TCEQ, Region 04 Office

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 3, 2014

E SIGNATURE CONFIRMATION #91 3499 9991 7030 0269 9171

Mr. Dewey Dusty Drury, Owner
D&K Development Corp.
P.O. Box 172081
Arlington, Texas 76003-2081

Re: Additional Compliance Documentation Needed for:
Mayfair Addition Wastewater Treatment Plant, 2700 Highway 1187 in Crowley (Tarrant County), Texas
TCEQ ID No.: WQ0013518-001, EPA ID No.: TX0105872

Dear Mr. Drury:

The Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (DFW) Region Office has received the compliance documentation that you submitted September 17 and October 14, 2014 for the alleged violations noted during the investigation of the above-referenced facility conducted on June 24, 2014. The compliance documentation contained in your response appears to indicate that the majority of the problems documented during the investigation have been corrected. However, information is still needed for the alleged violation listed in the enclosed summary. Please submit to our office by **December 3, 2014** a written description of corrective action taken and the required compliance documentation demonstrating that these remaining alleged violations have been resolved.

The Texas Commission on Environmental Quality appreciates your assistance in this matter and your compliance efforts to protect the State's environment. We look forward to receiving your response for the remaining alleged violations. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements.

If you or members of your staff have any questions, please feel free to contact Ms. Carol Moulton in the DFW Region Office at (817)588-5894.

Sincerely,

Jeff Tate
Water Section Manager
DFW Region Office

JT/cm

Enclosure: Summary of Unresolved Investigation Findings

cc: Mr. Donald J. Clayton, Manager, 2492 Matterhorn Drive, Wexford, PA 15090-7612 w/enclosures;

Mr. David Bowman, Contract Operator, bowmanenv@gmail.com, w/enclosures

Summary of Investigation Findings

MAYFAIR ADDITION

Investigation # 1202523
Investigation Date: 10/10/2014

, TARRANT COUNTY,

Additional ID(s): WQ0013518001
TX0105872

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 545411 Compliance Due Date: 09/17/2014

30 TAC Chapter 319.11(d)

PERMIT WQ0013518-001
See EFFLUENT LIMITATIONS AND MONITORING REQUIREMENTS, Item No. 5 "Effluent monitoring samples shall be taken at the following location(s): Following the final treatment unit." Page 2.

Alleged Violation:

Investigation: 1159896 Comment Date: 08/13/2014

Failure to properly install the flow measuring device. Flow measurement must be taken after the final treatment unit as required by the discharge permit. Flow is currently monitored before the last treatment unit, the chlorine contact basin.

Investigation: 1202523 Comment Date: 10/28/2014

Failure to properly install the flow measuring device. Documentation submitted September 17, 2014 indicated the flow meter is located where it is due to the design of the plant. A discussion with Mr. Louis Herrin III on October 10, 2014 indicated no variance for the location of the meter is on file or was submitted.

Recommended Corrective Action: Submit documentation showing that either the flow meter was relocated after the final treatment unit, or a variance was granted from this requirement by the TCEQ Municipal Permits Section. Variance requests should be submitted to Mr. Louis Herrin III, TCEQ - MC 148, P. O. Box 13087, Austin, Texas 78711-3087.

ALLEGED VIOLATION(S) NOTED AND RESOLVED ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 544160

30 TAC Chapter 305.125(1)

PERMIT WQ0013518-001
See MONITORING AND REPORTING REQUIREMENTS, No. 5 Calibration of Instruments, page 6.

Alleged Violation:

Investigation: 1159896 Comment Date: 08/06/2014

Failure to calibrate the flow meter at least annually to ensure accuracy. Specifically, records indicating that the inline flow meter had been calibrated in the previous 12 months were not available. According to the previous investigation in 2012, the current inline flow meter was installed February 11, 2011. All automatic flow measuring or recording devices and all totalizing flows shall be accurately calibrated by a trained person at plant start-up and as often thereafter as necessary to ensure accuracy, but not less often than annually

Investigation: 1202523 Comment Date: 10/10/2014

Failure to calibrate the flow meter at least annually to ensure accuracy.

Recommended Corrective Action: Submit a calibration certificate for the inline flow meter indicating calibration in the previous 12 months Alternatively, submit documentation from the TCEQ authorizing a variance from annual calibration

Resolution: Documentation submitted on October 14, 2014 indicates the inline flow meter was verified on September 22, 2014. The documentation indicated the calibration expires on September 22, 2015.

Track No: 545407

30 TAC Chapter 305.125(5)

PERMIT WQ0013518-001
See OPERATIONAL REQUIREMENTS, Item No. 1, page 13.

Alleged Violation:

Investigation: 1159896 Comment Date: 08/13/2014

Failure to properly maintain and operate the bar screen. Specifically, the permit application states one of the treatment units is a static bar screen located in the on-site lift station. During the investigation, the investigator was told by the operator there was no bar screen at the plant. It was unclear if this structure was removed since the last investigation. No other form of influent screening is available at this plant.

Investigation: 1202523 Comment Date: 10/10/2014

Failure to properly maintain and operate the bar screen.

Recommended Corrective Action: Submit documentation, including photographs and a detailed description of action taken, indicating proper maintenance and operation of the bar screen.

Resolution: Documentation was received on September 17, 2014 indicating the lift station has a basket mounted inside the wet well. The basket is said to be vacuumed out each time sludge is removed from the plant. A photograph showing the basket was included.

CivilSolutions Inc
P. O. Box 100247
Fort Worth, Texas 76185
817-423-0060

December 1, 2014

Louis Herrin III
Municipal Permits Section MC 148
Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

Re: Request for Variance
Mayfair Addition Wastewater Treatment Plant
2700 Highway 1187 in Tarrant County, Texas
TCEQ ID No. WQ0013518-001, EPA ID No. TX0105872

Dear Mr. Herrin:

D & K Development is requesting a variance to the requirement that the flow metering device be located after the final treatment unit (the chlorine contact basin).

History

The Mayfair Plant was originally constructed as a 24,000 gallon a day activated sludge extended aeration plant. As the service area expanded it became necessary to increase the plant capacity. A sequencing batch reactor (SBR) was installed to provide additional capacity. As a part of that project the old extended aeration plant was converted to provide for reaeration and a chlorine contact chamber. There was a weir located at the discharge of the plant but with the additional flow as well the characteristics of the flow in a SBR the weir was not effective as a flow measuring device. The surges when the SBR decanted over whelmed the weir and it could not be used to effectively measure the flow. The plant supplier installed the meter currently located at the site.

A copy of the plan for the plant is enclosed.

It appears that the engineer who submitted the summary letter for the plant expansion did not point out the location of the meter or request the required variance.

Proposed Variance

The meter, in its current location, captures all the flow leaving the SBR. The meter does not work effectively when it is not flowing full. After the SBR decants and the higher flows have passed through the reaeration and chlorine contact chamber there are small flows that leave the plant. These flows have been measured by the electronic meter which would not be able to measure them if they were located at the end of the chlorine contact basin.

We are requesting a Variance to use the meter as currently installed.

Attached are the following items:

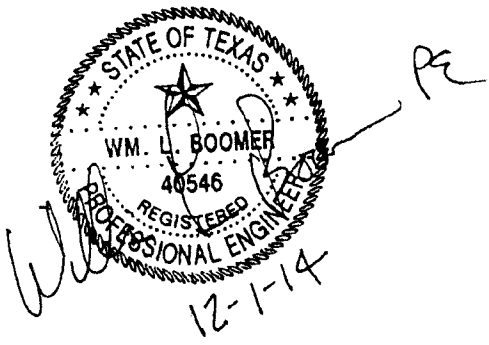
1) Copy of Site Plan showing the meter location
2) Photo of the plant showing the location of the meter
3) Photograph of the meter
4) An excerpt from the manual for the meter

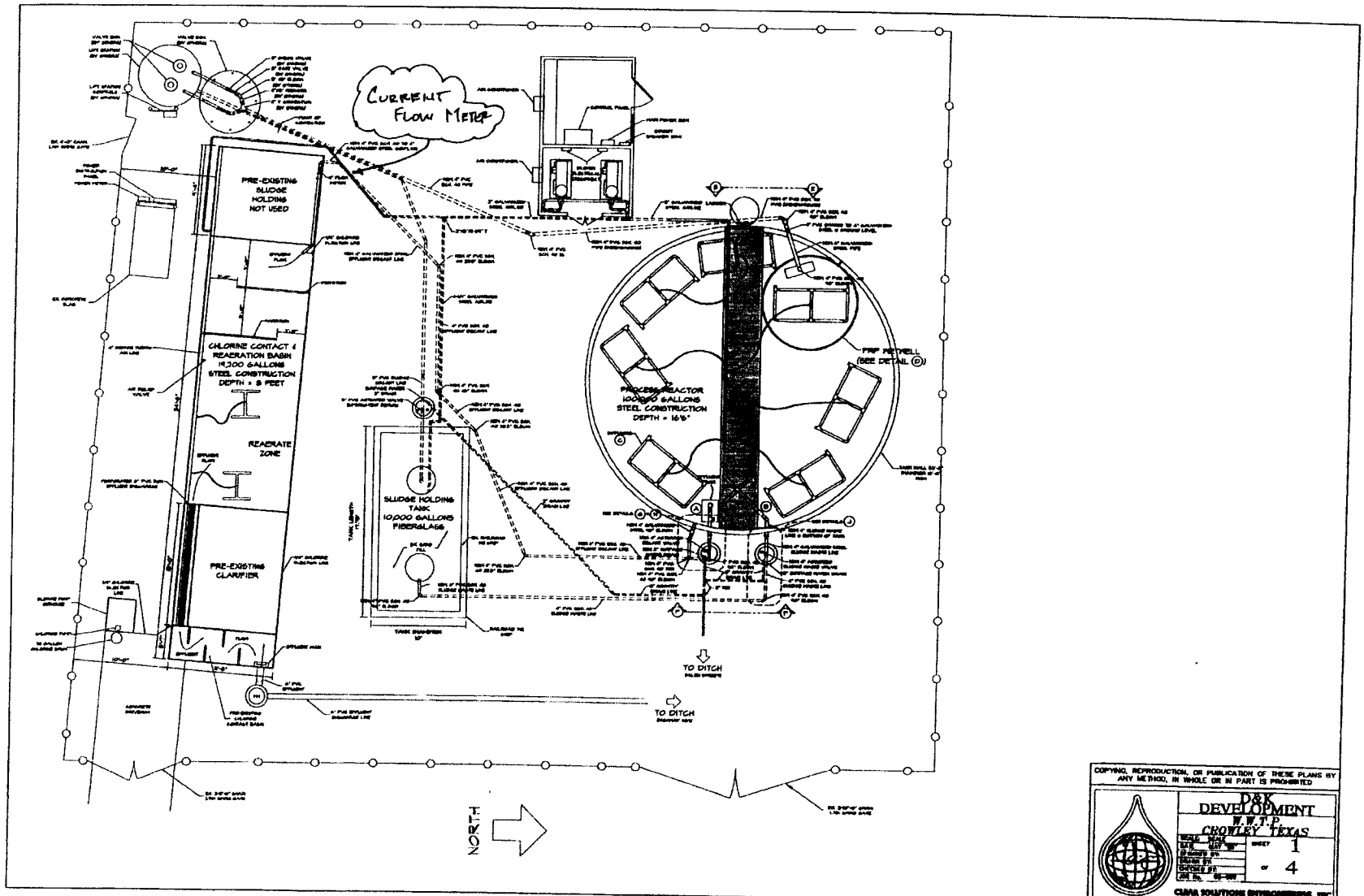
Should you have any questions or require additional information please contact me at billboomer@flash.net or 817-994-1528.

Sincerely,

CivilSolutions Inc

William L. Boomer, P.E.
President

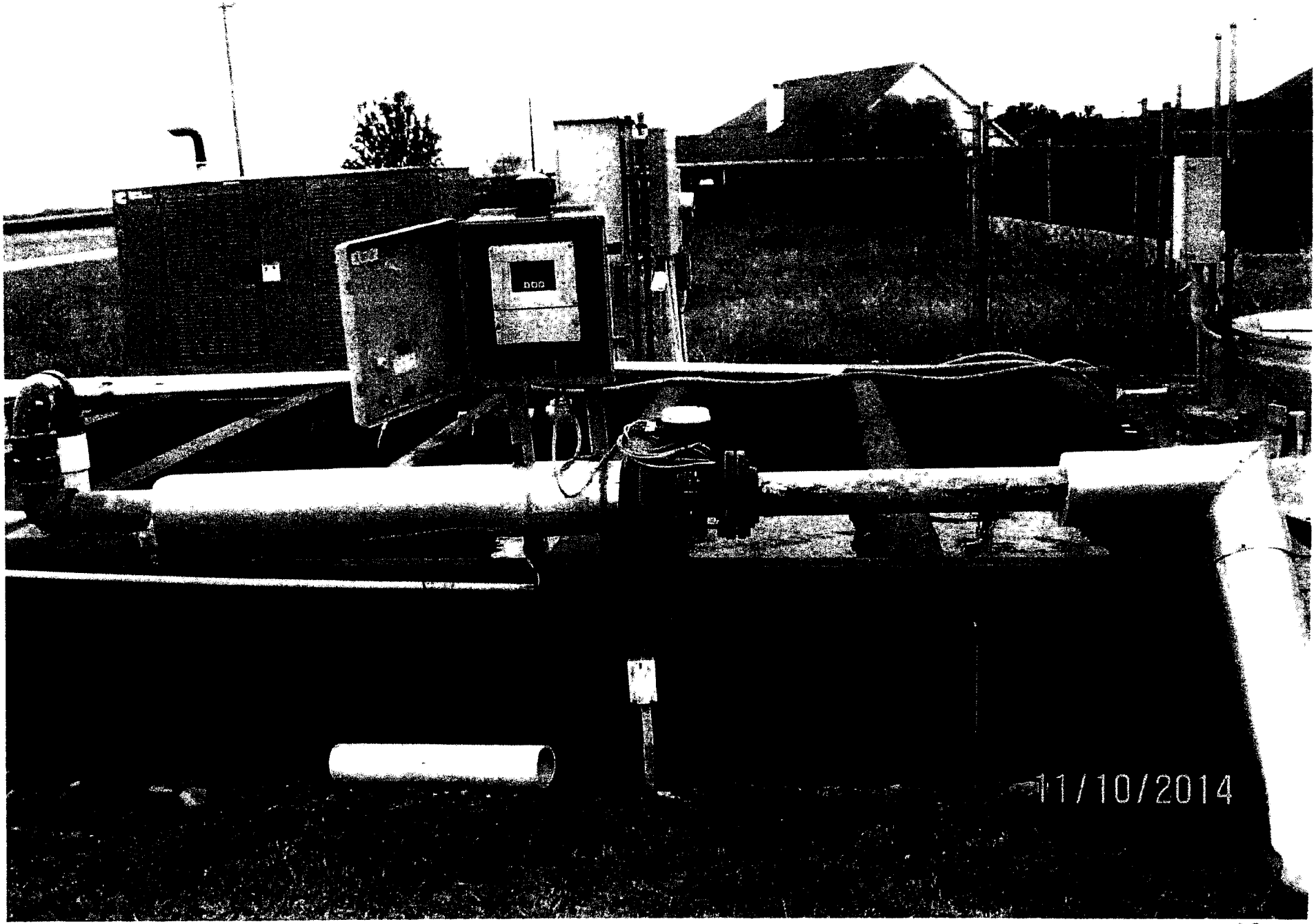


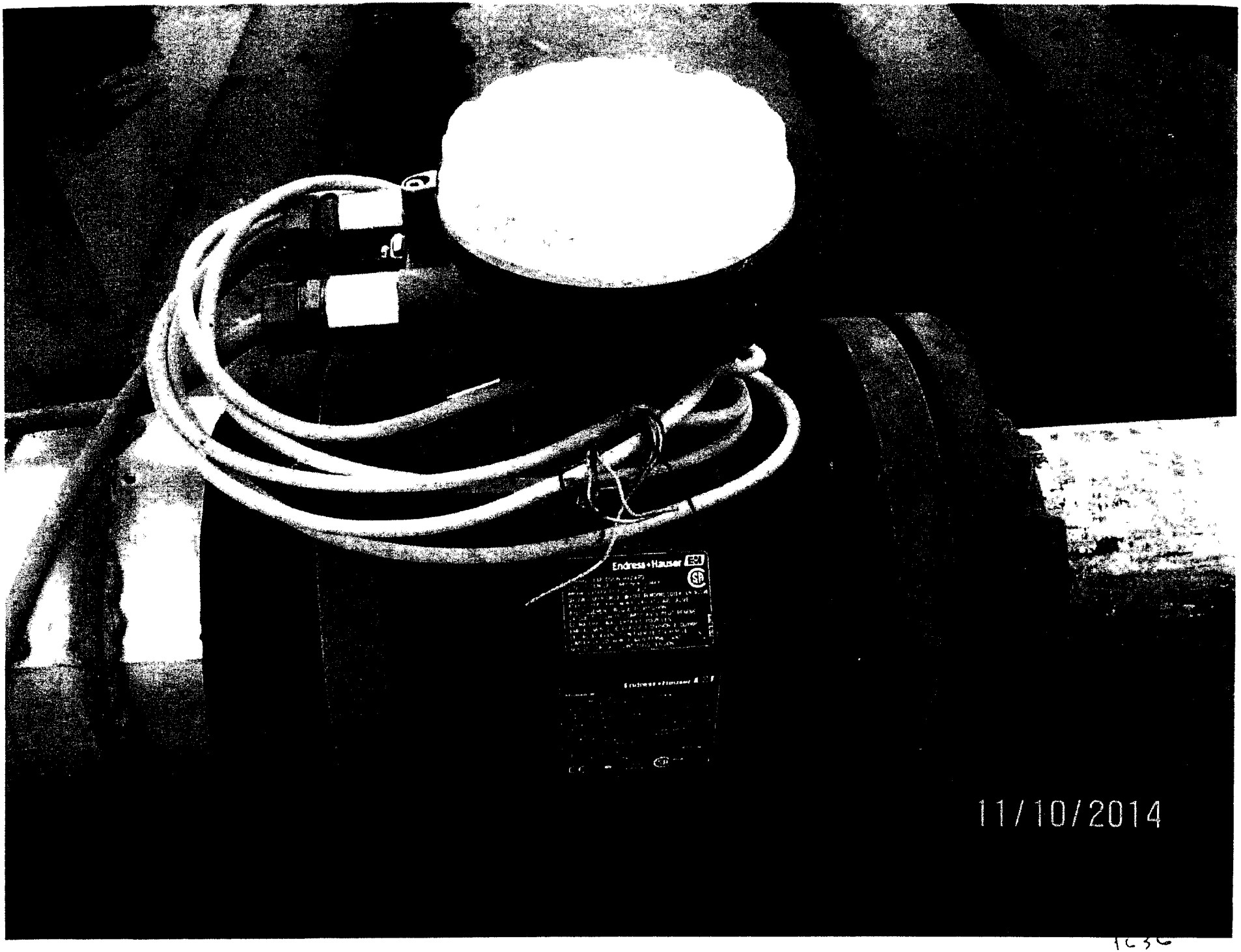


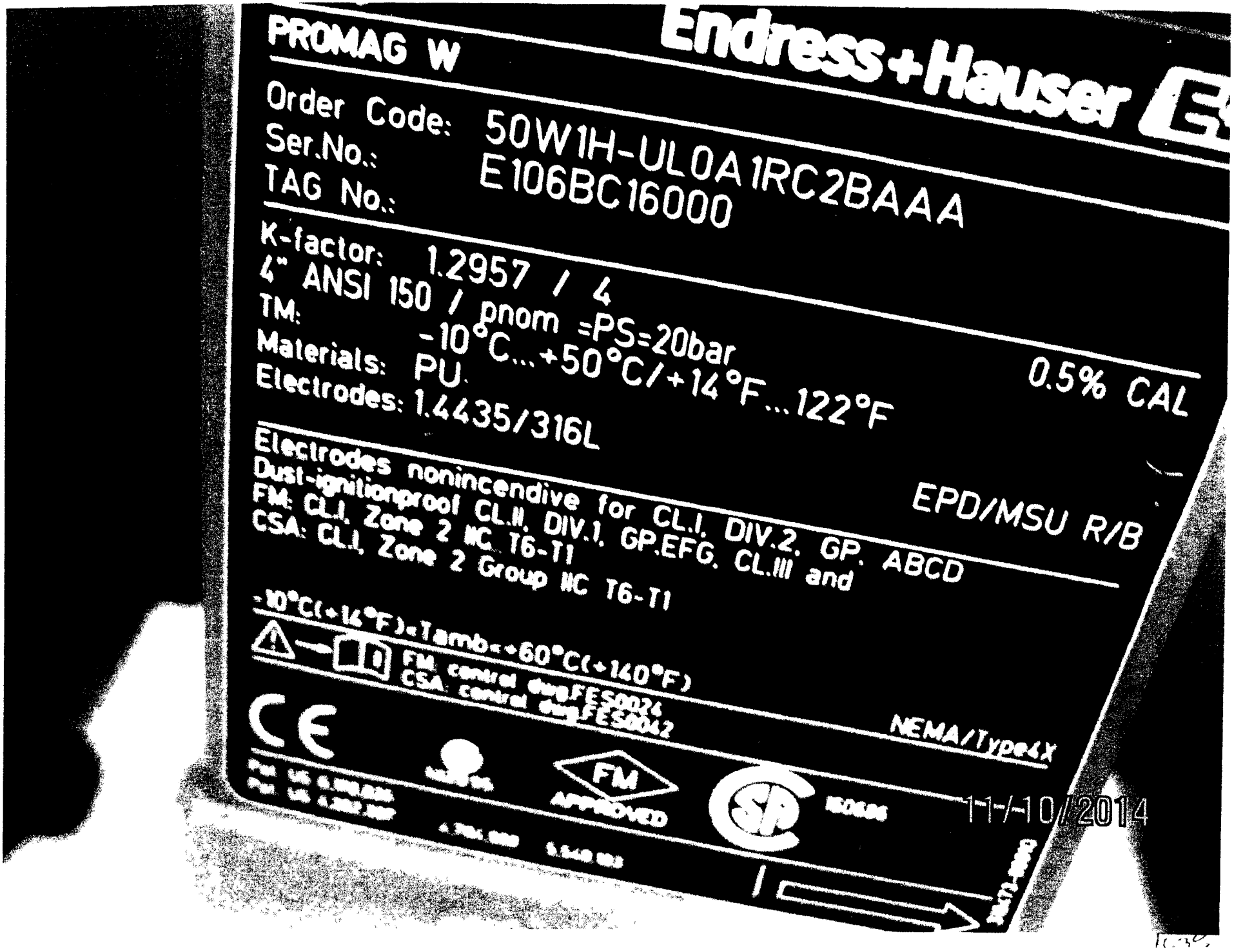
D&K DEVELOPMENT
W.W.T.P.
CROWLEY TEXAS

SHEET 1 OF 4

CLARA SOLUTIONS ENTERPRISES, INC.


11/10/2014


Endress+Hauser
11/10/2014


PROMAG W
Endress+Hauser
Order Code: 50W1H-UL0A1RC2BAAA
Ser.No.: E106BC16000
TAG No.:
K-factor: 1.2957 / 4
4" ANSI 150 / pnom =PS=20bar
TM: -10°C...+50°C/+14°F...122°F
0.5% CAL
Materials: PU
Electrodes: 1.4435/316L
EPD/MSU R/B
Electrodes nonincendive for CL.I. DIV.2. GP. ABCD
Dust-ignitionproof CL.II. DIV.1. GP.EFG. CL.III and
FM: CL.I. Zone 2 IIC T6-T1
CSA: CL.I. Zone 2 Group IIC T6-T1
-10°C(+14°F)≤Tamb≤+60°C(+140°F)
FM control dwg.FES0024
CSA control dwg.FES0042
NEMA/Type4X
FM APPROVED
11-/-10/2014

Endress+Hauser

1163696

Endress+Hauser Flowtec, Division USA Manufacturer	PROMAG 50 W Transm./Sensor
USA-49303420-10 Order Nº	4" Nominal diameter
50W1H-UL0A1RC2B4AA Order Code	- Tag Nº
5B013916000 Serial Nº	

Current Output 1	
Value for 0/4mA	0 USgal/min
Value for 20mA	300 USgal/min
Current Span	4-20mA HART
Impulse Output 1	
Pulse Value	2 USgal/P
Output Signal	PASSIVE/POSITIVE

The above parameters are set according to your order. Please refer to the Operating Manual for any parameters not mentioned.

11-18-2003
Date

Endress+Hauser
2350 Endress Place
Greenwood, IN 46143

3.2 Installation conditions

3.2.1 Dimensions

Dimensions and the fitting lengths of the transmitter and sensor are on Page 122 ff.

3.2.2 Mounting location

Correct measuring is possible only if the pipe is full. **Avoid** the following locations:
- Highest point of a pipeline. Risk of air accumulating
- Directly upstream a free pipe outlet in a vertical pipeline.

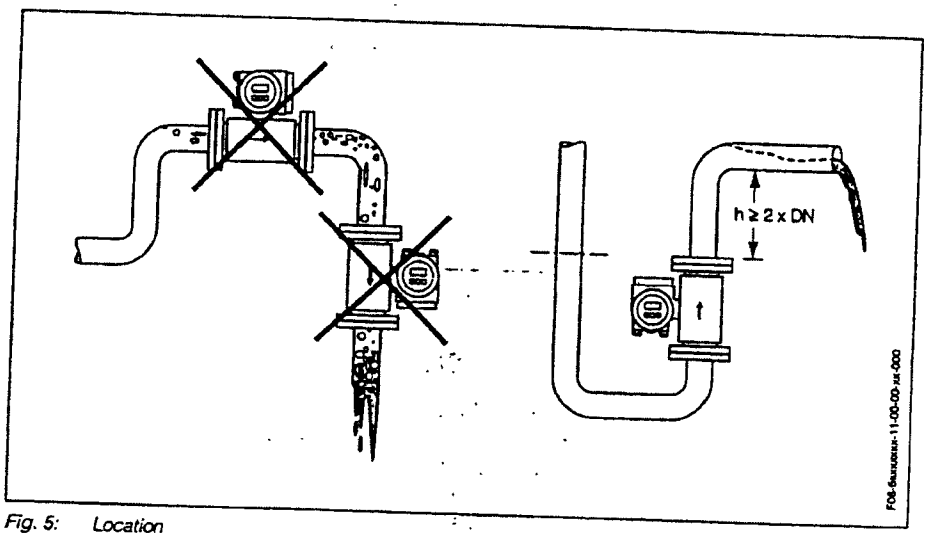


Fig. 5: Location

Installation of pumps
Do not install the sensor on the intake side of a pump. This precaution is to avoid low pressure and the consequent risk of damage to the lining of the measuring tube. Information on the lining's resistance to partial vacuum can be found on → Page 113.

It might be necessary to install pulse dampers in systems incorporating reciprocating, diaphragm or peristaltic pumps. Information on the measuring system's resistance to vibration and shock can be found on → Page 110.

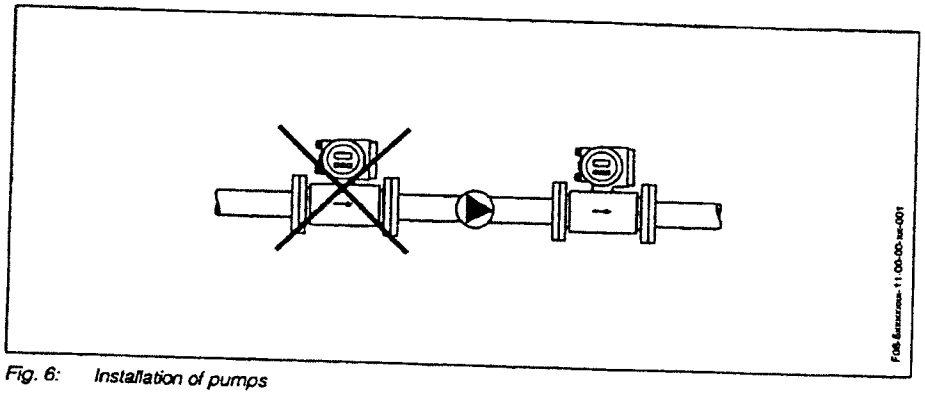


Fig. 6: Installation of pumps

3.2.3 Orientation

An optimum orientation position helps avoid gas and air accumulations and deposits in the measuring tube. Promag, nevertheless, supplies a range of functions and accessories for correct measuring of problematic fluids:

- Electrode Cleaning Circuit (ECC) for applications with accretive fluids, e.g. electrically conductive deposits → "Description of Device Functions" manual.
- Empty Pipe Detection (EPD) ensures the detection of partially filled measuring tubes, e.g. in the case of degassing fluids or varying process pressure (see Page 81)
- Exchangeable Measuring Electrodes for abrasive fluids (see Page 102)

Vertical orientation

This is the ideal orientation for self-emptying piping systems and for use in conjunction with Empty Pipe Detection.

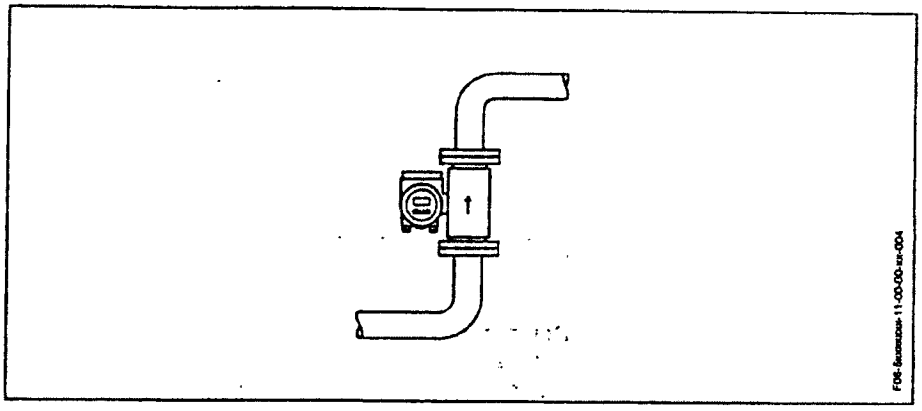


Fig. 9: Vertical orientation

Horizontal orientation

The measuring electrode plane should be horizontal. This prevents brief insulation of the two electrodes by entrained air bubbles.

Caution!

Empty Pipe Detection functions correctly only when the measuring device is installed horizontally and the transmitter housing is facing upward (Fig. 10). Otherwise there is no guarantee that Empty Pipe Detection will respond if the measuring tube is only partially filled or empty.

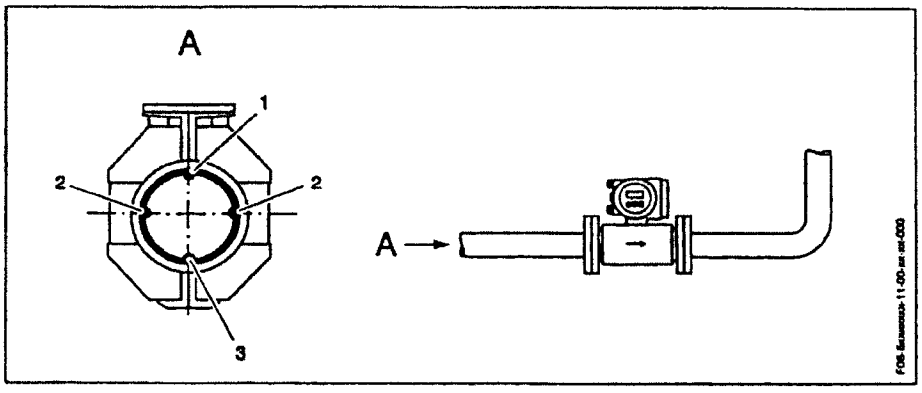


Fig. 10: Horizontal orientation

1 EPD electrode for the detection of empty pipes (not with Promag H, DN 2...8)
2 Measurement electrodes for the signal acquisition
3 Reference electrode for the potential equalisation (not with Promag H)

Yvette Castro

From: Ryan Quigley
Sent: Wednesday, June 08, 2016 1:46 PM
To: Jeff Eastman
Cc: Yvette Castro
Subject: Sugartree RFIs

Jeff,

Regarding Staff RFI 1.5 and 1.6. On the most recent TCEQ Inspection (April 1, 2016), we received 4 violations. Track number 598327 , failure to utilize an approved method of disinfection, will be resolved by installing a chemical metering pump and tank for sodium hypochlorite (bleach) this week. Track number 598329, short circuiting of the clarifier, will also be resolved this week by re-leveling the weir within the clarifier. The final violation, track number 598896, should be resolved as the documentation demonstrating two weeks of ammonia and phosphorous compliance was already submitted. Please let me know if you need anything else.

Quadvest
Water and Sewer Utility
The Glass is Always Full

Ryan Quigley
VP of Operations
d: 281-305-1111 | c: 832-244-1750

www.quadvest.com

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution
April 1, 2016

E-SIGNATURE CONFIRMATION #91 3408 2133 3931 9104 6042

Mr. Ryan Quigley, Project Manager
Quadvest LP
P O Box 409
Tomball, Texas 77377-0409

Re: Notice of Violation for Comprehensive Compliance Investigation at:
Sugartree WWTP, Dennis (Parker County), Texas
Regulated Entity No.: 101522464, TCEQ ID No.: WQ0014163-001, EPA ID No.: TX0122271

Dear Mr. Quigley:

On February 17, 2016, Mr. Imran Khawaja and Mr. Greg Diehl of the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (DFW) Region Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for wastewater treatment. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required. Please submit to this office by **May 1, 2016** a written description of corrective action taken and the required documentation demonstrating that compliance has been achieved for the outstanding alleged violations.

In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules* (GI 032) are located on our agency website at http://www.tceq.texas.gov for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the DFW Region Office at (817) 588-5800 or the Central Office Publications Ordering Team at 512-239-0028.

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. Self-reported violations may be subject to enforcement, including penalties, upon review by the Enforcement Division. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violations documented in this notice. Should you choose to do so, you must notify the DFW Region Office within 10 days from the date of this letter. At that time, Mr. Jeff Tate, Water Section Manager, will schedule a violation review meeting to be conducted *within 21 days from the date of this letter.*

However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Mr. Khawaja in the DFW Region Office at (817) 588-5806.

Sincerely,

Jeff Tate, Water Section Manager
Dallas/Fort Worth Region Office
Texas Commission on Environmental Quality

JT/ik

Enclosures: Summary of Investigation Findings

cc: Mr. Billy Martin, Operation Manager (w/enclosures)
2004 Southwest PKWY, Granbury, TX, 76048-5672

Summary of Investigation Findings

SUGAR TREE WWTF

Investigation # 1312041

Investigation Date: 02/17/2016

, PARKER COUNTY,

Additional ID(s): WQ0014163001
TX0122271

OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 598327 **Compliance Due Date: 05/01/2016**
30 TAC Chapter 305.125(1)

PERMIT WQ0014163-001
PERMIT CONDITIONS, SECTION 4, Item a(ii), page 11

Alleged Violation:
Investigation: 1312041 Comment Date: 03/24/2016

Failure to utilize an approved method of disinfection. At the time of the investigation, the facility was not using an approved method of disinfectant. Chlorine tablets were being scattered in the feeder and not used in the dispenser.

Recommended Corrective Action: Submit documentation including photographs to the DFW Region Office indicating an approved method is being used.

Track No: 598329 **Compliance Due Date: 05/01/2016**
30 TAC Chapter 305.125(1)

PERMIT WQ0014163-001
OPERATIONAL REQUIREMENTS, Item 1, page 13

Alleged Violation:
Investigation: 1312041 Comment Date: 03/24/2016

Failure to properly operate and maintain the treatment units. At the time of the investigation, floating solids and moderate algal growth was documented in the clarifier. The clarifier had uneven flow over the weir and effluent in the chlorine contact basin appeared turbid.

Recommended Corrective Action: Submit to the TCEQ DFW Region Office a corrective action documentation including photographs of the clarifier and the chlorine contact basin indicating the short-circuiting issue has been resolved, and floating solids documented during the investigation are eliminated.

Track No: 598896 **Compliance Due Date: 05/01/2016**
30 TAC Chapter 305.125(1)

PERMIT WQ0014163-001
Effluent Limitations and Monitoring Requirements, Item2, page 2

Alleged Violation:
Investigation: 1312041 Comment Date: 03/24/2016

Failure to maintain compliance with effluent limit parameters for Region grab samples. Specifically, the grab samples collected during the investigation were not compliant with the single grab maximum limit of 15 mg/l for ammonia nitrogen, and the single grab maximum limit of 6 mg/l for total phosphorus. The result of the ammonia nitrogen analysis was 36.3 mg/l, and the result of the total phosphorus was 7.68 mg/l. Compliance with the permitted effluent limits must be maintained.

Recommended Corrective Action: Submit documentation including two weeks worth of data to the DFW Region Office showing compliance with ammonia nitrogen and total phosphorus.

AREA OF CONCERN

Track No: 598326

30 TAC Chapter 305.125(1)

PERMIT WQ0014163-001
MONITORING AND REPORTING REQUIREMENTS, No.3, Item b., page 6.

Alleged Violation:

Investigation: 1312041 Comment Date: 03/24/2016

Failure to make all monitoring and reporting records readily available at the facility. Specifically, DMRs, operational records including operator's daily log, process control records, sampling logs, calibration logs, annual sludge reports including sludge manifest, were not available for review at the time of the investigation.

Resolution: Copies of all applicable monitoring and reporting records were received in the Regional Office on March 1, 2016.

ADDITIONAL ISSUES

Description	Additional Comments
Is the regulated entity compliant with the self-monitored effluent limitations?	A review of the permittee monthly DMR data from September 2013 through February 2015 indicated the permittee exceeded ammonia nitrogen daily average limit during January 2014, total phosphorus daily average limit during September, October and November 2013, May and August 2014, and August and November 2015. Please note effluent limit violations maybe subject to enforcement, including penalties, upon review by the Enforcement Division.

Texas Rain Holding

2004 Southwest Pkwy
Granbury,TX 76048

Phone (817)-579-8100

05-03-16

TCEQ Region 4
c/o Imran Khawaja
2309 Gravel Dr
Ft. Worth , TX 76118

Dear TCEQ,
In regards to investigation No. 1312041 at Sugartree WWWTP, ID No. TX 0122271 in Parker county in Weatherford TX. The following alleged violations have been resolved or are in the process of being resolved. Track No.598327; Photographs are available of CL2 feeder reassembled. Track No. 598329; the clarifier was cleaned of solids next to the weir that might flow over into the contact basin and photos are available. Track No. 598896; The strength of the waste cannot be pre-determined which makes it very difficult to comply with permitted limits. The limits are too strict without causing other problems in the treatment process. Documentations for the two weeks are available. Any assistance from TCEQ is greatly appreciated.

Sincerely,

Jan Johnson/Compliance Coordinator

Cc: Billy Martin/Operations Manager and Operator