



Control Number: 46452



Item Number: 5

Addendum StartPage: 0

RECEIVED

APPLICATION OF ALTOGA WSC §
 AND NORTH COLLIN SUD FOR §
 SALE, TRANSFER OR MERGER OF §
 FACILITIES AND CERTIFICATE §
 RIGHTS IN COLLIN COUNTY §

PUBLIC UTILITY COMMISSION

2016 NOV -3 AM 10:49

PUBLIC UTILITY COMMISSION
 OF TEXAS
 FILING CLERK

**SUPPLEMENTAL INFORMATION TO
 THE SALE, TRANSFER, OR MERGER APPLICATION**

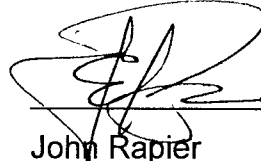
COMES NOW the North Collin Special Utility District (the "Applicant") and files this its Supplemental Information pursuant to the Public Utility Commission of Texas Instructions for an Application for Sale, Transfer, or Merger of a Retail Public Utility, and would show the following:

"2. Completed Application will include the following:

F. The latest TCEQ Inspection letter for the system(s) being acquired and any response provided to the TCEQ to address any outstanding deficiencies."

Supplemental Information: The latest TCEQ Inspection letter dated February 24, 2015, together with a TCEQ compliance letter dated December 10, 2015, are attached hereto as Exhibit A.

Respectfully Submitted,



John Rapier
 State Bar No. 16550500
 Gay, McCall, Isaacks & Roberts, P.C.
 777 E. 15th Street
 Plano, Texas 75074
 Tel (972) 424-8501
 Fax (972) 423-3116
 jrapier@gmigr.com
 Attorney for Applicant,
 North Collin Special Utility District

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on the following parties of record on November 2, 2016, in accordance with 16 TAC § 22.74.

Via electronic mail - jacob.lawler@puc.texas.gov

Jacob Lawler
Attorney-Legal Division
Public Utilities Commission of Texas
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326

Via electronic mail - stephen.mack@puc.texas.gov

Stephen Mack
Attorney-Legal Division
Public Utilities Commission of Texas
1701 N. Congress Avenue
P. O. Box 13326
Austin, Texas 78711-3326



John Rapier

Bryan W. Shaw, Ph.D., P.E., *Chairman*
 Toby Baker, *Commissioner*
 Zak Covar, *Commissioner*
 Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 24, 2015

E SIGNATURE CONFIRMATION # 91 3499 9991 7030 0042 7486

Mr. Dick Leflar, President
 Altoga Water Supply Corporation (WSC)
 PO Box 547
 Princeton, Texas 75407-0547

COPY

Re: Notice of Enforcement for Public Water Supply Complaint Investigation at:
 Altoga WSC, 4365 FM 75, Princeton, Collin County, Texas
 RN 101436152, PWS ID No. 0430026, Investigation No. 1217755, Incident No. 208249

Dear Mr. Leflar:

On January 6-7, 2015, Ms. Merissa Green of the Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (D/FW) Regional Office conducted an investigation of the above-referenced regulated entity to evaluate compliance with applicable requirements for public water supply systems. During this investigation, certain outstanding alleged violations were documented. Enclosed is a summary which lists the investigation findings and recommended corrective actions. Additional recommended corrective actions may be provided by the Enforcement Division.

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.state.tx.us> 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 D/FW Regional Office at (817) 588-5800 or the Central Office Publications Ordering Team at 512-239-0028.

Also, please be advised that the Legislature has granted enforcement powers to the TCEQ to carry out its mission to protect human health and the environment. Due to the apparent seriousness of the alleged violations, formal enforcement action has been initiated, and additional violations may be cited upon further review. We encourage you to immediately begin taking actions to address the outstanding alleged violations.

In responding with prompt corrective action, the administrative penalty to be assessed may be limited.

The Commission recognizes that the great majority of the regulated community wants to prevent pollution and to comply with environmental laws. We dedicate considerable resources toward making voluntary compliance achievable. But where compliance has not been met it is our duty to protect the public and the environment by enforcing the state's environmental laws, regulations, and permits.

Mr. Richard Leflar, President

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February 24, 2015

Also, if you believe the violations documented in this notice have been cited in error, **and** you have additional information that we are unaware of, you may request a meeting to discuss this enforcement matter. To request a meeting, send a letter describing the additional information to the address shown below.

Manager, Drinking Water Section
Enforcement Division, MC 219
Re: Enforcement Meeting Request
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

If you or members of your staff have any questions, please feel free to contact Ms. Green in the D/FW Regional Office at (817) 588-5846.

Sincerely,



Jeff Tate
Water Section Manager
D/FW Regional Office
JT/mg

Enclosure: Summary of Investigation Finding

Summary of Investigation Findings

ALTOGA WSC

4365 FM 75

PRINCETON, COLLIN COUNTY, TX 75407

Investigation #

1217755

Investigation Date: 01/06/2015

Additional ID(s): 0430026

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

Track No: 560860

Compliance Due Date: To Be Determined

30 TAC Chapter 290.110(b)(2)

30 TAC Chapter 290.110(b)(4)

30 TAC Chapter 290.46(d)(2)(A)

Alleged Violation:

Investigation: 1217755

Comment Date: 02/11/2015

Failure to maintain a disinfectant residual of at least 0.2 milligrams per liter (mg/L) free chlorine at the entry point and throughout the distribution system.

During the comprehensive compliance investigation on January 6-7, 2015, it was noted that the disinfectant residual was below the minimum acceptable level at the entry points to the distribution system and at several locations within the distribution system. Field monitoring activities on January 6, 2015 noted the following results:

0.05 mg/L free chlorine residual at Entry Point #1 (4365 FM 75)
0.10 mg/L free chlorine residual at Entry Point #2 (7001 CR 1218)
0.13 mg/L free chlorine residual at Sample Site #1 (FM 1827 at CR 988)
0.04 mg/L free chlorine residual at the flush valve on CR 463
0.03 mg/L free chlorine residual at Sample Site of Stiff Point Circle

At the conclusion of the investigation at approximately 1400 hours, an exit interview was provided to the public water system which detailed the violation and the requirement to correct the violation within 24 hours. The field monitoring activities performed during the follow up visit on January 7, 2015, began at approximately 1430 hours and noted the following results:

1.97 mg/L free chlorine residual at Entry Point #1 (4365 FM 75)
0.22 mg/L free chlorine residual at Entry Point #2 (7001 CR 1218)
0.03 mg/L free chlorine residual at Sample Site #1 (FM 1827 at CR 988)
0.02 mg/L free chlorine residual at the flush valve on CR 463
0.03 mg/L free chlorine residual at Sample Site of Stiff Point Circle

30 TAC 290.46(d)(2) states the disinfection equipment shall be operated to maintain the following minimum disinfectant residuals in each finished water storage tank and throughout the distribution system at all times:

30 TAC 290.46(d)(2)(A) states a free chlorine residual of 0.2 mg/L.

30 TAC 290.110(b)(2) states the residual disinfectant concentration in the water entering the distribution system shall be at least 0.2 mg/L free chlorine or 0.5 mg/L chloramine.

30 TAC 290.110(b)(4) states the residual disinfectant concentration in the water within the distribution system shall be at least 0.2 mg/L free chlorine or 0.5 mg/L chloramine.

Recommended Corrective Action: Ensure that residual disinfectant concentration in the water entering the distribution system is at an acceptable level and maintain the disinfectant residual above the minimum acceptable level throughout the distribution system at all times. The public water system must institute special precautions as necessary in response to low residual events.

Track No: 560861 Compliance Due Date: To Be Determined
30 TAC Chapter 290.46(j)

Alleged Violation:

Investigation: 1217755

Comment Date: 02/10/2015

Failure to complete a customer service inspection certificate prior to providing continuous water service to new construction.

During the comprehensive compliance investigation, it was noted that the public water system did not have customer service inspection certificates on file for the homes in the High Point Estates service area. High Point Estates has approximately 16 homes constructed around 2007 or later and were required to have customer service inspections performed prior to receiving continuous water service.

30 TAC 290.46(j) states a customer service inspection certificate shall be completed prior to providing continuous water service to new construction, on any existing service either when the water purveyor has reason to believe that cross-connections or other potential contamination hazards exist, or after any material improvement, correction, or addition to the private water distribution facilities. Any customer service inspection certificate form which varies from the format found in 30 TAC 290.47(d) must be approved by the executive director prior to being placed in use.

Recommended Corrective Action: Provide completed customer service inspection certificates for the connections in High Point Estates. If potential contaminant hazards are discovered, they shall be promptly eliminated to prevent possible contamination of the water supplied by the public water system.

ADDITIONAL ISSUES**Description****Additional Comments**

Item 3

During the investigation, it was noted that effective flushing could not be achieved in some areas of the distribution system utilizing the current flush valves and hydrants. Additional flush valves should be installed, or existing valves should be upsized, to allow for a more effective flushing program.

Item 4

During the investigation, it was noted that the system is approaching 250 connections. Please be advised that once the system serves more than 250 connections, the following will be required: the system must employ an operator with a Class "C" or higher groundwater license, the amount of chemical used must be recorded each day, the volume of water treated must be recorded each day, and the disinfectant residual must be monitored at representative sites in the distribution system at least once each day.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Jon Niermann, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 10, 2015

Mr. Robert Lockhart, President
ALTOGA WATER SUPPLY CORPORATION
P.O. Box 547
Princeton, Texas 75407

Re: Notice of Compliance with Agreed Order
ALTOGA WATER SUPPLY CORPORATION
RN101436152; Public Water Supply ID No. 0430026
Docket No. 2015-0527-PWS-E; Enforcement Case No. 50348

Dear Mr. Lockhart:

This letter is to inform you that a review of Texas Commission on Environmental Quality records concerning the above-referenced enforcement matter indicates that ALTOGA WATER SUPPLY CORPORATION has fulfilled the requirements of the Agreed Order ("Order") effective on November 16, 2015. Specifically, ALTOGA WATER SUPPLY CORPORATION has fulfilled the technical requirements and paid the administrative penalty assessed in the Order. Based upon this, we conclude that your response has been satisfactory and no further action is necessary at this time with respect to this enforcement matter. The Order will terminate on November 16, 2020, provided that compliance is maintained with all terms and conditions of the Order.

We appreciate your cooperation, and if we can be of any further assistance, please contact Mr. Jim Fisher of my staff at (512) 239-2537.

Sincerely,

A handwritten signature in cursive script that reads "Melissa Cordell".

Melissa Cordell, Manager
Enforcement Division

cc: Mr. Rodney McDaniel, General Manager, ALTOGA WATER SUPPLY CORPORATION,
P.O. Box 547, Princeton, Texas 75407

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DEC 14 2015

DFW REGION-4

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

How is our customer service? tceq.texas.gov/customersurvey

printed on recycled paper using vegetable-based ink

Mr. Robert Lockhart

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December 10, 2015

bcc: Manager, Water Section, Dallas/Fort Worth Regional Office, TCEQ
Mr. Jim Fisher, Coordinator, Enforcement Division, MC 169
Central Records, MC 213, Building E, 1st Floor,
PWS_0430026_CO/2015-12-10_Compliance with Commission Order
Enforcement Division Electronic Reader File