

Control Number: 46644



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Addendum StartPage: 0

DOCKET NO. 46644

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APPLICATION OF LANNIUS MUD
AND BOIS D'ARC MUD FOR SALE,
TRANSFER OR MERGER OF
FACILITIES AND CERTIFICATE
RIGHTS IN FANNIN COUNTY

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PUBLIC UTILITY COMMISSION
OF TEXAS

COMMISSION
FILING CLERK

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

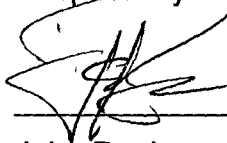
COMES NOW the Bois D'Arc Municipal Utility District (the "Applicant") and files this its Supplemental Information pursuant to the Public Utility Commission of Texas Instructions for an Application for Sale, Transfer, or Merger of a Retail Public Utility, and would show the following:

"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 August 28, 2015, Attachment 5 to the Application and attached hereto as Exhibit A.

Respectfully Submitted,



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Attorneys for Applicant,
Bois D'Arc Municipal Utility District

CERTIFICATE OF SERVICE

I certify that a copy of this document will be served on the following parties of record on February 15, 2017, in accordance with 16 TAC § 22.74.

Via electronic mail - Kennedy.Meier@puc.texas.gov

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



John Rapiery

EXHIBIT A

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 28, 2015

E SIGNATURE CONFIRMATION # 91 3499 9991 7030 0594 3585

Mr. James Toutz, President
Lannius Municipal Utility District (MUD)
1465 county road 2945
Dodd City, Texas 75438

Re: Unresolved Alleged Violations for Public Water Supply Comprehensive Compliance
Investigation at:
Lannius MUD, 3125 FM 897, Dodd City, Fannin County, Texas
RN102691318, PWS ID No. 0740026, Investigation No. 1230094

Dear Mr. Toutz:

The Texas Commission on Environmental Quality (TCEQ) Dallas/Fort Worth (D/FW) Regional Office has previously requested that you submit compliance documentation for the alleged violations noted during the investigation of the above-referenced facility conducted on February 5, 2015. We have received acceptable compliance documentation from you for all of the alleged violations except those listed in the enclosed summary. Please be advised that you are responsible for correcting these remaining problems. These unresolved alleged violations will be placed in your file to be evaluated during any subsequent investigation.

If you or members of your staff have any questions regarding these matters, please feel free to contact Ms. Crystal Watkins in the D/FW Regional Office at (817) 588-5804.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles Marshall".

Charles Marshall
Team Leader, Public Water Supply Program
D/FW Regional Office

COPY

CM/cdw

Enclosure: Summary of Investigation Findings

Summary of Investigation Findings

LANNIUS MUD

3125 FM 897

DODD CITY, FANNIN COUNTY, TX 75438

Investigation #

1266412

Investigation Date: 08/21/2015

Additional ID(s): 0740026

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

Track No: 564421 Compliance Due Date: 07/20/2015

30 TAC Chapter 290.45(f)(4)

Alleged Violation:

Investigation: 1230094

Comment Date: 03/16/2015

Failure to have a water purchase contract which establishes the maximum daily purchase rate of 0.6 gpm per connection.

30 TAC 290.45(f) (4) The maximum authorized daily purchase rate specified in the contract, or a uniform purchase rate in the absence of a specified daily purchase rate, plus the actual production capacity of the system must be at least 0.6 gpm per connection.

On the day of the investigation, the system provided a water purchase contract which did not specify daily purchase rate to be at least 0.6 gpm per connection.

Investigation: 1258650

Comment Date: 06/17/2015

Failure to have a water purchase contract which establishes the maximum daily purchase rate of 0.6 gpm per connection.

During the file record review investigation, the investigator determined that adequate compliance documentation had not been submitted by the water system. Included in the documentation was a statement that corrective action was pending.

Investigation: 1266412

Comment Date: 07/17/2015

Failure to provide purchase water contract according to 30 TAC 290.45 (f)(4).

During the file record review investigation, the investigator determined that no compliance documentation had been submitted by the water system.

Recommended Corrective Action: Submit documentation of a water purchase contract, a letter of understating, or a memorandum signed by both parties which provides a maximum daily purchase rate of 0.6 gpm per connection.

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

Track No: 564418

30 TAC Chapter 290.46(u)

Alleged Violation:

Investigation: 1230094

Comment Date: 03/12/2015

Failure to plug the abandoned well with cement according to 16 Texas Administrative Code (TAC) Chapter 76.

30 Texas Administrative Code (TAC) 290.46(u) states that abandoned public water supply wells owned by the system must be plugged with cement according to 16 TAC Chapter 76 (relating to Water Well Drillers and Water Well Pump Installers). Wells that are not in use and are non-deteriorated as defined in those rules must be tested every five years or as required

by the executive director to prove that they are in a non-deteriorated condition. The test results shall be sent to the executive director for review and approval. Deteriorated wells must be either plugged with cement or repaired to a non-deteriorated condition.

At the time of investigation, the investigator noted that the system did not plug the abandoned well #1 (G0740036A).
Investigation: 1258650 Comment Date: 06/17/2015

Failure to plug the abandoned well with cement according to 16 Texas Administrative Code (TAC) Chapter 76.

During the file record review investigation, the investigator determined that adequate compliance documentation had not been submitted by the water system. Included in the documentation were statements that Miller Drilling Company plugged the abandoned well according to 16 TAC Chapter 76 and that the documentation would be forwarded to the TCEQ. As of June 11, 2015, the TCEQ D/FW Regional Office has not received documentation showing the abandoned well was plugged.
Investigation: 1266412 Comment Date: 07/17/2015

Failure to plug abandoned well with cement according to 30 TAC 290.46(u).

During the file record review investigation, the investigator determined that adequate compliance documentation had been submitted by the water system.
Recommended Corrective Action: Provide a copy of the original State of Texas Plugging Report for well #1 (G0740036A) or an approval by TCEQ's executive director proving that the well is in a non-deteriorated condition.
Resolution: On July 13, 2015, documentation was received from the water system at the TCEQ DFW Region 4 office, providing a State of Texas plugging report dated April 1, 2015, for the referenced well.

Track No: 564422

30 TAC Chapter 290.46(f)(3)(A)(i)(III)

Alleged Violation:

Investigation: 1230094 Comment Date: 03/12/2015

Failure to maintain records of the amount of chemicals used each week.

30 TAC 290.46(f)(3)(A)(i)(III) states systems that serve fewer than 250 connections, serve fewer than 750 people, and use only groundwater or purchased treated water shall maintain a record of the amount of each chemical used each week.

During the comprehensive compliance investigation on February 5, 2015, it was noted that the water system did not have records of the amount of chemicals used each week.
Investigation: 1258650 Comment Date: 06/17/2015

Failure to maintain records of the amount of chemicals used each week.

During the file record review investigation, the investigator determined that adequate compliance documentation had not been submitted by the water system. Included in the documentation were statements that the public water system cannot satisfy this requirement since only small amounts of gaseous chlorine were added to obtain 1 to 1.5 mg/L free residual chlorine and therefore, the amount of gaseous chlorine was considered irrelevant. However, the 30 TAC 290.46(f)(3)(A)(i)(III) requires water systems to document the amount of chemicals used on a weekly basis. If the pounds of gaseous chlorine added in one week do not move the scale, the water system may record 0 pounds of gaseous chlorine added for that week, until a measurable amount of gaseous chlorine is added.
Investigation: 1266412 Comment Date: 07/17/2015

Failure to provide records of chemical used each week according to 30 TAC 290.46(f)(3)(A)(i)(III).

During the file record review investigation, the investigator determined that compliance

LANNIUS MUD

Investigation # 1266412

documentation had been submitted by the water system, but it was insufficient because it did not include records of weekly chemical usage.

Recommended Corrective Action: Create a new standard operating procedure document regarding weekly chemical record keeping, and submit a copy this document and two months of chemical records to the TCEQ Region 4 office.

Resolution: On July 29, 2015, the water system submitted two months' worth of the amount of chemicals used each week. This appears to resolve the alleged violation.

Track No: 564431

30 TAC Chapter 290.46(f)(3)(A)(ii)(iii)

Alleged Violation:

Investigation: 1230094

Comment Date: 03/16/2015

Failure to provide records of the amount of water treated each week.

30 TAC 290.46(f)(3)(A)(ii)(iii) states systems that serve fewer than 250 connections, serve fewer than 750 people, and use only groundwater or purchase treated water shall maintain a record of the amount of water treated each week.

During the comprehensive compliance investigation on February 5, 2015, it was noted that the water system did not have records of the amount of water treated each week available for review.

Investigation: 1258650

Comment Date: 06/17/2015

Failure to provide records of the amount of water treated each week.

During the file record review investigation, the investigator determined that adequate compliance documentation had not been submitted by the water system. Included in the documentation were copies of the monthly amount of water treated/purchased from January 2012, to December 2014, instead of the weekly amount of water treated/purchased.

Investigation: 1266412

Comment Date: 07/17/2015

Failure to provide records of the amount of water treated each week according to 30 TAC 290.46(f)(3)(A)(ii)(iii).

During the file record review investigation, the investigator determined that no compliance documentation had been submitted by the water system.

Recommended Corrective Action: Create a new standard operating procedure document regarding the amount of water treated weekly, and submit a copy this document and two months of treated water records to the TCEQ Region 4 office.

Resolution: On July 29, 2015, the water system submitted two months' worth of the amount of water distributed each week. This appears to resolve the alleged violation.

Track No: 564441

30 TAC Chapter 290.46(m)(1)

Alleged Violation:

Investigation: 1230094

Comment Date: 03/16/2015

Failure to perform annual tank inspections (both storage/pressure) to verify that all instrumentation and controls are working properly.

290.46(m)(1) states that each of the system's ground, elevated, and pressure tanks shall be inspected annually by water system personnel or a contracted inspection service.

On the day of the investigation, the water system did not have inspection reports for the ground storage and pressure tanks available for review.

Investigation: 1258650

Comment Date: 06/17/2015

Failure to perform annual tank inspections (both storage and pressure) to verify that all

Summary of Investigation Findings

Page 3 of 4

Attachment No. 5 - Question 17A
Bois D'Arc MUD
14101 E. FM 1396
Honey Grove, Texas 75446

instrumentation and controls are working properly.

During the file record review investigation, the investigator determined that adequate compliance documentation had not been submitted by the water system. Included in the documentation was a statement that Texas Tank Services will perform the annual tank inspections during May 2015. As of June 11, 2015, the TCEQ D/FW Regional Office has not received documentation for the annual tank inspections conducted by the Texas Tank Services.

Investigation: 1266412

Comment Date: 07/17/2015

Failure to perform annual tank inspections for both the pressure tank and the ground storage tank according to 30 TAC 290.46(m)(1).

During the file record review investigation, the investigator noted that on June 26, 2015, documentation was received from the water system of an annual ground storage tank inspection performed by Texas Tank Services on May 13, 2015. This is insufficient to resolve the violation because an annual inspection of the pressure tank was not performed.

Recommended Corrective Action: Submit documentation to the TCEQ D/FW Region 4 office confirming an annual inspection of the pressure tank.

Resolution: On June 26 and August 20, 2015, the water system submitted copies of the 2015 tank inspection forms for the ground storage tank and the pressure tank. This appears to resolve the alleged violation.