



Control Number: 47289



Item Number: 1

Addendum StartPage: 0

Hubert-Watson Subdivision Water Supply, Inc.
Judy Watson Perkins, Administrator
10855 Beinhorn Rd.
Houston, TX 77024
HubertWatsonWater@gmail.com
713-467-8191

47289

RECEIVED

2017 JUN 15 AM 9:32

PUBLIC UTILITY COMMISSION
FILING CLERK

June 12th, 2017

Docket No.: ☐
CCN: 12123
PWS: 1610114
Re: Stock Transfer

Dear Texas PUC:

This letter re-caps recent transactions between the original shareholders of the Hubert-Watson Subdivision Water Supply, Inc. (HW) as well as a proposal to allow a new shareholder into the system's ownership.

Unknown at the time of a stockholder leaving HW earlier this year, was the PUCT regulation requiring the agency's notification of a proposed stock transfer of a controlling shareholder at least 60 days before the date of the transaction is to occur. Originally, and now, there is no single majority controlling interest holder in HW as no shareholder owns or has owned more than 50% of the stock. Details of the needed separation between the departed 50% owner from HW are included in this package.

As you will read, the separation was both un-avoidable and desirable for proper continued operation of HW. This shareholder change does not affect HW's day to day operations in anyway.

This package includes:

1. The history of HW and need for shareholder changes
2. Regulators deficiencies notices or enforcement actions and their resolution or status for the past several years
3. Documentation as to the operating status of HW
4. A copy of HW's Certificate of Account Status from the Comptroller's office

Other items of importance:

1. HW is not involved in any other water or sewer operations nor are any of its current or proposed shareholders.
2. The departed original shareholder's documentation dated effective date of January 1, 2017
3. The proposed effective date of admission of the new shareholder will be virtually contemporaneous with PUC approval of such action
4. HW's operating system, physical contract operators, administrator, and address all remain the same. HW's president will change from James Garland Watson to Judith Watson Perkins, both original shareholders.

The undersigned is an unpaid assistant for regulatory filing preparation. Please address questions to the undersigned, Richard D. Perkins, or to Judith Watson Perkins.



DOCKET#

PAGE 1

Index for Hubert-Watson Subdivision Water Supply, Inc Petition for Non-Controlling Shareholder Changes

Docket No.: TBD

CCN: 12123

PWS: 1610114

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**Hubert-Watson Subdivision Water Supply, Inc
Petition for Stock Transfer**

CCN: 12123

PWS: 1610114

Docket No. TBD

HISTORICAL BACKGROUND & NEED FOR SHAREHOLDER CHANGES--HW WATER

The Original Owners of HW:

- | | | |
|-----------------------------------|---------------|-----|
| • J. Garland Watson, Jr DDS (JGW) | President | 25% |
| • Judith Watson Perkins (JWP) | Administrator | 25% |
| • Betty Hubert Wise Trust (BWT) | Shareholder | 50% |

Background Information

The Hubert-Watson Subdivision Water Supply Inc was formed in 1988 when the system was installed. Dr. Watson has been the President of the entity since inception but until 2011 the actual management was under Mr. E.M. Huitt, the executor of the Hubert (now Betty Wise) Trust, in Bay City, Texas. Mr. Huitt was an attorney and a CPA and handled the monies associated with the water system. Huitt also prepared and filed the tax returns. Mr. Huitt died in 2011.

Initial funding for the water system came in what was listed as a loan from the subdivision's partners (in the same percentages as the above HW ownership) in the amount on the books of \$32,945.15. Practically it was seed investment monies possibly out of property sales income.

After Huitt's death in 2011, Dr. Watson (JGW) took over the corporate management along with his busy orthodontics practice in Brazos County until the Spring of 2016 when he asked Mrs. Perkins (JWP) to take over those duties for the water system.

Tax filings since about 2012 have been prepared by an accountant in Brazos County, Mr. Kuttler, with data supplied by Dr. Watson. Mr. Kuttler continues to do the tax accounting though a contract professional account is now preparing the books for Mr. Kuttler.

Day to day onsite operation and management has been, still is, and will be conducted under contract by Shoreline Construction, Matagorda, Texas, owned by Gary Sherrill. Shoreline also initially installed the water system pipeline and meters. The water well and associated surface equipment were installed by a specialty contractor. Richard Serrill is the contractor that controls and monitors water quality.

Mollie Huffman is the successor trustee of the Betty Hubert Wise (BWT) Trust and, while an HW shareholder, had no active participation in HW's operations.

JWP became involved in the day to day operations and finances in June of 2016. With the long period of a fixed 1988 vintage tariff with decreasing net income that some maintenance and repairs had been delayed. Meter repairs and replacement and bringing delinquent accounts payable to contractors current were the first costly items addressed. Cash calls were presented to the three shareholders. Mollie Huffman, in September of 2016, emailed that she had no intention of funding the system any

longer. The email is shown in Attachment 1. It should be noted that Mollie Huffman did respond to a cash call earlier in March of 2016 contributing the Trust's 50% cash call of \$5,440.

Mollie Huffman desired to sell her Trust's real estate interests in the HW Subdivision area. Once divested of the real estate she planned to no longer be involved with HW water, see Attachment 1. She did sell her real estate interests in early September 2016 to Randal Boenigk and followed through with her plan to no longer be part of HW Water post property sale as show in the email.

Randal Boenigk is planning on taking a shareholder position in HW Water Supply.

The two remaining original shareholders (JWP & JGW) took steps to keep HW's water system functioning smoothly for its customers. Monies were funded to rectify and improve the finances without the help of the 50% non-funding owner, the BWT Trust.

The Houston law firm of Locke Lord LLP assisted in preparing the necessary documents to allow the Betty Hubert Wise Trust to exit as its trustees desired so that new invigorating ownership (Mr. Boenigk) could be involved in the property and the water system (Attachments 2 thru 4).

Attachment 2 is the letter of explanation to BWT of the necessary proposed transactions. Attachment 3 is the Dissolution of Hubert Watson Enterprises, the entity Huitt had used to manage the properties. And Attachment 4 is the redemption agreement of the BWT's stock in HW.

Please to note that no monetary compensation to either the departing or the remaining parties was involved in this unwinding process. Also note that at no time did a single shareholder have controlling interest.

Post BWT Trust Departure ownership of HW:

- J. Garland Watson, Jr DDS President 50%
- Judith Watson Perkins Administrator 50%

Desired New Ownership of HW once PUC Approves:

- J. Garland Watson, Jr DDS Secretary & VP 33-1/3%
- Judith Watson Perkins President 33-1/3%
- Randal Boenigk Treasurer & VP 33-1/3%

In late August 2016 HW filed for its first tariff increase since 1988 under Docket number 46369. Happily, the approval was granted June 2nd, 2017 effective January 1, 2017 (Attachment 19).

DEFICIENCIES AND VIOLATIONS BY HW WATER

A search of the TCEQ data site revealed one documented violation as shown in Attachment 5. In fact, HW has had several notifications for coliform violations but this cited violation Docket 2015-0224-PWS-E was for non-compliance circa 2013 for lead and copper testing (LCR). The President of HW (JGW) did meet with the TCEQ and pay a fine, see Attachment 6, but failed to comply in a timely manner with suitable required notifications and other stipulations.

In 2016 notice was again served and the Administrator (JWP) of HW worked diligently with TCEQ staff to satisfy the regulations, see Attachments 7 thru 9. Eventually and through the patience of enforcement officers, all the deficiencies were completed and a "Notice of Compliance with Agreed Order" was filed on February 3, 2017 as shown in Attachment 10.

The next window for LCR testing opened just recently and HW is primed to complete such testing. Coliform & TTHM testing continue. HW does have more frequent violations of TTHM elevated levels than desired. TTHM is a byproduct of water disinfectant and naturally occurring microorganisms and has been difficult to keep below the threshold limit of 0.080 mg/L for HW but all concerned continue to focus on keeping the chlorine at the proper level without exceedance of TTHM limits. Information on testing notices is included in Attachments 11 thru 14.

HWs BALANCE SHEETS AND INCOME STATEMENTS AND RATE UPDATE

Attachments 15 thru 18 contain the Balance Sheets and Income Statements that show data from EOY 2016 and, for information purposes, pro forma data estimated as of end of June, 2017.

The June 2017 estimates show changes in retained earnings and long term debt to reflect the practicalities of the departure of the BWT as a shareholder per the agreements. Also, the estimated accounts receivable reflect the recently approved higher tariff, see Attachment 19.

HW bills semi-annually for usage in months January thru June and then for months July thru December.

HWs CERTIFICATE OF GOOD STANDING / CERTIFICATE OF ACCOUNT STATUS

Attachment 20 is the form the Comptroller's Office says is the proper notice of Account Status unless an entity is to be terminated, in which case there is a similar form generated through the Texas Secretary of State. Since the entity is active HW submits this form as to the account status.

Attachment 1

From: **Mollie K Huffman** mollie@shoglobal.net
Subject: **matagorda**
Date: **September 28, 2016 at 9:47 AM**
To: **drwaison@bvorhodonics.com**
Cc: **Rachel Dean** racheldean77@yahoo.com

Dear Mr Watson,

The Matagorda Water Facility has not made money in 30 years. I would be foolish to keep funding something that should have filed for bankruptcy years ago.

I might as well take money and go burn it in the streets.

My attorney here in Oklahoma assures me that I am not obligated for cash calls and the trust is not liable for any more funding for this bankrupt system.

I informed you long ago that I would no longer be involved, as the property the Betty Hubert Wise Trust owns is sold.

This venture has been mismanaged from the start and has made zero revenue.

If you want to keep funding it ,is up to you and your sister.

Mollie Huffman

Attachment 2

J. Garland Watson, Jr. D.D.S.
Judith Watson Perkins
10855 Beinhorn Rd.
Houston, TX 77024
Judithp111@gmail.com
713-467-8191

Re: H&W Enterprises ("Enterprises") and Hubert Watson Subdivision Water Supply, Inc. ("Water")

March 15, 2017

Dear Trustees of the Betty Hubert Wise Trust,

For a number of years, the Betty Hubert Wise Trust (the "Trust") or its successors have been involved with the Hubert Watson Subdivision (the "Subdivision"), whether that be in the form of real property ownership or ownership of Enterprises and/or Water (as defined above). Recently the Trust sold its ownership interest in the real property associated with the Subdivision.

It has come to our attention that the Trust also no longer desires to have an ownership interest in Enterprises or Water. In an effort to clean up the records and administration of the Subdivision and Enterprises and Water and in light of your desire to no longer have any association or dealings with such entities, the undersigned have drafted two documents for your review and consideration.

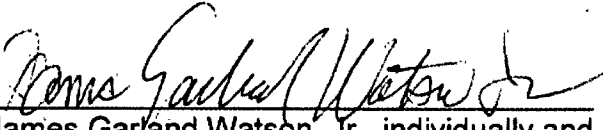
The first is a dissolution agreement of Enterprises, whether considered a partnership, joint venture, or any other entity. Please see the attached document entitled "Dissolution and Liquidation of H&W Enterprises" for your consideration and execution. As a general summary in this document the owners of Enterprises (including the Trust) agree to forgive the debt owed to it by Water and dissolve the entity completely. Further, each partner or venturer is releasing the other and Enterprises for any causes of action he, she or it may have against any other partner or venturer or Enterprises itself.

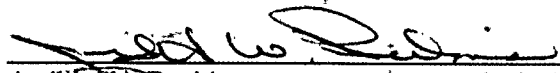
The second is a redemption agreement in which Water is offering to redeem the Trust's ownership interest in Water in return for Water no longer contacting the Trust for cash calls or otherwise and forgiveness of any debt the Trust owes to Water and in return for a release by the Trust of any causes of action it may have against Water or its owners, now or in the future. This redemption agreement states that the Trust has either examined the books and accounting records or has had the opportunity to but has declined to do so. Please let us know if you want to look at the books and records and we are happy to provide them to you.

The undersigned will also make reasonable efforts to eliminate the use of Enterprises' name completely, whether on the appraisal district records or elsewhere.

If these documents are satisfactory to you, please sign where indicated. To the best of our knowledge, executing these documents should eliminate any association the Trust has with the Subdivision effective January 1, 2017.

Sincerely,


James Garland Watson, Jr., individually and
on behalf of the J. Garland Watson Profit
Sharing Plan


Judith W. Perkins, as manager on behalf
of Perkins Family Properties
Management, LLC, as general partner of
The Perkins 1996 Family Properties, Ltd.

Attachment 3

DISSOLUTION and LIQUIDATION of H & W ENTERPRISES

- The undersigned, constituting all of the venturers or partners, in the verbal partnership and/or joint venture constituting H&W Enterprises hereby acknowledge that based on the last financials from Huitt & Laughlin dated June 18th, 2012 and, to the best of their knowledge, H & W Enterprises' only assets are the following accounts receivables totaling \$38,445.15 from Hubert Watson Water Supply, Inc:
 - \$7,000.00
 - \$21,045.15
 - \$10,400.00
- The undersigned also acknowledge that the \$7,000 receivable was erroneously categorized as "stock" on the books of H & W Enterprises but in fact it was a receivable, being a loan made to Hubert Watson Subdivision Water Supply, Inc. ("Water") and not an ownership interest in such corporation.
- The undersigned further acknowledge that the \$21,045.15 receivable was erroneously re-categorized sometime between 1994 and 2011 as an investment in the water well and facilities but, in fact, was a receivable, being a loan made to Water at its inception at or around 1988 and not an ownership interest in such corporation.
- Lastly, the undersigned acknowledge that to the best of their knowledge the \$10,400 note receivable from Water is the last such note in which all three owners/venturers of H&W Enterprises participated on a prorata basis.
- The undersigned hereby agree that, to the best of their knowledge, the accounts receivable set forth above are the sole assets of H&W Enterprises and further agree that the entity has no known liabilities.
- The undersigned further agree and acknowledge that Water is either insolvent or virtually insolvent from a cash basis perspective and therefore they do not expect to collect the \$38,445.15 outstanding from Water. As such, the undersigned hereby agree to forgive such debt owed by Water to H&W Enterprises for, among other reasons, the convenience of foregoing recordkeeping for H&W Enterprises since these accounts receivable are its sole known asset.
- As such, the undersigned hereby agree that the \$38,445.15 accounts receivables described above are hereby forgiven such that Water no longer has any obligation to pay H&W Enterprises any portion of such debt owed to it. Further, that H & W Enterprises, whether it being a verbal partnership; joint venture or otherwise, is hereby dissolved and since as of the date of this instrument there

are no longer any assets or liabilities no liquidation or distribution is necessary to accomplish such dissolution.

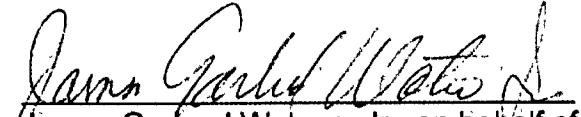
- In consideration of the foregoing premises, each of the undersigned releases the other and H&W Enterprises from and against any causes of action they may have against each other and/or against H&W Enterprises, now or in the future.
- This document may be executed in multiple counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement.


[Signature Page Follows]

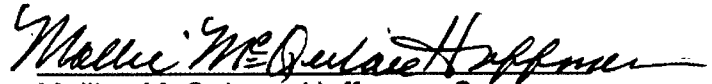
Signature Page

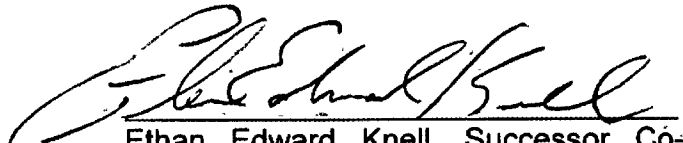
Executed by the undersigned parties to be effective as of January 1, 2017

Venturers and/or Partners:


James Garland Watson, Jr., on behalf of
the J. Garland Watson Profit Sharing
Plan


Judith W. Perkins, as manager on
behalf of Perkins Family Properties
Management, LLC, as general partner
of The Perkins 1996 Family Properties,
Ltd.


Mollie McQuhae Huffman, Successor
Co-Trustee Betty Hubert Wise Trust


Ethan Edward Knell, Successor Co-
Trustee Betty Hubert Wise Trust

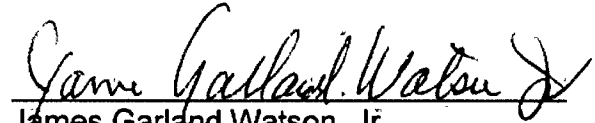
REDEMPTION AGREEMENT FOR HUBERT WATSON SUBDIVISION WATER SUPPLY, INC.

- This Agreement ("Agreement") is between James Garland Watson, Jr. ("Garland"), Judith W. Perkins ("Judy") and the Betty Hubert Wise Trust (the "Trust") (all such persons collectively, the "Co-Owners" and each a "Co-Owner").
- The Co-Owners jointly own Hubert Watson Subdivision Water Supply, Inc. ("Water") in the following percentages:
 - Trust – 50% ownership interest
 - Garland – 25% ownership interest
 - Judy – 25% ownership interest
- The Co-Owners acknowledge that Water is either insolvent or virtually insolvent from a cash basis perspective and recognize the Trust's desire to relinquish its ownership interest in Water to Water and to completely eliminate any association or dealings with Water.
- The Co-Owners are hereby entering into this Agreement to document the redemption of the Trust's ownership interest in Water by Water under the terms and provisions set forth herein.
- The Co-Owners understand and acknowledge that the books and accounting records of Water needed clean up and Water has attempted to reconcile these accounting records now and on a going forward basis. The Trust hereby agrees that it has had an opportunity to examine such books and accounting records and is either satisfied with the records or has declined to do so.
- In consideration of the provisions set forth herein, Water hereby redeems the Trust's ownership interest in Water from the Trust and the Trust hereby relinquishes its ownership interest in Water to Water, in mutual return for: (i) Water no longer contacting the Trust for cash calls or otherwise and Water completely forgiving of any debt the Trust owes to Water and (ii) a release by the Trust of any causes of action it may have against Water or the undersigned, now or in the future, including, but not limited to, representation of the books and accounting records of Water.
- This document may be executed in multiple counterparts, each of which shall be deemed an original and together shall constitute one and the same agreement.

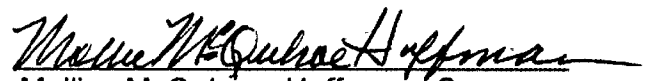
[Signature Page Follows].


Executed by the undersigned parties to be effective as of January 1, 2017

Co-Owners:

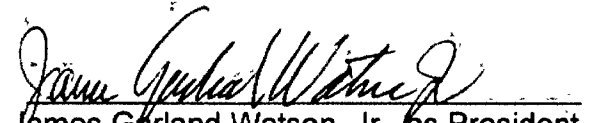
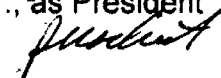

James Garland Watson, Jr.


Judith W. Perkins


Mollie McQuhae Huffman, Successor
Co-Trustee Betty Hubert Wise Trust


Ethan Edward Knell, Successor Co-
Trustee Betty Hubert Wise Trust

Hubert Watson Subdivision
Water Supply, Inc.:


James Garland Watson, Jr., as President


Attachment 5



TEXAS COMMISSION
ON ENVIRONMENTAL QUALITY

>> Questions or Comments:
ac@tceq.texas.gov

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Docket No. 2015-0224-PWS-E.

www.tceq.texas.gov/assets/public/comm_exec/.../0224PWS.pdf

File Format: PDF/Adobe Acrobat

May 22, 2015 ... PUBLIC WATER SYSTEM/SUPPLY REGISTRATION **1610114**. Compliance History
Period: September 01, 2009 to August 31, 2014 Rating ...

Total Coliform Rule Program Award Winners for 2009 - 2010

www.tceq.texas.gov/assets/public/permitting/.../pdw/.../tcrwinners09to10.pdf

File Format: PDF/Adobe Acrobat

1610114. HUBERT WATSON SUBDIVISION. 0720014. HUCKABAY ISD. 0030023. HUDSON WSC.
1150007. HUDSPETH COUNTY WCID 1. 1013198.

Total Coliform Rule Program Award Winners for 2011 - 2012

<https://www.tceq.texas.gov/assets/public/permitting/.../tcrwinners11to12.pdf>

File Format: PDF/Adobe Acrobat

0700054. HOWARD WATER COOP. 0680163. HUBER GARDEN ESTATES. 2100009. HUBER WSC.
1610114. HUBERT WATSON SUBDIVISION. 0720014.

1

[1] <https://www.tceq.texas.gov>

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Last modified May 12, 2016

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Attachment 6

Executive Summary – Enforcement Matter – Case No. 50070
Hubert-Watson Subdivision Water Supply, Inc.
RN101455384
Docket No. 2015-0224-PWS-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Three or more enforcement actions (NOVs, orders, etc.) over the prior five year period for the same violation(s).

Media:

PWS

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Hubert Watson Subdivision Water System, 1400 8th Street, Bay City, Matagorda County

Type of Operation:

Public water supply

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: May 22, 2015

Comments Received: No

Penalty Information

Total Penalty Assessed: \$763

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$763

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project ("SEP") Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - N/A

Site/RN - N/A

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Executive Summary – Enforcement Matter – Case No. 50070
Hubert-Watson Subdivision Water Supply, Inc.
RN101455384
Docket No. 2015-0224-PWS-E

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: January 12, 2015 to January 23, 2015

Date(s) of NOE(s): January 23, 2015

Violation Information

1. Failed to comply with the maximum contaminant level (“MCL”) of 0.080 milligrams per liter (“mg/L”) for total trihalomethanes (“TTHM”), based on the locational running annual average [30 TEX. ADMIN. CODE § 290.115(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].
2. Failed to mail or directly deliver one copy of the Consumer Confidence Report (“CCR”) to each bill paying customer by July 1 of each year and failed to submit to the TCEQ by July 1 of each year a copy of the annual CCR and certification that the CCR has been distributed to the customers of the Facility and that the information in the CCR is correct and consistent with compliance monitoring data [30 TEX. ADMIN. CODE §§ 290.271(b) and 290.274(a) and (c)].
3. Failed to provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the MCL of 0.080 mg/L for TTHM based on the locational running annual average for the second quarter of 2012 [30 TEX. ADMIN. CODE § 290.122(b)(2)(A) and (f)].
4. Failed to mail consumer notification of lead tap water monitoring results to persons served at the locations that were sampled and failed to submit to the TCEQ a copy of the consumer notification and certification that the consumer notification has been distributed to the persons served at the locations in a manner consistent with TCEQ requirements [30 TEX. ADMIN. CODE § 290.117(i)(6) and (j)].
5. Failed to pay Regulatory Assessment Fees [30 TEX. ADMIN. CODE § 291.76 and TEX. WATER CODE § 5.702].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. The Order will also require the Respondent to:
 - a. Within 30 days:
 - i. Mail or directly deliver one copy of the CCR prepared using the compliance monitoring data for the year 2014 or for the most current calendar year to each bill

Executive Summary – Enforcement Matter – Case No. 50070
Hubert-Watson Subdivision Water Supply, Inc.
RN101455384
Docket No. 2015-0224-PWS-E

paying customer and make a good faith effort to deliver the CCR to non-bill paying customers;

ii. Implement improvements to the Facility's process procedures, guidance, training, and/or oversight to ensure that all necessary public notifications are provided in a timely manner to the customers of the Facility including, but not limited to, providing public notification to the Executive Director regarding the failure to comply with the MCL of 0.080 mg/L for TTHM based on the locational running annual average for the second quarter of 2012;

iii. Mail one copy of the consumer notification of lead tap water monitoring results to persons served at the locations that were sampled for the most recent monitoring period in which lead samples were collected; and

iv. Submit payment for all outstanding regulatory assessment fees for TCEQ Public Utility Account No. 12123 for the 2013 calendar year.

b. Within 45 days:

i. Submit written certification demonstrating compliance with a.i. through a.iii.;

ii. Submit to the Commission a copy of the CCR provided to customers of the Facility and the certification that the CCR has been distributed to the customers of the Facility and that the information in the CCR is correct and consistent with the compliance monitoring data; and

iii. Submit to the Commission a copy of the consumer notification provided to the persons served at the locations that were sampled and the certification that the consumer notification has been distributed in a manner consistent with TCEQ requirements.

c. Within 60 days, submit written certification demonstrating compliance with b.ii. and b.iii.

d. Within 365 days, return to compliance with the locational running annual average MCL for TTHM:

e. Within 380 days, submit written certification demonstrating compliance with d.

Executive Summary – Enforcement Matter – Case No. 50070
Hubert-Watson Subdivision Water Supply, Inc.
RN101455384
Docket No. 2015-0224-PWS-E

Litigation Information

Date Petition(s) Filed: N/A
Date Answer(s) Filed: N/A
SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: David Carney, Enforcement Division,
Enforcement Team 5, MC 149, (512) 239-2583; Candy Garrett, Enforcement Division,
MC 219, (512) 239-1456
TCEQ SEP Coordinator: N/A
Respondent: J. Garland Watson, Manager, Hubert-Watson Subdivision Water
Supply, Inc., 2108 Bent Oak Street, College Station, Texas 77845
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

DATES	Assigned	26-Jan-2015	PCW	19-Mar-2015	Screening	6-Feb-2015	EPA Due	31-Mar-2015
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RESPONDENT/FACILITY INFORMATION

Respondent	Hubert-Watson Subdivision Water Supply, Inc.						
Reg. Ent. Ref. No.	RN101455384						
Facility/Site Region	12-Houston			Major/Minor Source	Minor		

CASE INFORMATION

Enf./Case ID No.	50070	No. of Violations	5
Docket No.	2015-0224-PWS-E	Order Type	Findings
Media Program(s)	Public Water Supply	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	David Carney
Admin. Penalty \$ Limit Minimum	\$50	Maximum	\$1,000
		EC's Team	Enforcement Team 5

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$400
---	-------------------	-------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	10.0%	Enhancement	Subtotal 2, 3, & 7	\$40
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Notes: Enhancement for two NOVs with same/similar violations.

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0%	Enhancement	Subtotal 6	\$0
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Total EB Amounts: \$964
Estimated Cost of Compliance: \$5,381
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$440
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OTHER FACTORS AS JUSTICE MAY REQUIRE

73.4%

Adjustment	\$323
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Enhancement to capture the avoided costs of compliance associated with Violation Nos. 2, 3, and 4.

Final Penalty Amount	\$763
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STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty	\$763
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DEFERRAL

0.0%

Reduction Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

No deferral is recommended for Findings Orders.

PAYABLE PENALTY

\$763

Screening Date 6-Feb-2015

Docket No. 2015-0224-PWS-E

PCW

Respondent Hubert-Watson Subdivision Water Supply, Inc.

Policy Revision 4 (April 2014)

Case ID No. 50070

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101455384

Media [Statute] Public Water Supply

Enf. Coordinator David Carney

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 10%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

N/A

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for two NOVs with same/similar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 10%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 10%

Screening Date	6-Feb-2015	Docket No.	2015-0224-PWS-E	PCW
Respondent	Hubert-Watson Subdivision Water Supply, Inc.			<small>Policy Revision 4 (April 2014)</small>
Case ID No.	50070			<small>PCW Revision March 26, 2014</small>
Reg. Ent. Reference No.	RN101455384			
Media [Statute]	Public Water Supply			
Enf. Coordinator	David Carney			
Violation Number	1			
Rule Cite(s)	30 Tex. Admin. Code § 290.115(f)(1) and Tex. Health & Safety Code § 341.0315(c)			
Violation Description	Failed to comply with the maximum contaminant level ("MCL") of 0.080 milligrams per liter ("mg/L") for total trihalomethanes ("TTHM"), based on the locational running annual average. Specifically, the locational running annual average concentration of TTHM for Stage 2 Disinfection Byproducts at Site 1 was 0.083 mg/L for the fourth quarter of 2014.			
Base Penalty			\$1,000	

Environmental, Property and Human Health Matrix						
OR	Release	Major	Harm Moderate	Minor	Percent	
	Actual		X			15.0%
	Potential					
Programmatic Matrix						
	Falsification	Major	Moderate	Minor	Percent	
					0.0%	
Matrix Notes	Exceeding the MCL for TTHM caused the customers of the Facility to be exposed to significant amounts of pollutants which do not exceed levels protective of human health.					
Adjustment					\$850	
					\$150	

Violation Events						
Number of Violation Events		1		Number of violation days		
		91				
<small>mark only one with an x</small>	Daily				Violation Base Penalty	
	Weekly					\$150
	Monthly					
	Quarterly					
	Semi-annual					
	Annual	X				
	Single event					
One annual event is recommended.						

Good Faith Efforts to Comply		0.0%		\$0
		<small>Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer</small>		
Extraordinary				
Ordinary				
N/A	X	(mark with x)		
Notes	The Respondent does not meet the good faith criteria for this violation.			
Violation Subtotal				\$150

Economic Benefit (EB) for this violation		Statutory Limit Test	
Estimated EB Amount	\$637	Violation Final Penalty Total	\$286
This violation Final Assessed Penalty (adjusted for limits)		\$286	

Economic Benefit Worksheet

Respondent: Hubert-Watson Subdivision Water Supply, Inc.

Case ID No: 50070

Reg. Ent. Reference No: RN101455384

Media: Public Water Supply

Violation No: 1

Percent Interest: 5.0
Years of Depreciation: 15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No continues or Y							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$5,000	12-Jan-2015	6-Nov-2016	1.82	\$30	\$606	\$637
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0		\$0
Record Keeping System				0.00	\$0		\$0
Training/Sampling				0.00	\$0		\$0
Remediation/Disposal				0.00	\$0		\$0
Permit Costs				0.00	\$0		\$0
Other (as needed)				0.00	\$0		\$0

Notes for DELAYED costs

The delayed costs include the estimated amount necessary to implement an alternative method of disinfection, calculated from the record review date to the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$637

Screening Date	6-Feb-2015	Docket No.	2015-0224-PWS-E	PCW
Respondent	Hubert-Watson Subdivision Water Supply, Inc.			
Case ID No.	50070	<small>Policy Revision 4 (April 2014) PCW Revision March 26, 2014</small>		
Reg. Ent. Reference No.	RN101455384			
Media [Statute]	Public Water Supply			
Enf. Coordinator	David Carney			
Violation Number	2			
Rule Cite(s)	30 Tex. Admin. Code §§ 290.271(b) and 290.274(a) and (c)			
Violation Description	<p>Failed to mail or directly deliver one copy of the Consumer Confidence Report ("CCR") to each bill paying customer by July 1 of each year and failed to submit to the TCEQ by July 1 of each year a copy of the annual CCR and certification that the CCR has been distributed to the customers of the Facility and that the information in the CCR is correct and consistent with compliance monitoring data for 2011, 2012, and 2013.</p>			
		Base Penalty	\$1,000	
Environmental, Property and Human Health Matrix				
OR	Harm			
	Major	Moderate	Minor	
	Actual			
	Potential			
				Percent 0.0%
Programmatic Matrix				
	Falsification	Major	Moderate	Minor
		x		
				Percent 5.0%
Matrix Notes	100% of the rule requirement was not met.			
				Adjustment \$950
				\$50
Violation Events				
Number of Violation Events		3	Number of violation days 1095	
<small>mark only one with an x</small>	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	Single event	x		
Violation Base Penalty \$150				
Three single events are recommended, one for each report.				
Good Faith Efforts to Comply				
		0.0%	Reduction \$0	
		Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer		
Extraordinary				
Ordinary				
N/A	x	(mark with x)		
Notes	The Respondent does not meet the good faith criteria for this violation.			
Violation Subtotal				\$150
Economic Benefit (EB) for this violation				
Estimated EB Amount		\$240	Violation Final Penalty Total \$286	
This violation Final Assessed Penalty (adjusted for limits)				\$286

Economic Benefit Worksheet

Respondent: Hubert-Watson Subdivision Water Supply, Inc.
Case ID No.: 50070
Reg. Ent. Reference No.: RN101455384
Media: Public Water Supply
Violation No.: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0		\$0
Record Keeping System				0.00	\$0		\$0
Training/Sampling				0.00	\$0		\$0
Remediation/Disposal				0.00	\$0		\$0
Permit Costs				0.00	\$0		\$0
Other (as needed)				0.00	\$0		\$0

Notes for DELAYED costs

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$204	1-Jul-2012	6-Feb-2015	3.52	\$36	\$204	\$240
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount to prepare and mail or directly deliver the 2011, 2012, and the 2013 CCRs to the customers of the Facility and to TCEQ $(([\$0.50 \times 36 \text{ connections}] + \$50) \times 3 \text{ years})$, calculated from the due date of the 2011 CCR to the screening date.

Approx. Cost of Compliance

\$204

TOTAL

\$240

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Economic Benefit Worksheet

Respondent: Hubert-Watson Subdivision Water Supply, Inc.
 Case ID No: 50070
 Reg. Ent. Reference No: RN101455384
 Media: Public Water Supply
 Violation No: 3

Percent Interest: 5.0
 Years of Depreciation: 15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Overtime Costs	EB Amount
No entries for \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling	\$100	12-Jan-2015	6-Nov-2015	0.82	\$4	\$4	\$4
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for DELAYED costs

The delayed cost includes the estimated amount to update the Facility's operational guidance and conduct employee training to ensure that all public notifications are provided, calculated from the record review date to the estimated date of compliance

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$25	9-Jul-2012	7-Oct-2012	1.16	\$1	\$25	\$26
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The one-time avoided cost includes the estimated amount to provide public notification regarding the failure to comply with the locational running annual average MCL for TTHM (\$25 per notice), calculated for the period when public notification was required.

Approx. Cost of Compliance

\$125

TOTAL

\$31

Screening Date 6-Feb-2015	Docket No. 2015-0224-PWS-E	PCW
Respondent Hubert-Watson Subdivision Water Supply, Inc.	<small>Policy Revision 4 (April 2014)</small>	
Case ID No. 50070	<small>PCW Revision March 26, 2014</small>	
Reg. Ent. Reference No. RN101455384		
Media [Statute] Public Water Supply		
Enf. Coordinator David Carney		
Violation Number 4		
Rule Cite(s)	30 Tex. Admin. Code § 290.117(i)(6) and (j)	
Violation Description	Failed to mail consumer notification of lead tap water monitoring results to persons served at the locations that were sampled and failed to submit to the TCEQ a copy of the consumer notification and certification that the consumer notification has been distributed to the persons served at the locations in a manner consistent with TCEQ requirements for the June 1 through September 30, 2013 monitoring period.	
Base Penalty		\$1,000

Environmental, Property and Human Health Matrix					
OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

Programmatic Matrix					
OR	Falsification	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
	Potential	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Matrix Notes	100% of the rule requirement was not met.
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Adjustment	\$950
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Violation Events	\$50
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Number of Violation Events <input type="text" value="1"/>	91	Number of violation days
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<small>mark only one with an x</small>	daily	<input type="text"/>	Violation Base Penalty
	weekly	<input type="text"/>	
	monthly	<input type="text"/>	
	quarterly	<input type="text"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input checked="" type="checkbox"/>	

One single event is recommended.	
----------------------------------	--

Good Faith Efforts to Comply	0.0%	Reduction \$0
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<small>Before NOE/NOV NOE/NOV to EDRP/Settlement Offer</small>	
Extraordinary	<input type="text"/>
Ordinary	<input type="text"/>
N/A	<input checked="" type="checkbox"/> (mark with x)
Notes	The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal	\$50
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Economic Benefit (EB) for this violation	Statutory Limit Test
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Estimated EB Amount <input type="text" value="\$57"/>	Violation Final Penalty Total <input type="text" value="\$95"/>
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This violation Final Assessed Penalty (adjusted for limits)	\$95
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Economic Benefit Worksheet

Respondent Hubert-Watson Subdivision Water Supply, Inc.
Case ID No. 50070
Reg. Ent. Reference No. RN101455384
Media Public Water Supply
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling				0.00	\$0	\$0	\$0
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for DELAYED costs

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$52	31-Dec-2013	6-Feb-2015	2.02	\$5	\$52	\$57
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount to prepare and mail the consumer notification for the June 1 through September 30, 2013 monitoring period to persons served at the locations that were sampled and to the TCEQ $((\$0.50 \times 5 \text{ tested sites}) + \$50) \times 1 \text{ monitoring period}$, calculated from the date the consumer notification was due to the screening date.

Approx. Cost of Compliance

\$52

TOTAL

\$57

Screening Date	6-Feb-2015		Docket No.	2015-0224-PWS-E		PCW
Respondent	Hubert-Watson Subdivision Water Supply, Inc.					Policy Revision 4 (April 2014)
Case ID No.	50070					PCW Revision March 26, 2014
Reg. Ent. Reference No.	RN101455384					
Media [Statute]	Public Water Supply					
Enf. Coordinator	David Carney					
Violation Number	5					
Rule Cite(s)	30 Tex. Admin. Code § 291.76 and Tex. Water Code § 5.702					
Violation Description	Failed to pay Regulatory Assessment Fees for TCEQ Public Utility Account No. 12123 for the 2013 calendar year.					
Base Penalty					\$1,000	

>> Environmental, Property and Human Health Matrix							
OR	Release	Major	Harm	Moderate	Minor	Percent	
	Actual						0.0%
	Potential						
>> Programmatic Matrix							
	Falsification	Major	Moderate	Minor		Percent	
						0.0%	
Matrix Notes							
					Adjustment	\$1,000	
						\$0	

Violation Events	
Number of Violation Events	Number of violation days
<div style="display: flex; align-items: center;"> <div style="width: 100px; text-align: right; font-size: small;">mark only one with an x</div> <div style="border: 1px solid black; padding: 5px; font-size: x-small;"> daily weekly monthly quarterly semi-annual annual single event </div> </div>	
Violation Base Penalty	
\$0	
All penalties and interest will be determined by the Public Drinking Water Section at the next billing cycle.	

Good Faith Efforts to Comply	0.0%	Reduction
	Before NOE/NOV NOE/NOV to EDRP/Settlement Offer	
Extraordinary		
Ordinary		
N/A	x	(mark with x)
Notes	The Respondent does not meet the good faith criteria for this violation.	
Violation Subtotal		\$0

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount	Violation Final Penalty Total
\$0	\$0
This violation Final Assessed Penalty (adjusted for limits)	
\$0	

Economic Benefit Worksheet

Respondent Hubert-Watson Subdivision Water Supply, Inc.
Case ID No. 50070
Reg. Ent. Reference No. RN101455384
Media Public Water Supply
Violation No. 5

Percent Interest 5.0
Years of Depreciation 15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	\$0	\$0
Record Keeping System				0.00	\$0	\$0	\$0
Training/Sampling				0.00	\$0	\$0	\$0
Remediation/Disposal				0.00	\$0	\$0	\$0
Permit Costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for DELAYED costs

Not applicable.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Not applicable.

Approx. Cost of Compliance

\$0

TOTAL

\$0



Compliance History Report

PUBLISHED Compliance History Report for CN600627632, RN101455384, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

Customer, Respondent, or Owner/Operator:	CN600627632, Hubert-Watson Subdivision Water Supply, Inc.	Classification: NOT APPLICABLE	Rating: N/A
Regulated Entity:	RN101455384, Hubert Watson Subdivision Water System	Classification: NOT APPLICABLE	Rating: N/A
Complexity Points:	N/A	Repeat Violator:	N/A
CH Group:	14 - Other		
Location:	1400 8TH STREET, BAY CITY, TEXAS 77414-4962, MATAGORDA COUNTY		
TCEQ Region:	REGION 12 - HOUSTON		
ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1610114		

Compliance History Period:	September 01, 2009 to August 31, 2014	Rating Year:	2014	Rating Date:	09/01/2014
Date Compliance History Report Prepared:	February 06, 2015				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	February 06, 2010 to February 06, 2015				
TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.					
Name:	David Carney		Phone:	(512) 239-2583	

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? YES
- 3) If **YES** for #2, who is the current owner/operator? PERKINS, JUDITH WATSON OWNER since 8/1/2014
Hubert-Watson Subdivision Water Supply, Inc. OWNER since 10/15/2009
WATSON, J GARLAND OWNER since 8/1/2014
HUBERT WATSON SUBDIVISION WATER SYSTEM, OWNER, 1/1/1800 to 10/14/2009.
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)?
- 5) If **YES**, when did the change(s) in owner or operator occur? 10/15/2009

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

N/A

E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action; nor proof that a violation has actually occurred.

1 Date: 10/16/2014 (1221595) CN600627632

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter H 290.271(b)
30 TAC Chapter 290, SubChapter H 290.274(a)
30 TAC Chapter 290, SubChapter H 290.274(c)
Description: CCR 2013 - The system failed to provide the Consumer Confidence Report (CCR) for 2013 to its bill-paying customers and/or the TCEQ by July 1st of the following year.

2 Date: 01/13/2015 (1221595) CN600627632
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.115(f)(1)
Description: TTHM LRAA MCL 4Q2014 - During the 4th quarter of 2014 the system violated the maximum contaminant level for trihalomethanes with a LRAA of .084 mg/L at 37A (DBP2-01).

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

Component Appendices

Appendix A

All NOVs Issued During Component Period 2/6/2010 and 2/6/2015

- 1 Date: 03/05/2013 (1221595) CN600627632
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.122(b)(2)(A)
30 TAC Chapter 290, SubChapter F 290.122(f)
Description: TTHM DBP2 MCL PN 2Q2012 Posting and Reporting Violation - Failure to submit a signed certificate of delivery to the Executive Director certifying that public notice was issued pursuant to 30 Tex. Admin. Code §290.122 during the time period that public notice was required for a violation of the maximum contaminant level for trihalomethanes during the 2nd quarter of 2012.
- 2 Date: 06/14/2013 (1221595) CN600627632
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter H 290.271(b)
30 TAC Chapter 290, SubChapter H 290.274(a)
30 TAC Chapter 290, SubChapter H 290.274(c)
Description: CCR 2011 - The system failed to provide the Consumer Confidence Report (CCR) for 2011 to its bill-paying customers and/or the TCEQ by July 1st of the following year.
- 3* Date: 11/14/2013 (1221595) CN600627632
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter H 290.271(b)
30 TAC Chapter 290, SubChapter H 290.274(a)
30 TAC Chapter 290, SubChapter H 290.274(c)
Description: CCR 2012 - The system failed to provide the Consumer Confidence Report (CCR) for 2012 to its bill-paying customers and/or the TCEQ by July 1st of the following year.
- 4 Date: 10/16/2014 (1221595) CN600627632
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter H 290.271(b)
30 TAC Chapter 290, SubChapter H 290.274(a)
30 TAC Chapter 290, SubChapter H 290.274(c)
Description: CCR 2013 - The system failed to provide the Consumer Confidence Report (CCR) for 2013 to its bill-paying customers and/or the TCEQ by July 1st of the following year.
- 5 Date: 01/13/2015 (1221595) CN600627632
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.115(f)(1)
Description: TTHM LRAA MCL 4Q2014 - During the 4th quarter of 2014 the system violated the maximum contaminant level for trihalomethanes with a LRAA of .084 mg/L at 37A (DBP2-01).

* NOVs applicable for the Compliance History rating period 9/1/2009 to 8/31/2014

Appendix B

All Investigations Conducted During Component Period February 06, 2010 and February 06, 2015

- Item 1 June 09, 2011** (915281) For Informational Purposes Only
Item 2 August 07, 2014** (1165189) For Informational Purposes Only
Item 3 January 21, 2015 (1221595) For Informational Purposes Only
Item 4 January 23, 2015 (1221699) For Informational Purposes Only

* No violations documented during this investigation

**Investigation applicable for the Compliance History Rating period between 09/01/2009 and 08/31/2014.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
HUBERT-WATSON SUBDIVISION
WATER SUPPLY, INC.
RN101455384

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2015-0224-PWS-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Hubert-Watson Subdivision Water Supply, Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341 and TEX. WATER CODE ch. 5. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a public water supply at 1400 8th Street in Bay City, Matagorda County, Texas (the "Facility") that has approximately 36 service connections and serves at least 25 people per day for at least 60 days per year.

2. During a record review conducted from January 12 to January 23, 2015, TCEQ staff documented that the locational running annual average concentration of total trihalomethanes ("TTHM") for Stage 2 Disinfection Byproducts at Site 1 was 0.083 milligrams per liter ("mg/L") for the fourth quarter of 2014.
3. During a record review conducted from January 12 to January 23, 2015, TCEQ staff documented that the Respondent did not mail or directly deliver the Consumer Confidence Report ("CCR") to bill paying customers nor did the Respondent submit the CCR or required certification to the TCEQ for 2011, 2012, and 2013.
4. During a record review conducted from January 12 to January 23, 2015, TCEQ staff documented that the Respondent did not to provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the maximum contaminant level ("MCL") of 0.080 mg/L for TTHM based on the locational running annual average for the second quarter of 2012. Specifically, the public notification was due by October 7, 2012 but was not provided.
5. During a record review conducted from January 12 to January 23, 2015, TCEQ staff documented that the Respondent did not mail the consumer notification of lead tap water monitoring results to the persons served at the locations sampled nor did the Respondent submit a copy of the consumer notification or the required certification to the TCEQ for the June 1 through September 30, 2013 monitoring period.
6. During a record review conducted from January 12 to January 23, 2015, TCEQ staff documented that the Respondent did not to pay Regulatory Assessment Fees for TCEQ Public Utility Account No. 12123 for the 2013 calendar year.
7. The Respondent received notice of the violations on January 27, 2015.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341, TEX. WATER CODE ch. 5, and the rules of the Commission.
2. As evidenced by Findings of Fact No. 2, the Respondent failed to comply with the MCL of 0.080 mg/L for TTHM, based on the locational running annual average, in violation of 30 TEX. ADMIN. CODE § 290.115(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
3. As evidenced by Findings of Fact No. 3, the Respondent failed to mail or directly deliver one copy of the CCR to each bill paying customer by July 1 of each year and failed to submit to the TCEQ by July 1 of each year a copy of the annual CCR and certification that the CCR has been distributed to the customers of the Facility and that the information in the CCR is correct and consistent with compliance monitoring data, in violation of 30 TEX. ADMIN. CODE §§ 290.271(b) and 290.274(a) and (c).

4. As evidenced by Findings of Fact No. 4, the Respondent failed to provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the MCL of 0.080 mg/L for TTHM based on the locational running annual average for the second quarter of 2012, in violation of 30 TEX. ADMIN. CODE § 290.122(b)(2)(A) and (f).
5. As evidenced by Findings of Fact No. 5, the Respondent failed to mail consumer notification of lead tap water monitoring results to persons served at the locations that were sampled and failed to submit to the TCEQ a copy of the consumer notification and certification that the consumer notification has been distributed to the persons served at the locations in a manner consistent with TCEQ requirements, in violation of 30 TEX. ADMIN. CODE § 290.117(i)(6) and (j).
6. As evidenced by Findings of Fact No. 6, the Respondent failed to pay Regulatory Assessment Fees, in violation of 30 TEX. ADMIN. CODE § 291.76 and TEX. WATER CODE § 5.702.
7. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
8. An administrative penalty in the amount of Seven Hundred Sixty-Three Dollars (\$763) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049(b). The Respondent has paid the Seven Hundred Sixty-Three Dollar (\$763) administrative penalty.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Seven Hundred Sixty-Three Dollars (\$763) as set forth in Section II, Paragraph 8 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Hubert-Watson Subdivision Water Supply, Inc., Docket No. 2015-0224-PWS-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order:
 - i. Mail or directly deliver one copy of the CCR prepared using the compliance monitoring data for the year 2014 or for the most current calendar year to each bill paying customer and make a good faith effort to deliver the CCR to non-bill paying customers, as required by 30 TEX. ADMIN. CODE § 290.274;
 - ii. Implement improvements to the Facility's process procedures, guidance, training, and/or oversight to ensure that all necessary public notifications are provided in a timely manner to the customers of the Facility including, but not limited to, providing public notification to the Executive Director regarding the failure to comply with the MCL of 0.080 mg/L for TTHM based on the locational running annual average for the second quarter of 2012, in accordance with 30 TEX. ADMIN. CODE § 290.122;
 - iii. Mail one copy of the consumer notification of lead tap water monitoring results to persons served at the locations that were sampled for the most recent monitoring period in which lead samples were collected, as required by 30 TEX. ADMIN. CODE § 290.117; and
 - iv. Submit payment for all outstanding regulatory assessment fees for TCEQ Public Utility Account No. 12123 for the 2013 calendar year. The payment, along with the associated Revenue and Regulatory Assessment Report(s), shall be sent to:

Regulatory Assessment Coordinator
Public Drinking Water Section, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087
 - b. Within 45 days after the effective date of this Agreed Order:
 - i. Submit written certification as described in Ordering Provision No. 2.f. below to demonstrate compliance with Ordering Provision Nos. 2.a.i. through 2.a.iii.;

- ii. Submit to the Commission a copy of the CCR provided to customers of the Facility and the certification that the CCR has been distributed to the customers of the Facility and that the information in the CCR is correct and consistent with the compliance monitoring data, as required by 30 TEX. ADMIN. CODE § 290.274. The copy of the CCR and certification shall be mailed to:

Public Drinking Water Section
Water Supply Division, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- iii. Submit to the Commission a copy of the consumer notification provided to the persons served at the locations that were sampled and the certification that the consumer notification has been distributed in a manner consistent with TCEQ requirements, as required by 30 TEX. ADMIN. CODE § 290.117. The sample copy of the consumer notification and the certification shall be mailed to:

Public Drinking Water Section
Water Supply Division, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- c. Within 60 days of the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.f. below to demonstrate compliance with Ordering Provision Nos. 2.b.ii. and 2.b.iii.;
- d. Within 365 days of the effective date of this Agreed Order, return to compliance with the locational running annual average MCL for TTHM, in accordance with 30 TEX. ADMIN. CODE § 290.115;
- e. Within 380 days of the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.f. below to demonstrate compliance with Ordering Provision No. 2.d.; and
- f. The certifications required by these Ordering Provisions shall be accompanied by detailed supporting documentation including photographs, receipts, and/or other records, and shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the

information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Public Drinking Water Section Manager
Water Supply Division, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
6. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

9/11/15
Date

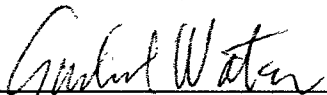
I, the undersigned, have read and understand the attached Agreed Order in the matter of Hubert-Watson Subdivision Water Supply, Inc. I am authorized to agree to the attached Agreed Order on behalf of Hubert-Watson Subdivision Water Supply, Inc., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Hubert-Watson Subdivision Water Supply, Inc. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

20 Apr 2015
Date

Garland Watson
Name (Printed or typed)
Authorized Representative of
Hubert-Watson Subdivision Water Supply, Inc.

mgr / 1/4 owner / Pres.
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order.

Attachment 7

Hubert-Watson Subdivision Water Supply, Inc.

Judy Watson Perkins, Administrator

10855 Beinhorn Rd.

Houston, TX 77024

HubertWatsonWater@gmail.com

713-467-8191

January 22, 2017

CCN#: 12123 PWS ID: TX1610114

PURPOSE OF DOCUMENT: To Define Standard Operating Procedures (SOPs)
For Public Notices for the Hubert-Watson Subdivision Water Supply

To Whom it may concern:

The Hubert-Watson Subdivision Water Supply, Inc (HW) provides only water (no sewage services) to customers in the Hubert-Watson Subdivision in Matagorda, Matagorda County, Texas. From time to time it is necessary to notify our customers of certain information, including but not limited to items such as out of specification water quality. This document defines the steps by which HW intends to make such notifications public.

Applicable documents for customer notification include, but are not limited to, Texas Commission on Environmental Quality (TCEQ) Consumer Confidence Report (CCR) and TCEQ Lead Consumer Notice Form 20680a and any other such notifications that must be published from time to time.

REASONS FOR DISSEMINATION OF INFORMATION TO CONSUMERS

- Any concern by HW's Administrator that such information may be required or useful to HW's consumers
- Required notices by TCEQ to consumers such as for water quality not meeting specifications or such other reasons as declared to HW by the TCEQ:

OPERATIONAL STEPS BY HW for CUSTOMER NOTIFICATIONS

- Complete and file any applicable TCEQ forms or filings required by TCEQ notices
- Mail copies of applicable documents to customers at customers' billing addresses.
- Post copies of applicable documents to HW's website: www.hubertwatsonwater.com
- Request system operator, Shoreline Construction, to post the notice for any interested parties to view at their place of business located at 1316 Fisher St., Matagorda, Texas 77457
- Complete TCEQ Certificate of Delivery and file same as soon as practical with TCEQ



Judy Watson Perkins, Administrator
Hubert-Watson Subdivision Water Supply, Inc.

01/20/2017
9:00:42AM

Texas Commission on Environmental Quality
Regulatory Assessment Fee Summary Report

ERPT0011

Type: **INVESTOR**
Activity Status: **ACTIVE**
Remarks: GENERAL UPDATE

CCN/Reg#: **12123**
District: **0**

HUBERT WATSON SUBDIVISION WATER SYSTEM
10855 BEINHORN RD
HOUSTON, TX 77024

Responsible Party: **ESTATES OF W W HUBERT**
Official Phone: **(713) 467-8191**

Fee Information

Report Year	Report Period	Date Due	Date Paid	Amount Paid	Total Receipts	Zero Payment	Zero Description
2016	4	01/30/2017	01/10/2017	\$96.21	\$9,621.00		
2015	4	01/30/2016		\$0.00	\$0.00		
2014	4	01/30/2015		\$0.00	\$0.00		
2013	4	01/30/2014		\$0.00	\$0.00		
2012	4	01/30/2013		\$0.00	\$0.00		
2011	4	01/30/2012	01/19/2012	\$90.33	\$12,123.00		
2010	4	01/30/2011	01/28/2011	\$94.73	\$9,473.00		
2009	4	01/30/2010	02/01/2010	\$68.00	\$6,800.47		
2008	4	01/13/2009		\$59.11	\$5,910.89		
2007	4	01/28/2008		\$40.04	\$4,003.50		
2006	4	01/23/2007		\$59.10	\$5,909.53		
2005	4	01/26/2006		\$57.38	\$5,738.75		
2004	4	01/25/2005		\$50.61	\$5,057.00		
2003	4	01/22/2004		\$55.00	\$5,496.00		
2002	4	01/14/2003		\$52.21	\$5,220.96		
2001	4	01/16/2002		\$55.55	\$5,555.49		
2000	4	01/12/2001		\$51.00	\$5,099.77		
1999	4	02/01/2000		\$50.77	\$5,077.00		
1998	4	01/25/1999		\$45.74	\$5,082.00		
1997	4	01/26/1998		\$44.28	\$4,920.00		
1996	4	01/15/1997		\$47.43	\$5,270.00		
1995	4	01/25/1996		\$46.90	\$4,690.00		
1994	4	01/25/1995		\$7.56	\$840.00		
	1	05/16/1994		\$14.04	\$1,560.00		
1993	4	01/27/1994		\$7.26	\$800.00		
	3	11/04/1993		\$9.80	\$1,080.00		
	2	07/21/1993		\$10.26	\$1,140.00		
	1	05/05/1993		\$7.80	\$780.00		
1992	4	01/26/1993		\$9.54	\$1,060.00		
	3	10/14/1992		\$3.78	\$420.00		
	2	07/24/1992		\$14.40	\$1,600.00		
	1	04/16/1992		\$9.00	\$960.00		
1991	4	03/11/1992		\$21.07	\$1,900.00		

under paid = over 51.91

Attachment 9



Richard Perkins <r.d.perkins@gmail.com>

Hubert-Watson Sub Water Supply, Inc. Regulatory Assessments1 message

Judy Perkins <judithp111@gmail.com>

Mon, Jan 23, 2017 at 8:08 AM

To: theresa.cisneros@tceq.texas.govCc: Richard Perkins <R.D.Perkins@gmail.com>, Emma Beck <emma.beck@tceq.texas.gov>

Dear Ms. Cisneros,

Information for CCN/Reg #: 12123

According to Ms. Emma Beck, Hubert-Watson Subdivision Water Supply, Inc. underpaid for the 2011 year. We have sent the \$51.91 to complete payment. Also, we have sent payment for 2016.

We have noticed that Hubert-Watson Sub Water Supply, Inc. has not paid for the following years:

2012
2013
2014
2015.

We have found records with total expenditures for the following years:

2013: \$5723
2014: \$12,861
2015: \$7458

We are awaiting information from the CPA as to 2012 and will send you the information when we receive it.

Since we noted that the 2011 year must have added penalty and interest to arrive at \$51.91, we would appreciate knowing just what the final amount of assessment is needed for each of the above figures so we may send you the checks for each year.

We await your reply. Thank you, Judy Watson Perkins, Administrator

Please note that I am now the "Responsible Party" and not the estate of W. W. Hubert. The phone number is correct. Thank you.

--
Judy

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



Attachment 10

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 3, 2017

Mr. J. Garland Watson, Manager
Hubert-Watson Subdivision Water Supply, Inc.
2108 Bent Oak Street
College Station, Texas 77845-5585

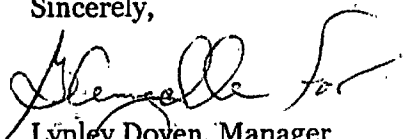
Re: Notice of Compliance with Agreed Order
Hubert-Watson Subdivision Water Supply, Inc.; RN101455384
Docket No. 2015-0224-PWS-E; Enforcement Case No. 50070

Dear Mr. Watson:

This letter is to inform you that a review of Texas Commission on Environmental Quality (TCEQ) records concerning the above-referenced enforcement matter indicates that Hubert-Watson Subdivision Water Supply, Inc. has fulfilled the requirements of the Agreed Order effective on November 16, 2015. Specifically, Hubert-Watson Subdivision Water Supply, Inc. has fulfilled the technical requirements and has paid the administrative penalty assessed in the Agreed 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 remain on the compliance history for this regulated entity for five years from the effective date of the Order.

We appreciate your cooperation, and if we can be of any further assistance, please contact Ms. Emma Beck at (512)239-1813.

Sincerely,


Lynley Doyen, Manager
Enforcement Division

cc: Mr. Richard and Ms. Judy Perkins, Managers, Hubert-Watson Subdivision Water Supply, Inc., 10855 Beinhorn Road, Houston, Texas 77024-3000



Attachment 11

Lead Consumer Notice (CN) TCEQ Form 20680a

Community Public Water Systems
Texas Commission on Environmental Quality

PWS ID #: TX1610114

DATE: January 6, 2017

PWS NAME: Hubert Watson Subdivision Water Supply, Inc. (HW)

Our public water supply system is required to periodically collect tap water samples to determine the lead levels in our system. ~~Your residence was selected for this monitoring as part of our system's sampling plan. This notice is provided to you with the analytical results of the tap water sample collected at your home.~~ HW in 2013 tested ONLY at the well and those are the results shown below. As per previous communications, HW has plans to test at a minimum of 5 homes during the 2017 test window between June and September. Since only the source water was tested in 2013 HW is sending to all customers to meet TCEQ past due compliance requirements.

Sample address: Hubert Watson (HW) Distribution System Sample Point at well facilities

Sample collection date: September 7, 2013

Analytical Lead result, in mg/L (milligrams per liter): "no detect" for lead reported

NOTE: These data may be found in TCEQ website for HW ID TX1610114 under PBCU Summaries for Water

Definitions

Action Level (AL): The action level is a concentration of a contaminant which, if exceeded, triggers treatment or other requirements which a public water system must follow. The lead action level is 0.015 mg/L. **Maximum contaminant level goal (MCLG):** The level of a contaminant in drinking water below which there is no expected health risk. MCLGs allow a margin of safety. The MCLG for lead is 0.

What are the health effects of lead and how can I reduce my exposure?

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials and components associated with service lines and home plumbing. The Hubert Watson Subdivision Water Supply is responsible for providing drinking water that meets all federal and state standards, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using the water and using only cold water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at EPA SafeWater for Lead. When replacing your bathroom or kitchen faucet, consider a "lead-free" faucet that meets NSF/ANSI Standard 61 Annex G, which is less than 0.25% lead by weight.

Who can I contact at my water system for more information?

Phone number at our public water supply system: 713-467-8191

E-mail address at our public water supply system: hubertwatsonwater@gmail.com



Lead Consumer Notice Certification Form 20680a

PWS ID #: TX TX1610114

PWS NAME: Hubert Watson Subdivision Water Supply, Inc

Monitoring Period to which the notice applies: 6/1/2013 to 9/30/2013

Date(s) results were received from laboratory:

Date(s) results were provided to customers: January 12, 2017

The water system named above hereby certifies that its lead consumer notice has been provided to each person it serves at the specific sampling site from which the sample was tested. ~~The water system also certifies that these results and the following information were provided to such persons within 30 days of receiving the test results from the laboratory:~~ HW failed to make the 30 day timely notice but did so January 12, 2017

- ☒ Individual tap results from lead tap water monitoring carried out under the requirements of 30 TAC §290.117(j). Note, sample only at well
- ☒ An explanation of the health effects of lead.
- ☒ Steps that consumers can take to reduce exposure to lead in drinking water.
- ☒ Contact Information for our water utility.
- ☒ The maximum contaminant level goals and action levels for lead, and the definitions of these two terms.

Certified by:

Signature: 

1-6-17

Name: Judith Watson Perkins

Title: Administrator

Phone: 713-467-8191

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



Attachment 12

PWS_1610114_CO_20170328_NOV PN

RN101455384

CN600627632

Texas Commission on Environmental Quality

Protecting Texas by Reducing and Preventing Pollution

March 28, 2017

Delivered Via Regular Mail PN/NOV/75/7500

HUBERT-WATSON SUBDIVISION WATER SUPPLY I

J GARLAND WATSON, PRESIDENT

10855 BEINHORN RD

HOUSTON, TX 77024-3000

SUBJECT: Notice of Violation: PUBLIC NOTICE RULE LINKED TO VIOLATION
30 TAC §290.122(f) - Failure to Submit Proof of Public Notification
HUBERT WATSON SUBDIVISION - PWSID: 1610114
MATAGORDA County, TX

Attention: Public Water System Owner / Manager / Operator

Our record review shows that the HUBERT WATSON SUBDIVISION public water system PWS ID 1610114 failed to issue public notice and/or certify delivery of public notice for violations issued to the system regarding the water supplied to its customers.

Per Title 30 Texas Administrative Code (30 TAC) §290.122, failure to notify your customers of drinking water violation results in a reporting violation.

Also, per 30 TAC §290.122(f), all documentation must be submitted to the TCEQ within ten days of distribution. If you have proof that notification was issued, provide copies of the public notice and the signed Certificate of Delivery by faxing this documentation to (512) 239-3666 or email to PWSPN@tceq.texas.gov or by mail to:

Drinking Water Inventory and Protection Team (MC-155)

PO BOX 13087

Austin, TX 78711-3087

If public notice was not performed, please issue and certify delivery as soon as possible so we can return this violation to compliance.

Note that additional unresolved monitoring or reporting violations received by your PWS may result in referral to the TCEQ Enforcement Division.

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

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

printed on recycled paper

DOCKET# TBD

PAGE 48

J GARLAND WATSON, PRESIDENT
HUBERT WATSON SUBDIVISION - PWS ID # 1610114
March 28, 2017
Page 2

If you have questions regarding this violation, please contact a member of the Public Drinking Water Section at (512) 239-4691.

Sincerely,



Michele Risko, Manager
Drinking Water Special Functions Section (MC-155)
Water Supply Division
Texas Commission on Environmental Quality

MR/av

Enclosures

cc: TCEQ Region 12

JUDITH WATSON PERKINS, DIRECTOR 10855 BEINHORN RD HOUSTON, TX 77024-3000

Public Notice Violation Report

PWS ID: TX1610114, PWS Name: HUBERT WATSON SUBDIVISION

Monitoring and Reporting (M&R) Violation

**FOLLOW-UP OR ROUTINE TAP M/R (LCR) LEAD & COPPER RULE
30 TAC §290.117(c)(2), §290.117(i) - LEAD & COPPER Monitoring**

PN Requested
10/31/2016

PN Required
2/2/2017

Compliance Period
1/1/2014-12/31/2016



Texas Commission on Environmental Quality

Protecting Texas by Reducing and Preventing Pollution

CERTIFICATE OF DELIVERY OF PUBLIC NOTICE TO CUSTOMERS

Public Water System (PWS) name: **HUBERT WATSON SUBDIVISION**

PWS ID (7-digit number required): **TX1610114**

Type violation: **TTHM MCL, LRAA**

Time Period of violation: **first quarter of 2017**

The PWS named above has distributed the Public Notice (PN) for the type of violation and time period listed above by:

Mail or direct delivery, to bill-paying customers as required by 30 TAC §290.122(b)(2)(A) for community water systems; and

The information contained in this public notification is correct and complies with required public notification content in accordance with 30 TAC §290.122 and;

Made an adequate good-faith effort to reach non-bill-paying consumers by appropriate methods (check all below that apply):

- ☐ Posting the PN on the internet at www.
- ☐ Mailing the PN to postal patrons within the service area that do not receive a bill
- ☐ Advertising the PN in news media
- ☐ Publication of PN in local newspaper
- ☒ Posting the PN in public places
- ☐ Delivery of multiple copies to single bill addresses serving several persons
- ☐ Delivery to community organizations
- ☐ Email notification

Date of Delivery to Customers 4-15-17

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

Certified by: Name (print): Judy Perkins Title: Administrator
 Phone: 713-467-8191
 Signature: [Signature] Date Signed: 4-13-17

Mail a copy of this completed form and a copy of the Public Notice that was delivered to your customer to:

TCEQ - Drinking Water Inventory & Protection Team
Attn: Public Notice (MC-155)
P. O. Box 13087
Austin, TX 78711-3087

**Mandatory Language for a Maximum Contaminant Level Violation
MCL, LRAA / TTHM**

The Texas Commission on Environmental Quality (TCEQ) has notified the HUBERT WATSON SUBDIVISION TX1610114 that the drinking water being supplied to customers had exceeded the Maximum Contaminant Level (MCL) for total trihalomethanes. The U.S. Environmental Protection Agency (U.S. EPA) has established the MCL for total trihalomethanes to be 0.080 milligrams per liter (mg/L) based on locational running annual average (LRAA), and has determined that it is a health concern at levels above the MCL. Analysis of drinking water in your community for total trihalomethanes indicates a compliance value in quarter one 2017 of 0.084 mg/L for DBP2-01.

Trihalomethanes are a group of volatile organic compounds that are formed when chlorine, added to the water during the treatment process for disinfection, reacts with naturally-occurring organic matter in the water.

Some people who drink water containing trihalomethanes in excess of the MCL over many years may experience problems with their liver, kidney, or central nervous systems, and may have an increased risk of getting cancer.

You do not need to use an alternative water supply. However, if you have health concerns, you may want to talk to your doctor to get more information about how this may affect you.

We are taking the following actions to address this issue:

1. Keep chlorine as low as safely possible
2. Flush system periodically.

<corrective actions>

Please share this information with all people who drink this water, especially those who may not have received this notice directly (i.e., people in apartments, nursing homes, schools, and businesses). You can do this by posting this notice in a public place or distributing copies by hand or mail.

If you have questions regarding this matter, you may contact Richard Sewell at 979-863-7390
<area code + phone number> <water system official's name>

Posted /Delivered on: 4-15-17
<Date Posted>

Instructions for preparing the required Public Notice:

Recopy the mandatory language above and insert the underlined information in the spaces indicated.

The TCEQ recommends that the public water system provide a copy of the Public Notice(s) to local and state officials, such as Mayors, City Council Members, County Commissioners, Judges, and/or State Representatives, that are located in or that represent the affected area(s) served by the system.

Public Notice delivery timelines:

The initial public notice shall be issued as soon as possible, but in no case later than 90 days after the violation was identified. Repeat public notice shall be issued every 90 days for as long as the violation persists. All notifications require the attached Certificate of Delivery due 10 days from the posting date of the above notice.

Refer to 30 TAC §290.122 for additional information on Public Notification.



Attachment 14

Lead Consumer Notice Certification Form 20680a

PWS ID #: TX1610114

PWS NAME: Hubert Watson Subdivision Water Supply, Inc

Monitoring Period to which the notice applies: 1/1/2014 – 12/31/2016

Date(s) results were received from laboratory: No Samples Taken, next period starts 06/01/2017

Date(s) results were provided to customers: 4/15/17

The water system named above hereby certifies that its lead consumer notice has been provided to each person it serves ~~at the specific sampling site from which the sample was tested. The water system also certifies that these results and the following information were provided to such persons within 30 days of receiving the test results from the laboratory:~~

- ☐ Individual tap results from lead tap water monitoring carried out under the requirements of 30 TAC §290.117(j). **NO SAMPLES TAKEN**
- ☒ An explanation of the health effects of lead.
- ☒ Steps that consumers can take to reduce exposure to lead in drinking water.
- ☒ Contact Information for our water utility.
- ☒ The maximum contaminant level goals and action levels for lead, and the definitions of these two terms.

Certified by:

Signature: 

4-12-17

Name: Judith Watson Perkins

Title: Administrator

Phone: 713-467-8191

Name of Utility: **Hubert-Watson Subdivision Water System, Inc**

EOY 2016 Balance Sheet -- Attachment 15

Line #	ASSETS	End of Year 12/31/2016	End of Prior Year 12/31/2015
	<u>UTILITY PLANT</u>		
1	101 Utility Plant in Service	\$36,795	\$36,795
2	TOTAL UTILITY PLANT		
3	108 Less: Accumulated Amortization	\$1,589	\$1,589
4	110 Less: Accumulated Depreciation	\$33,216	\$32,200
5	NET UTILITY PLANT	\$1,990	\$3,006
6	<u>CURRENT ASSETS</u>	xxxx	xxxx
7	131-135 Cash	\$852	\$533
8	141-143 Accounts Receivable	\$1,650	\$0
9	151 Plant Materials and Supplies (not previously expensed)		\$0
10	171-174 Other Current Assets		\$0
11	TOTAL CURRENT ASSETS	\$2,502	\$533
12	<u>TOTAL ASSETS*</u>	<u>\$4,492</u>	<u>\$3,540</u>

LIABILITIES & EQUITY

EQUITY

13	201 Common Stock	\$1,200	\$1,200
14	211 Other paid in capital	\$25,008	\$25,008
15	215 Retained Earnings	-\$64,538	-\$63,209
16	218 Proprietary Capital	-\$18,929	-\$1,329
17	TOTAL STOCKHOLDERS' EQUITY	-\$57,259	-\$38,331

LONG-TERM DEBT

18	224 Long-term debt (more than 1 year)	\$61,550	\$41,870
----	---------------------------------------	----------	----------

CURRENT LIABILITIES (less than 1 year)

19	231 Accounts Payable	\$201	\$0
20	232 Notes Payable	\$0	\$0
21	241.0 Other Current Liabilities	\$0	\$0
	TOTAL CURRENT LIABILITIES	\$201	\$0

OTHER LIABILITIES and DEFERRED CREDITS

22	253 Other Deferred Credits		\$0
23	271-272 Net Contributions in Aid of Construction		\$0
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS		\$0
25	<u>TOTAL LIABILITIES & EQUITY*</u>	<u>\$4,492</u>	<u>\$3,540</u>

Name of Utility:

Hubert-Watson Subdivision Water System, Inc**Estimated 6/30/17 Balance Sheet Attachment 16**

Line #

ASSETS

Est 06/30/2017

End of Year
12/31/2016**UTILITY PLANT**

1	101 Utility Plant in Service	\$36,795	\$36,795
2	TOTAL UTILITY PLANT		
3	108 Less: Accumulated Amortization	\$1,589	\$1,589
4	110 Less: Accumulated Depreciation	\$33,724	\$33,216
5	NET UTILITY PLANT	\$1,482	\$1,990
6	<u>CURRENT ASSETS</u>	XXXX	XXXX
7	131-135 Cash	\$765	\$852
8	141-143 Accounts Receivable	\$10,149	\$1,650
9	151 Plant Materials and Supplies (not previously expensed)		
10	171-174 Other Current Assets		
11	TOTAL CURRENT ASSETS	\$10,914	\$2,502
12	<u>TOTAL ASSETS*</u>	\$12,396	\$4,492

LIABILITIES & EQUITY**EQUITY**

13	201 Common Stock	\$1,200	\$1,200
14	211 Other paid in capital	\$37,538	\$25,008
15	215 Retained Earnings	-\$83,468	-\$64,538
16	218 Proprietary Capital	\$37,942	-\$18,929
17	TOTAL STOCKHOLDERS' EQUITY	-\$6,788	-\$57,259

LONG-TERM DEBT

18	224 Long-term debt (more than 1 year)	\$18,983	\$61,550
----	---------------------------------------	----------	----------

CURRENT LIABILITIES (less than 1 year)

19	231 Accounts Payable	\$201	\$201
20	232 Notes Payable	\$0	\$0
21	241.0 Other Current Liabilities	\$0	\$0
	TOTAL CURRENT LIABILITIES	\$201	\$201

OTHER LIABILITIES and DEFERRED CREDITS

22	253 Other Deferred Credits		
23	271-272 Net Contributions in Aid of Constructio		
24	TOTAL OTHER LIABILITIES and DEFERRED CREDITS		
25	<u>TOTAL LIABILITIES & EQUITY*</u>	\$12,396	\$4,492

Footnotes to Estimated Financial Data:

- 1 Changes in Retained Earnings (215) and (224) Long Term Debt result of Shareholder BWT's withdrawal and agreement among all shareholders and debt holders, which were one and the same
- 2 Accounts receivable (142) are estimated for semi-annual billing for Jan-Jun water connections and gallonage which will be billed in July
- 3 Account receivable are greater than in the past because of recently approve PUC rate increase

Name of Utility: **Hubert-Watson Subdivision Water System, Inc**

EOY 2016 Income Statement Attachment 17

Line #		Water Report Year	Sewer Report Year	Total Report Year
	Report Calendar Year <u>2016</u>			
		A	B	C=A+B
1	Total Revenue:	\$9,621		\$9,621
	Operating Expenses:			
2	601 O & M Salaried Labor	\$0		\$0
3	604 Employee Benefits	\$0		\$0
4	631, 635, 636 O & M Contract labor	\$7,090		\$7,090
5	620 Operating/Maint Supplies	\$16,556		\$16,556
6	610 Purchased Water	\$0		\$0
7	615 Purchased Power	\$544		\$544
8	635 Testing Expense	\$1,477		\$1,477
9	618 Chemicals	\$463		\$463
10	656-659 Insurance	\$0		\$0
11	601 General Office Salaries	\$0		\$0
12	675 General Office Expenses	\$209		\$209
13	632 Contract Accounting	\$995		\$995
14	633 Legal	\$0		\$0
15	634 Management	\$0		\$0
16	666 Amortization- Rate Case Expens	\$0		\$0
17	403 Depreciation Expense	\$1,016		\$1,016
18	667-675 Other Misc. Expenses	\$200		\$200
	Taxes:	xxxx	xxxx	xxxx
19	409 Federal Income Taxes			\$0
20	409.0 State Franchise Taxes/Reg As			\$0
21	408 All Other Taxes			\$0
22	Total Expenses	\$28,550	\$0	\$28,550
23	Net Operating Income	-\$18,929	\$0	-\$18,929
24	421, 433 Non-Operating Income			\$0
	Non-Operating Deductions:			
25	426 Other			\$0
26	427 Interest			\$0
27	Net Income	-\$18,929	\$0	-\$18,929

Name of Utility: **Hubert-Watson Subdivision Water System, Inc.**
Estimated 06/30/17 Income Statement Attachment 18

Line #		Water 6 mo 2017	Sewer Not Applicable	Total 6 mo 2017
	Interim Report 2017 Through 6/30/17 Est			
		A	B	C=A+B
1	Total Revenue:	\$12,559		\$12,559
	Operating Expenses:			
2	601 O & M Salaried Labor	\$0		\$0
3	604 Employee Benefits	\$0		\$0
4	631, 635, 636 O & M Contract labor	\$1,980		\$1,980
5	620 Operating/Maint Supplies	\$3,332		\$3,332
6	610 Purchased Water	\$0		\$0
7	615 Purchased Power	\$304		\$304
8	635 Testing Expense	\$734		\$734
9	618 Chemicals	\$481		\$481
10	656-659 Insurance	\$0		\$0
11	601 General Office Salaries	\$0		\$0
12	675 General Office Expenses	\$194		\$194
13	632 Contract Accounting	\$680		\$680
14	633 Legal	\$5,738		\$5,738
15	634 Management	\$0		\$0
16	666 Amortization- Rate Case Expense	\$0		\$0
17	403 Depreciation Expense	\$508		\$508
18	667-675 Other Misc. Expenses	\$611		\$611
	Taxes:	xxxx	xxxx	xxxx
19	409 Federal Income Taxes			\$0
20	409.0 State Franchise Taxes/Reg Assess.			\$0
21	408 All Other Taxes			\$0
22	Total Expenses	\$14,562	\$0	\$14,562
23	Net Operating Income	-\$2,003	\$0	-\$2,003
24	419, 421, 433 Non-Operating Income	\$39,945		\$39,945
	Non-Operating Deductions:			
25	426 Other			\$0
26	427 Interest			\$0
27	Net Income	\$37,942	\$0	\$37,942

Footnotes to Estimated Financial Data:

- Changes in Non-Operating Income (419) result of Shareholder BWT's withdrawal and agreement among all shareholders and debt holders, which were one and the same to forgive debt to HWWS
- Legal fees are for shareholder BWT's withdrawal and general corporate re-organization