

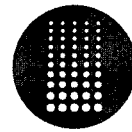


Control Number: 47797



Item Number: 21

Addendum StartPage: 0



**Monarch
Utilities I, L.P.**

A SouthWest Water Company

2019 JUN -5 4:19:10
Customer Service
866.654.5WWC (7992)

PUBLIC UTILITY COMMISSION
FILING CLERK

June 3, 2019

Public Utility Commission of Texas
P.O. Box 13326
Austin, TX 78711

Re: Docket 47797: Monarch Utilities I, L.P. as Temporary Manager of Aero Valley Water System (TCEQ PWS No. 0610243)

To the Commission:

On January 25, 2018 , Monarch Utilities I, L.P. was appointed Temporary Manager of the above referenced public water system serving customers in Denton County. Attached are seven copies of the Temporary Manager's Report for the period of April 1 through April 30, 2019.

If you have any questions or need additional information please contact me.

Sincerely,

Monarch Utilities I, L.P. Temporary Manager
by George Freitag, P.E.
Texas Regulatory Manager
1620 Grand Avenue Parkway #140
Pflugerville, TX 78660

cc: Tammy Benter
Taylor Kilroy
Patricia Garcia
Emily Young

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TEMPORARY MANAGER'S REPORT

Monarch Utilities I, LP is pleased to provide the following report relating to Aero Valley Water System, PWS ID #TX0610243, for the period ending April 30, 2019. The temporary management was initiated on January 25, 2018.

- I. Inventory of All Property. A new 5,000 gallon ground storage tank was installed at the site on a new gravel pad and a new electrical control box was installed.
- II. Business Transactions for this Period.
 - A. Financial Statements have been prepared for the period ending April 30, 2019, and include (1) a Balance Sheet, (2) an Income and Expense Report.
 - B. Since appointment as Temporary Manager, income from the sale of water was received totaling \$34,712.98.
 - C. Since appointment as Temporary Manager, routines expenses have been disbursed totaling \$16,781.81. Additional capital expenses for the new ground storage tank include \$3,192.28 for the tank itself and several other installation related invoices still pending. These amounts do not include any company labor or equipment usage.
 - D. This resulted in net operating capital remaining of \$14,738.89 with some invoices still outstanding as noted above.
- III. Status of System's Accounts.
 - A. Water bills were rendered on or about May 1, 2019 for the previous 30 day period to 33 water customers.
- IV. Significant Events to Bring the System into Compliance.
 - A. Sale of the Utility.

No sale has occurred. The PUC has reappointed Monarch as temporary manager for another six months to August 27, 2019 to continue to work on options.
 - B. TCEQ FMT Assistance.

No TCEQ FMT assistance has been requested or initiated.
 - C. System Repairs.
 - Added a total of twenty-two (22) gallons of sodium hypochlorite (12.5%) to chemical tank during the month.
 - Flushed dead end line during the month (1,500 gallons flushed).
 - During the month 107,000 gallons of water was produced. Daily average usage was 3,500 gallons per day.
 - Emergency approval was received from TCEQ to install a new 5,000 gallon ground storage tank and gravel pad for the tank. The tank was installed and placed into

service after acceptable bacteriological sampling results were received. The old leaking storage tank was demolished and disposed offsite.

D. Bacteriological Tests.

- Routine bacteriological sample (one) collected from distribution system and submitted to lab. No bacteria found.
- Routine bacteriological sample (one) collected from well and submitted to lab. No bacteria found.
- Special bacteriological sampling of the new ground storage tank was performed.

E. Planned Improvements.

- No planned improvements were made this reporting period.
- Continued discussions and analysis of alternatives for tie in to neighboring system.

F. Other Events.

- Boil Water Notice issued on 1/31/18 remains in effect until cross connections throughout the system are identified and corrected.
- In April and May of this year, three notices of violation (NOV) have been received from TCEQ for failure to provide public notices **during the period prior to management of the system by SWWC**. Some are violations going back to 2011. We are preparing the required public notices.'
- New service was requested by a customer. A contractor was engaged to determine the water line location and set the new service. However it has not been possible to determine the appropriate location for service due to numerous unknown water lines and connections in the area.

V. Customer Complaint Record. In the month of April 2019, the following calls were received from customers of the Aero Valley Water System:

| No: | Complaint |
|-----|------------------------------------|
| 0 | Calls regarding low water pressure |
| 0 | Calls regarding no water |
| 0 | Calls regarding water line leaks` |
| 0 | Calls regarding color of water |
| 0 | Calls regarding sediment in water |
| 0 | Calls regarding water odor |
| 0 | Other |

If I may provide additional information relating to Aero Valley Water System, please do not hesitate to contact me at 512 219 2288 or gfreitag@swwc.com.

Respectfully submitted,

George Freitag

Monarch Utilities I, L.P. as Temporary Manager for
Aero Valley Water System

Encl: Financial Statements
cc: Ms. Tammy Benter, PUC, Water Utility Regulations,
P.O. Box 13326, Austin, TX 78711-3326

Water Accounting

Water volume pumped through master meter(s) from:
4/1/19 to 4/30/2019 107,000 Gallons

Total water volume billed from:
4/1/19 to 4/30/2019 0 Gallons

*NOTE: Flat rate billing for this system: not by gallonage.

Total water loss: **Not able to determine. Note that gallons (amount not known) were used in flushing during the month. One major leak found and repaired.**

Percentage loss: **Not applicable** 0 %

Statement of Cash Flow

for Monarch Utilities I, LP
Temporary Manager for Aero Valley Water System
Month Ending April 30, 2019

| | |
|--|------------------|
| <u>Beginning Cash Balance</u> | <u>\$0</u> |
| <u>Cash Receipts</u> | |
| Water service billings (all months, to date) | \$35,870.50 |
| Customer deposits | \$0 |
| Total Cash Receipts | \$34,712.98 [#] |
| <u>Cash Disbursements</u> | |
| Goods Received / Invoice Received | 4,462.95 |
| Laboratory Services | 4,507.85 |
| Purchased Electricity | 2,210.65 |
| Materials and Supplies | 83.03 |
| Supplies Field | 1,393.80 |
| Travel and Lodging | 105.58 |
| Meals and Entertainment | 32.81 |
| Meals on Premise | 47.73 |
| Milage Reimbursement | 656.73 |
| Postage and Delivery | 35.93 |
| Repair and Maintenance | 7.25 |
| Repair and Maintenance Other | 3,237.50 |
| Expenses | <u>16,781.81</u> |

| | |
|--|------------|
| Capital; new tank | \$3,192.28 |
| Total Expenses | 19,974.09 |
| * Does not include all tank project invoices | |

NOTE: does not include company labor, vehicles, other OH

| | |
|------------------------------------|---------------------------|
| <u>Net Receipt</u> | <u>\$14,738.89</u> |
| <u>Ending Cash Balance*</u> | <u>\$14,738.89</u> |

Current Assets & Liabilities
for Monarch Utilities I, LP
Temporary Manager for Aero Valley Water System
Month Ending April 30, 2019

Current Assets

| | |
|----------------------|-------------|
| Net cash | \$14,738.89 |
| Accounts receivable | \$2,985.07 |
| Total Current Assets | \$17,723.96 |

Current Liabilities

| | |
|---------------------------------|--------------------------|
| Accounts payable | |
| Temporary Manager escrow | \$0 |
| TCEQ regulatory assessment fees | |
| System improvements | \$\$\$ Estimated \$2,000 |
| Total Current Liabilities | \$2,000 estimated |



Tank-Mart.com

2655 RR 1869
Liberty Hill, TX 78642
800 211-7998

P. O. Box 188 (mail only)



Jennifer McKnight

PAID RECEIPT

SHIP TO:

South West Water Co.
Attn: Jennifer McKnight
521 Kelly Drive
Roanoke, TX

817 403-2376

Invoice # S11743

Invoice Date 04/03/2019

Due Date 04/03/2019

| Item | Description | Unit Price | Quantity | Amount |
|---|---|------------|----------|----------|
| Product | #44247 - 4995 Gallon Vertical Storage Tank Color - Black | 1998.99 | 1.00 | 1,998.99 |
| | FREIGHT | 950.00 | 1.00 | 950.00 |
| | Sales Tax | 243.29 | 1.00 | 243.29 |
| NOTES: Thank you for your business. We appreciate the order. Diana Drake, Operations Tank-Mart.com 800 211-7998 | | | | |
| Subtotal | | | | 3,192.28 |
| Total | | | | 3,192.28 |
| Amount Paid | | | | 3,192.28 |
| Balance Due | | | | \$0.00 |

30200265 / 657610



Texas Commission on Environmental Quality

Protecting Texas by Reducing and Preventing Pollution

April 22, 2019

Delivered Via Regular Mail PN/NOV/75/7500

AERO VALLEY WATER SERVICE
SHAWN M HORVATH, OWNER
PO BOX 1398
ROANOKE, TX 76262-1398

SUBJECT: Notice of Violation: PUBLIC NOTICE RULE LINKED TO VIOLATION
30 TAC §290.122(f) - Failure to Submit Proof of Public Notification
AERO VALLEY WATER SERVICE - PWSID: 0610243
DENTON County, TX

Attention: Public Water System Owner / Manager / Operator

Our record review shows that the AERO VALLEY WATER SERVICE public water system PWS ID 0610243 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.

SHAWN M HORVATH, OWNER
AERO VALLEY WATER SERVICE - PWS ID # 0610243
April 22, 2019
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 4

JENNIFER E MCKNIGHT, GENERAL MANAGER 4888 FM 2264 RHOME, TX 76078-2621

Public Notice Violation Report

PWS ID: TX0610243, PWS Name: AERO VALLEY WATER SERVICE

Monitoring and Reporting (M&R) Violation

MONITORING, ROUTINE (DBP), MAJOR CHLORINE

30 TAC § 290.110(e)(4)(A), § 290.110(f)(2), § 290.110(f)(3) - Failure to Submit Disinfectant Level

Quarterly Operating Report

PN Requested
3/27/2018

PN Required
3/28/2019

Compliance Period
10/1/2017-12/31/2017



Texas Commission on Environmental Quality

Protecting Texas by Reducing and Preventing Pollution

May 09, 2019

Delivered Via Regular Mail PN/NOV/75/7500

AERO VALLEY WATER SERVICE
SHAWN M HORVATH, OWNER
PO BOX 1398
ROANOKE, TX 76262-1398

SUBJECT: Notice of Violation: PUBLIC NOTICE RULE LINKED TO VIOLATION
30 TAC §290.122(f) - Failure to Submit Proof of Public Notification
AERO VALLEY WATER SERVICE - PWSID: 0610243
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SHAWN M HORVATH, OWNER
AERO VALLEY WATER SERVICE - PWS ID # 0610243
May 09, 2019
Page 2

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

Sincerely,

A handwritten signature in black ink, appearing to read "Michele Risko".

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

MR/SG

Enclosures

cc: TCEQ Region 4

JENNIFER E MCKNIGHT, GENERAL MANAGER 4888 FM 2264 RHOME, TX 76078-2621

Public Notice Violation Report

PWS ID: TX0610243, PWS Name: AERO VALLEY WATER SERVICE

Monitoring and Reporting (M&R) Violation

MONITORING, ROUTINE MAJOR NITRATE

30 TAC §290.106(c)(6), §290.106(e) - Monitoring and Reporting Violation

| <u>PN Requested</u> | <u>PN Required</u> | <u>Compliance Period</u> |
|---------------------|--------------------|--------------------------|
| 4/4/2018 | 4/5/2019 | 1/1/2017-12/31/2017 |

MONITORING, ROUTINE MAJOR SYNTHETIC ORGANICS

30 TAC §290.107(c)(1), §290.107(e) - Monitoring and Reporting Violation

| <u>PN Requested</u> | <u>PN Required</u> | <u>Compliance Period</u> |
|---------------------|--------------------|--------------------------|
| 4/4/2018 | 4/5/2019 | 1/1/2015-12/31/2017 |

MONITORING, ROUTINE MAJOR VOLATILE ORGANICS

30 TAC §290.107(c)(2), §290.107(e) - Monitoring and Reporting Violation

| <u>PN Requested</u> | <u>PN Required</u> | <u>Compliance Period</u> |
|---------------------|--------------------|--------------------------|
| 4/4/2018 | 4/5/2019 | 1/1/2017-12/31/2017 |

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Toby Baker, *Executive Director*



PWS_0610243_CO_20190513_PN

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

May 13, 2019

TIM WILLIFORD
AERO VALLEY WATER SERVICE
1620 GRAND AVENUE PKWY STE 140
PFLUGERVILLE, TX 78660-2185

Subject: **PUBLIC NOTICE COMPLIANCE OUTREACH**
AERO VALLEY WATER SERVICE - PWSID: 0610243
DENTON County, Texas

RECEIVED

MAY 18 2019

TXU-AP

Dear Water System Official:

Public notification of drinking water violations and other situations in your system provides a way to educate the public, protect public health, build trust with consumers and establish a positive relationship with your community. March 30, 2017 rule revisions establish public notice timelines for issuing Tier 3 notices as one year and allow community public water systems (PWSs) to issue Tier 3 public notices and repeat notices within the Consumer Confidence Report (CCR) [30 Texas Administrative Code § 290.122(c)(2)].

A record review by the Texas Commission on Environmental Quality indicates that your system has open public notice schedules which may be returned to compliance by inclusion in your CCR. To facilitate your compliance, **the public notice program has developed the enclosed insert for inclusion with your CCR** to address your applicable public notice schedules.

PWSs can generate a template CCR using the TCEQ CCR generator. The generator can be accessed through the "Generate CCR Report" button located on the left side of the home page of the Drinking Water Watch website at <https://dww2.tceq.texas.gov/DWW/Instructions> to create the template CCR can be found on the TCEQ CCR web page <https://www.tceq.texas.gov/drinkingwater/ccr>. A separate reminder letter with additional information on CCR generation and compliance was sent to your system earlier this month. Please refer to that letter for specific on CCRs. To resolve public notice violations and open public notice schedules for your system:

- Complete the blank fields of the enclosed public notice insert
- Attach the completed insert to your CCR
- Distribute the CCR with attached insert to your customers
- Within 10 days of delivery to customers, but **no later than July 1, 2019**, mail the CCR with insert and certificate of delivery to:

| By certified mail: | By regular mail: |
|--|--|
| TCEQ DWSF Section - MC 155, Attn Public Notice 12100 Park 35 Circle Austin, Texas 78753 | TCEQ DWSF Section - MC 155, Attn Public Notice PO BOX 13087 Austin, TX 78711-3087 |

TIM WILLIFORD
Page 2
May 13, 2019

If you need additional explanation of how to complete public notice through the 2018 CCR please contact:

Public Notice Compliance Coordinators
PWSPN@tceq.texas.gov
512-239-5723

If you need additional assistance in creating your Consumer Confidence Report please contact:

Consumer Confidence Rule Program Staff
PWSCCR@tceq.texas.gov
512-239-4618

Sincerely,

A handwritten signature in black ink, appearing to read 'Michele Risko', written over a horizontal line.

Michele Risko, Section Manager
Drinking Water Special Functions Section
Water Supply Division
Texas Commission on Environmental Quality

MR/PK/av

cc: TCEQ Region 4 Attention Water Section Manager

Important Information About Your Drinking Water

Public water systems must routinely monitor for drinking water contaminants. AERO VALLEY WATER SERVICE, TX0610243 failed to monitor for or meet drinking water standards. The table below lists each violation, the time period(s), potential health effects, and associated analytical results (if applicable).

| Originating Violation | Violation Number | Time Period(s) of Violation(s) | Potential Health Effects | Analytical Results |
|--|-------------------|--------------------------------|--|------------------------------------|
| A Monitoring/Reporting (M/R) violation for EDB/DBCP | 2016 100069235 | 01/01/2011 - 12/31/2013 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for SOC METHOD 531.1 | 2016 100069236 | 01/01/2011 - 12/31/2013 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for SOC METHOD 515.4 | 2016 100069237 | 01/01/2011 - 12/31/2013 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for RADIONUCLIDES | 2017 100069289 | 01/01/2013 - 12/31/2015 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for METALS | 2017 100069290 | 01/01/2013 - 12/31/2015 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for NITRATE | 2017 100069291 | 01/01/2015 - 12/31/2015 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for VOLATILE ORGANICS | 2017 100069292 | 01/01/2015 - 12/31/2015 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |

| Originating Violation | Violation Number | Time Period(s) of Violation(s) | | Potential Health Effects | Analytical Results |
|--|-------------------|--------------------------------|------------|---|------------------------------------|
| A Disinfection By-Products Rule (DBPR) Stage 1 or 2 Monitoring/Reporting violation for DBP PHASE 2 | 2017 100069332 | 01/01/2014 | 12/31/2016 | Required Disinfection By-Products samples were not collected for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for NITRATE | 2017 100069334 | 01/01/2016 | 12/31/2016 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for EDB/DBCP | 2017 100069335 | 01/01/2014 | 12/31/2016 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for SOC METHOD 515.4 | 2017 100069336 | 01/01/2014 | 12/31/2016 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for SOC METHOD 531.1 | 2017 100069337 | 01/01/2014 | 12/31/2016 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for VOLATILE ORGANICS | 2017 100069338 | 01/01/2016 | 12/31/2016 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for MINERALS | 2017 100069339 | 01/01/2014 | 12/31/2016 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Disinfectant Level Quarterly Operating Report (DLQOR) violation for CHLORINE | 2019 100069385 | 10/01/2017 | 12/31/2017 | Required Disinfection Quarterly Operating Report showing disinfectant residuals was not provided to TCEQ on-time or not provided for the specified quarterly monitoring period. | No Analytical Result(s) Associated |

| Originating Violation | Violation Number | Time Period(s) of Violation(s) | | Potential Health Effects | Analytical Results |
|---|-------------------|--------------------------------|------------|--|------------------------------------|
| A Monitoring/Reporting (M/R) violation for SYNTHETIC ORGANICS | 2019 100069386 | 01/01/2015 | 12/31/2017 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for VOLATILE ORGANICS | 2019 100069387 | 01/01/2017 | 12/31/2017 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |
| A Monitoring/Reporting (M/R) violation for NITRATE | 2019 100069388 | 01/01/2017 | 12/31/2017 | Required samples for contaminant or contaminant group were not collected, or samples were not reported to TCEQ, for the specified monitoring period. | No Analytical Result(s) Associated |

You do not need to boil your water or obtain alternative water supply (e.g. bottle water) at this time. However, if you have specific health concerns, consult your doctor

If you have a severely compromised immune system, have an infant, are pregnant, or are elderly, you may be at increased risk and should seek advice from your health care providers about drinking this water. General guidelines on ways to lessen the risk of drinking water contaminants are available from EPA's Safe Drinking Water Hotline at 1-800-426-4791.

Corrective Action:

AERO VALLEY WATER SERVICE has taken the following action(s) to return the system to compliance:

For more information, or to learn more about protecting your drinking water, please contact AERO VALLEY WATER SERVICE representative _____ at _____.

Please share this information with all the other people who drink this water, especially those who may not have received this notice directly (for example 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.