



Control Number: 48791



Item Number: 42

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From the Desk of:  
April Gregston Prince  
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October 28, 2019

Public Utility Commission of Texas  
Attn: FILING CLERK  
1701 N. Congress Ave.  
Austin, Texas 78711

*Via Email: Eleanor.DAmbrosio@puc.texas.gov  
and First Class United States Mail*

RE: Docket No. 48791  
*Application for Sale, Transfer or Merger of a Retail Public Utility*  
Pendleton Harbor Water Supply to G-M Water Supply Corp.

To Whom it May Concern:

Attached please find G-M Water Supply Corporation's responses to the Staff's Second Request for Information dated October 4, 2019.

Should you have any questions or need any additional information, please do not hesitate to contact me.

Sincerely,



April Gregston Prince

AGP/ap  
Enclosures as noted

2019 OCT -1 PM 3:22  
FILING CLERK  
PUC

Eleanor D'Ambrosio  
Public Utility Commission of Texas  
Legal Division  
1701 N. Congress Ave.  
POBOX 13326  
Austin, Texas 78711-3326

RE: G-M Water Supply Corporation Application  
Docket No. 48791  
Staff Second Request for Information

Ms. D'Ambrosio

G-M WSC has requested that we assist in the response to the Staff Second Request for information dated October 4, 2019.

Per the instructions, the Staff questions are shown with responses immediately following in italic print with the sponsoring witness identified for each response.

Staff 2-1 Please provide details on the existing or expected land use in the requested area, including details on requested actions such as dual certification or decertification of service area.

*RESPONSE: Existing land use in the effected area is currently property owned by the USDA Forest Service and existing farmland/pasture areas. It is not anticipated that the land use will change due to the area being in the G-M WSC service Area – Witness Mark Mann, P.E.*

Staff 2-2 Please admit or deny that the requested area currently receives service from G-M WSC.

*RESPONSE: Deny, there are no current services within the area. – Witness Mark Mann, P.E.*

Staff 2-3 Please admit or deny that there are no current customers in the requested area. If deny, please provide the number of current customers.

*RESPNOSE: Admit, there are no current service customers in the area – Witness Mark Mann, P.E.*

Staff 2-4 Please admit or deny that the requested area overlaps with or is within the  
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boundaries of a municipality. If admit, provide the name of the municipality.

*RESPONSE: Deny, there are no overlaps with or within a municipality – Witness Mark Mann, P.E.*

Staff 2-5 Please admit or deny that the requested area overlaps with or is within the boundaries of a district. If admit, provide the name of the district.

*RESPONSE: Admit, area is already included in G-M WSC CCN Area. Witness Mark Mann, P.E.*

Staff 2-6 If the answer to Staff 2-4 or Staff 2-5 is admit, please provide a copy of any franchise, permit, or other document confirming that consent to serve within the municipal or district boundaries has been granted by the city or district. If no such document is available, please explain why it is not available.

Staff 2-7 Please admit or deny that if the requested area is not added to G-M WSC's certificated service area, there will be a gap between G-M WSC's existing CCN boundary and the boundary of the service area G-M WSC is seeking to acquire through the STM with Pendleton Harbor Water Supply Corporation.

*RESPONSE: Admit, there will be a gap in the CCN service of area of G-M WSC – Witness Mark Mann, P.E.*

Staff 2-8 Please describe the circumstances (economic, environmental, etc.) driving the need for service in the requested area.

*RESPONSE: To avoid a gap in the CCN service of area of G-M WSC. There are no economic or environmental issues effecting the need of the area requested – Witness Mark Mann, P.E.*

Staff 2-9 Please admit or deny that G-M WSC has received a request for service within the requested area. If admit, provide copies of all applicable requests for service and a map showing the locations of the requested service.

*RESPONSE: Deny, no request has been made for G-M WSC to service the area – Witness Mark Mann, P.E.*

Staff 2-10 Please admit or deny that there is existing or anticipated growth in the requested area. If admit, provide copies of any reports, market studies, or other documents supporting the anticipated growth.

*RESPONSE: Deny, there is not any anticipated growth in the service area as this is existing Forest Service Area and pasture areas – Witness Mark Mann, P.E.*

Staff 2-11 Please admit or deny that it will be necessary to construct facilities in order to provide service to the requested area. If admit, provide the following information:

- a) Copies of TCEQ approval letters for the construction plans.
- b) An estimated timeline for the construction of the facilities required to serve the requested area.
- c) A description of the source and availability of the funds to be used to construct the facilities required to serve the requested area.

*RESPONSE: Deny, no construction of new facilities are required to provide service – Witness Mark Mann, P.E.*

Staff 2-12 If construction of a physically separate water system is necessary to provide service to the requested area, please provide a list of all retail public water utilities within one half mile from the outer boundary of the requested area.

- a) Please admit or deny that G-M WSC requested service from each of the water utilities listed in response to this question. If admit, provide copies of written requests and copies of the written response.
- b) Please provide either a statement or documentation explaining why it is not economically feasible to obtain retail service from the water retail public utilities listed in response to this question.
- c) If a neighboring retail public utility agreed to provide service to the requested area, provide documentation addressing the following information:
  - i. A description of the type of service that the neighboring retail public utility is willing to provide and comparison with service the applicant is proposing;
  - ii. An analysis of all necessary costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance; and
  - iii. An analysis of all necessary costs for acquiring and continuing to receive service from the neighboring retail public utility for at least the first five years of operations.

*RESPONSE: Deny, no additional facilities or water system are required to be constructed to service this area – Witness Mark Mann, P.E.*

Staff 2-13 Please explain the effect of granting G-M WSC's request to amend its CCN with the requested area on G-M WSC, any retail public utility of the same kind serving in the proximate area, and any landowners in the requested area. The explanation should address, but is not limited to, regionalization, compliance, and economic effects.

*RESPONSE: G-M WSC is the regional water service provider for the majority of Sabine County. The inclusion of this area will be in line with the Texas Water Development Boards State Water Plan. There are no other local water supply utilities in the region to provide water service to this area – Witness Mark Mann, P.E.*

Staff 2-14 Please describe the anticipated impact on, and changes to, the quality of retail utility service for the requested area.

*RESPONSE: No changes to the water quality or service is anticipated as G-M WSC already provides service to adjacent areas – Witness Mark Mann, P.E.*

Staff 2-15 Please explain how the environmental integrity of the land in the requested area will or will not be impacted or disrupted as a result of granting the CCN amendment as requested.

*RESPONSE: No changes to land use are anticipated as the area is existing Forest Service area and pasture lands – Witness Mark Mann, P.E.*

Staff 2-16 Please admit or deny that G-M WSC has made efforts to extend retail water or sewer utility service to any economically distressed area located within the requested area. If admit, please describe the efforts made to extend retail water or sewer utility service and provide any documents supporting the efforts made.

*RESPONSE: Deny, there have been no attempts to provide water service as there are no customers in the area – Witness Mark Mann, P.E.*

Staff 2-17 Please provide the name of all neighboring water or sewer retail public utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service located within two (2) miles from the outer boundary of the requested area.

*RESPONSE: There are no existing municipalities, water utility providers, counties, river authorities, or other political entities that provide similar service within 2 miles of the area – Witness Mark Mann, P.E.*

Staff 2- 18 Please provide the following for all Public Water Systems (PWS) associated with G-M WSC's CCN:

a) TCEQ PWS ID:

RESPONSE: 2020067 – G-M WSC – Witness Mark Mann, P.E.

b) Name of PWS :

RESPONSE: G-M Water Supply Corporation – Witness Mark Mann, P.E.

c) Date of TCEQ inspection and evidence of compliance with TCEQ

RESPONSE: See July 10, 2018 report attached hereto.

d) Subdivisions served:

RESPONSE: Mid Lake, Sabinetown, Lowes Creek, Milam, Geneva, Rosevine, Six Mile, Bronson, Rebel Ridge, Magasco – Witness Mark Mann, P.E.

Staff 2-19 Please provide the PWS ID that will serve the requested area.

RESPONSE: 2020067 – G-M WSC- Witness Mark Mann, P.E.

Staff 2- 20 For the PWS identified in Staff 2-19, please provide the number of existing connections for each meter size.

RESPONSE: 3400 Residential; 10 Commercial – Witness Mark Mann, P.E.

Staff 2- 21 For the PWS identified in Staff 2-19, please provide the number of any existing non-metered connections.

RESPONSE: No non-metered connections – Witness Mark Mann, P.E.

Staff 2- 22 Please provide the number of additional connections residential, commercial industrial—for each meter size projected for the requested area.

RESPONSE: None, there are no customers in the area – Witness Mark Mann, P.E.

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Staff 2- 23 Please provide the number of any additional non-metered connections projected for the requested area.

RESPONSE: *None, there are no customers in the area – Witness Mark Mann, P.E.*

Staff 2- 24 Please admit or deny that the PWS identified in Staff 2-19 purchases water from another source. If admit, provide a copy of purchase agreement or contract.

RESPONSE: *Admit, G-M WSC currently purchases water from City of Hemphill and City of Pineland – Witness Mark Mann, P.E.*

Staff 2 – 25 Please admit or deny that G-M WSC is required to purchase water for any of its PWSes to meet the TCEQ's minimum capacity requirements or TCEQ's drinking water standards.

RESPONSE: *Admit, G-M WSC currently purchases water from City of Hemphill and City of Pineland – Witness Mark Mann, P.E.*

If admit, please provide

- a) the amount of supply purchased, per the agreement or contract;

RESPONSE: *Contract Amounts: City of Hemphill minimum usage 5,000,000 gallons per month; City of Pineland – 1,000,000 gallons per month average – Witness Mark Mann, P.E.*

and

- b) the percent of overall demand supplied by purchased water (if any).

RESPONSE: *(City of Hemphill approximately 20%; City of Pineland approximately 5% – Witness Mark Mann, P.E.)*

Staff – 2-26 Please admit or deny that the PWS identified in Staff 2-19 has adequate capacity to meet the current and projected demands in the requested area.

RESPONSE: *Admit, G-M WSC has sufficient capacity to meet all current and projected demands – Witness Mark Mann, P.E.*

Staff 2-27 Please admit or deny that the operators listed in response to Question No. 28, Part F if the STM application will be responsible for the operations necessary to provide water service

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to the requested area. If deny, provide the following for each operator that will be responsible for the operations necessary to provide water service to the requested area.

- a) Name as it appears on license
- b) Class
- c) License No.

*RESPONSE: Admit, G-M WSC current staff will be responsible for operating the service area – Witness Mark Mann, P.E.*

Staff 2-28 Please admit or deny that improvements to G-M WSC's existing PWS are required for the existing PWS to meet TCEQ or Commission standards. If admit, provide details on each required major capital improvement (description, estimated cost and estimated completion date) necessary to correct deficiencies to meet the TCEQ or Commission standards. Please attach any engineering reports or TCEQ approval letters.

*RESPONSE: Deny, no construction of new facilities are required to provide service – Witness Mark Mann, P.E.*

Bryan W. Shaw, Ph.D., P.E., *Chairman*  
Toby Baker, *Commissioner*  
Jon Niermann, *Commissioner*  
Stephanie Bergeron Perdue, *Interim Executive Director*



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

July 10, 2018

**CERTIFIED MAIL {7015 0640 0004 7757 1389}**  
**RETURN RECEIPT REQUESTED**

Mr. Joe Kelley, President  
G-M WSC  
PO Box 727  
Hemphill, Texas 75948

Re: Additional Compliance Documentation Needed for:  
G-M WSC, Hemphill (Sabine County), Texas  
PWS ID No.: 2020067, Investigation No.: 1498887

Dear Mr. Kelley:

The Texas Commission on Environmental Quality (TCEQ) Beaumont Region Office has received the compliance documentation that you submitted on April 11 & 18, 2018 for the alleged violations noted during the investigation of the above-referenced facility conducted on July 25, 2017. The compliance documentation contained in your response appears to indicate that some of the problems documented during the investigation have been corrected. However, information is still needed for the alleged violations listed in the enclosed summary. Please submit to our office by August 9, 2018 a written description of corrective action taken and the required compliance documentation demonstrating that these remaining alleged violations have been resolved.

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

If you or members of your staff have any questions, please feel free to contact Ms. Paige Pritchard in the Beaumont Region Office at (409) 898-3838.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Hebert", written over a horizontal line.

Ronald Hebert  
Water Section Team Leader  
Beaumont Region Office

RH/PP/bd

Enclosure: Summary of Unresolved Investigation Findings

## Summary of Investigation Findings

G M WSC	Investigation #
STATE HWY 40587 N	1498887
HEMPHILL, SABINE COUNTY, TX 75948	Investigation Date: 06/27/2018
Additional ID(s): 2020067	

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

Track No: 476747      Compliance Due Date: 08/09/2018  
30 TAC Chapter 290.44(c)

**Alleged Violation:**

Investigation: 1023038

Comment Date: 09/10/2012

Failure by the GM Water Supply Corporation to maintain a maximum of ten connections on a 2 inch service line.

During the investigation, it was noted that a two inch service line had 16 connections from 9 mile Road to Rebel Cove.

Investigation: 1103748

Comment Date: 07/22/2013

Compliance documentation for this alleged violation has not yet been received.

Investigation: 1150183

Comment Date: 04/07/2014

The TCEQ acknowledges the letter dated August 28, 2013, which displays that water systems intends to install larger service lines; however, this is not sufficient to resolve the outstanding alleged violation.

Investigation: 1438055

Comment Date: 10/12/2017

Compliance documentation has not been submitted regarding this outstanding alleged violation.

Investigation: 1461289

Comment Date: 02/26/2018

Documentation has not yet been received to resolve this violation. During the investigation, Mr. Pickard stated that the area of 9 Mile Road is growing in population and that they are currently seeking out a grant from the Sabine River Authority to help fund a line improvement project for this area. It was stated that the project is expected to be completed by early 2019.

Investigation: 1498887

Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Increase the line size to at least 2.5 inches on the distribution line that serves 9 mile and Rebel Cove or request an exception. Submit photographic documents to the Beaumont Region Office that displays the replacement of the 2 inch water line to a waterline that is 2.5 inches or greater.

The water system may request an exception by writing to TCEQ Water Supply Division Technical Review and Oversight Team, MC155, PO Box 13087, Austin, Texas 78711-3087. Phone (512) 239- 4691.

Track No: 611791      Compliance Due Date: 08/09/2018  
30 TAC Chapter 290.44(c)

**Alleged Violation:**

Investigation: 1343023

Comment Date: 07/22/2016

Failure by the G-M WSC to provide a minimum water line size of 2.5 inches when more than

10 connections, but less than 25 connections are served.

During the investigation, it was noted that 12 connections are served by a 2 inch water line that extends from the bridge at Highway 276 to 9 mile road.

Investigation: 1393932

Comment Date: 02/10/2017

Compliance documentation has not been submitted to resolve this outstanding alleged violation.

Investigation: 1438055

Comment Date: 10/12/2017

Compliance documentation has not been submitted regarding this outstanding alleged violation.

Investigation: 1461289

Comment Date: 02/26/2018

Documentation has not yet been received to resolve this violation. During the investigation, Mr. Pickard stated that the area of 9 Mile Road is growing in population and that they are currently seeking out a grant from the Sabine River Authority to help fund a line improvement project for this area. It was stated that the project is expected to be completed by early 2019.

Investigation: 1498887

Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Replace the two inch line with a water line size of at least 2.5 inches in diameter. Submit documentation to the Beaumont Regional Office once the line replacement has been accomplished.

Track No: 654294

Compliance Due Date: 08/09/2018

30 TAC Chapter 290.46(s)(1)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 10/10/2017

Failure by G-M WSC to maintain all flow-measuring devices and rate-of-flow controllers calibrated at least once every 12 months.

During the investigation, it was noted that the water system could not provide any record of the recycled water meter ever being calibrated. It is required to calibrate all meters annually.

Investigation: 1498887

Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Calibrate the recycled water meter. Submit the calibration records to the Beaumont Regional Office.

Track No: 654297

Compliance Due Date: 08/09/2018

30 TAC Chapter 290.110(c)(5)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC to conduct all chloramine effectiveness sampling.

During the investigation, it was noted that the water system does not collect nitrate and nitrite samples required for chloramine effectiveness.

Investigation: 1498887

Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Begin conducting all chloramine effectiveness sampling required in 30 TAC 290.110(c)(5). Submit three months of chloramine effectiveness sampling to the Beaumont Regional Office.

Track No: 654299      Compliance Due Date: 08/09/2018  
30 TAC Chapter 290.46(z)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 10/10/2017

Failure by G-M WSC maintain a complete Nitrification action plan (NAP).

During the investigation, it was noted that the water system has some information included in the NAP but not all required information. There is no data that has been used to build the NAP or determine goals, triggers, and action plans for changes to be made. Additionally, the system is not taking nitrate and nitrite samples so no baseline can be made for the system to use in the NAP.

Investigation: 1498887

Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Develop a NAP that contains the system-specific plan for monitoring free ammonia, monochloramine, total chlorine, nitrite, and nitrate levels in addition to the other requirements specified under 30 TAC 290.46(z). Submit the NAP to the Beaumont Regional Office.

Track No: 654335      Compliance Due Date: 08/09/2018  
30 TAC Chapter 290.46(f)(3)(C)(III)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/22/2017

Failure by G-M WSC to maintain a Recycling Practices Report form and other records pertaining to site-specific recycle practices for treatment plants that recycle.

During the investigation, it was noted that the water system does not maintain a recycling practices report on file for review.

Investigation: 1498887

Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Complete a Recycling Practices Report form and maintain it on file at the facility. Submit the report to the Beaumont Regional Office.

Track No: 654757      Compliance Due Date: 08/09/2018  
30 TAC Chapter 290.111(h)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 10/10/2017

Failure by G-M WSC to accurately complete the Surface Water Monthly Operating Reports (SWMORs).

During the investigation, it was noted that the water system is reporting the individual filter effluent data (IFE) from the turbidity monitor leaving the clearwell and not from the monitor on the Pall membrane system. This system only has one membrane unit and should be recording the CFE and the IFE information from the same turbidimeter located on the Pall system. It was also noted that the water system is recording the average NTU for the combined filter effluent four hour time block and not the one time reading that is collected during that specified time block. The TCEQ sets six standard four-hour periods each day: NTU1 is midnight to 4 a.m.; NTU2 is 4 a.m. to 8 a.m.; NTU3 is 8 a.m. to noon; NTU4 is noon to 4 p.m.; NTU5 is 4 p.m. to 8 p.m.; and NTU6 is 8 p.m. to midnight. Readings must be taken to represent each of the TCEQ's four-hour reporting periods when the plant is producing water for any portion of the time noted in RG-211. The SWMOR-alt has a mNTU section

which should include the maximum NTU for the readings that day. It did not appear that the system was recording the maximum NTU recorded in these blocks as the readings were lower than the CFE reading.

Investigation: 1498887

Comment Date: 07/05/2018

The water system has stated that they are now reporting data from the Pall membrane turbidity monitor on the WSMOR. The water system has also stated that they are reporting a one time reading for the CFE time blocks and the mNTU for the maximum turbidity reading each day. The water system also provided the SWMORs for January, February, and March 2018 for review. This violation will remain outstanding until raw five-minute data is provided to confirm the accuracy of the SWMORs.

**Recommended Corrective Action:** Begin using the Pall membrane turbidity monitor for reporting the SWMOR. Report the one time reading for the CFE time blocks and the mNTU for the maximum turbidity reading in a day. Please submit to the Beaumont Regional Office three months of SWMOR reports and the raw five minute data that corresponds with the SWMORs.

Track No: 654776

Compliance Due Date: 08/09/2018

30 TAC Chapter 290.42(g)(3)(F)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/28/2017

Failure by G-M WSC to maintain the membrane system design so that membrane units' feed water, filtrate, backwash supply, waste and chemical cleaning piping shall have cross-connection protection to prevent chemicals from all chemical cleaning processes from contaminating other membrane units in other modes of operation.

During the investigation, it was noted that the water flows into the Pall membrane system in the same method that it leaves the system for backwash and wasted water that is being sent to the recycled water ponds. It does not appear there is a double block and bleed valving arrangement on the system.

Investigation: 1498887

Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Please provide documentation of a block and bleed that would prevent wasted water from backpressure or back siphonage from contaminating other parts of the membrane system.

The water system may request an exception to this requirement by writing to TCEQ Water Supply division, Technical Review and Oversight Team, MC 159 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691.

Track No: 654778

Compliance Due Date: 08/09/2018

30 TAC Chapter 290.42(f)(1)(E)(ii)(I)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/28/2017

Failure by G-M WSC to maintain secondary containment facilities for a single container or for multiple interconnected containers must be large enough to hold the maximum amount of chemical that can be stored with a minimum freeboard of six vertical inches or to hold 110% of the total volume of the container.

During the investigation, it was noted that the system did not have any secondary containment for any of the chemicals stored on site. The water system explained that areas of the facility of secondary containment underneath the floor and that all of the chemicals would run through that secondary containment into the recycled water ponds on site.

Investigation: 1498887

Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Provide documentation which shows the secondary containment under the floor and ponds have the ability to hold 110% of the total volume of all the containers on site.

The water system may request an exception to this requirement by writing to TCEQ Water Supply division, Technical Review and Oversight Team, MC 159 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691.

Track No: 657524      Compliance Due Date: 08/09/2018  
30 TAC Chapter 290.45(g)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 10/12/2017

Failure by G-M WSC to meet the elevated storage capacity of 44 gallons per connection provided in their alternative capacity requirement.

During the investigation, it was noted that the system did not provide 44 gallons per connection in pressure plane no. 10 (CL&M). Elevated Pressure Storage - 44 gallons/connection X 494 connections = 0.021736 required MG. The water system provides 0.017600 MG. The water system is 19.03% deficient for elevated pressure storage.  
Investigation: 1498887      Comment Date: 06/29/2018

No compliance documentation has been submitted with regards to this outstanding alleged violation.

**Recommended Corrective Action:** Provide 44 gallons per connection in pressure plane no. 10 (CL&M). Submit documentation to the Beaumont Regional Office that the system is providing 44 gallons per connection.

Please note that if any modifications are made to the plant in an effort obtain compliance with this regulation, notification shall be made to TCEQ Water Supply division, Technical Review and Oversight Team, MC 155 PO Box 13087, Austin, Texas 78711-3087; phone (512) 239-4691. Additionally, an exception may be requested regarding this regulation to the address listed above.

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

Track No: 654290  
30 TAC Chapter 290.42(l)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC to have an adequate plant operations and maintenance manual.

During the investigation, it was noted that the water system does not maintain the federal contact information in the plant operations and maintenance manual.

Investigation: 1498887

Comment Date: 06/27/2018

The water system is now maintaining a Plant Operations and Maintenance Manual which includes the federal emergency contact information.

**Recommended Corrective Action:** Update the Plant Operations Manual to include the federal emergency contact information. Submit a copy to the Beaumont Regional Office.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received documentation which displays that the water system is not maintaining a Plant Operations and Maintenance Manual which includes the federal emergency contact information.

Track No: 654292  
30 TAC Chapter 290.46(f)(3)(B)(v)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 10/12/2017

Failure by G-M WSC to maintain all records of backflow prevention device.

During the investigation, it was noted that the water system does not maintain backflow prevention assemblies test records for several chicken farms for 2015 or 2016. During the investigation, the water system was able to provide the 2017 chicken farm backflow records. The water system stated that they believe these locations were tested but they could not provide the records.

Investigation: 1498887

Comment Date: 06/27/2018

The water system is now maintaining all backflow assembly test reports for three years.

**Recommended Corrective Action:** Begin maintaining all backflow assembly test reports for three years. Submit the most current backflow form for the chicken farms.

**Resolution:** On April 19, 2018, the Beaumont Regional Office received documentation which displays that the water system is now maintaining backflow assembly reports for three years.

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**Track No:** 654293**30 TAC Chapter 290.44(h)(4)(C)****Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC to maintain all backflow tests conducted on the proper form.

During the investigation, it was noted that the water system has accepted backflow forms completed by Mike Oden that are not the format specified on commission Form 20700.

Investigation: 1498887

Comment Date: 06/27/2018

The water system submitted an SOP which stated how the water system will ensure they are only accepting the required form.

**Recommended Corrective Action:** Begin ensuring that all backflow records received by the water system comply with the required Form 20700. Submit an SOP which stated how the water system will ensure they are only accepting the required form.

**Resolution:** On April 19, 2018, the Beaumont Regional Office received documentation which displays that the water system will only accept the required form for backflow tests.

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**Track No:** 654295**30 TAC Chapter 290.46(f)(3)(B)(iv)****Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC to keep calibration records of the disinfectant residual analyzer.

During the investigation, it was noted that the water system checks their disinfectant residual analyzer for accuracy but does not keep a record of the checks.

Investigation: 1498887

Comment Date: 06/27/2018

The water system is now maintaining a record of calibration records of the disinfectant residual analyzer.

**Recommended Corrective Action:** Begin maintaining a record of the accuracy checks conducted on the disinfectant residual analyzer every 90 days. Submit records of one accuracy check to the Beaumont Regional Office.

**Resolution:** On April 19, 2018, the Beaumont Regional Office received documentation which displays that the water system is now maintaining a record of accuracy checks conducted on the disinfectant residual analyzer.



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Track No: 654296

30 TAC Chapter 290.110(f)(1)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC water system to collect all samples used for compliance from sampling sites designated in the monitoring plan.

During the investigation, it was noted that the water system was not collecting chlorine residual samples at sites only listed in the monitoring plan. The water system stated that they were taking sample in distribution but not only from sample sites listed in the monitoring plan.

Investigation: 1498887

Comment Date: 06/27/2018

The water system is now collecting all samples used for compliance only from sampling sites designated in the monitoring plan.

**Recommended Corrective Action:** Begin collecting chlorine residual samples from sites only listed in the monitoring plan. Submit records to the Beaumont Regional office which shows the samples being collected in distribution are from locations specified in the monitoring plan.

**Resolution:** On April 19, 2018, the Beaumont Regional Office received documentation which displays that the water system is no collecting chlorine residual samples from sites only listed in the monitoring plan.

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Track No: 654298

30 TAC Chapter 290.121(b)(1)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC to have a complete monitoring plan.

During the investigation it was noted that the monitoring plan was incomplete. The water system did not have the frequency, method, and compliance calculations noted for lead and copper sampling. The monitoring plan was also missing the plant schematic.

Investigation: 1498887

Comment Date: 06/27/2018

The water system is now maintaining a complete monitoring plan.

**Recommended Corrective Action:** Update the monitoring plan. Submit a copy of the updated monitoring plan to the Beaumont Regional Office.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received documentation which displays that the water system now has a complete monitoring plan which includes the frequency, method, and compliance calculations noted for lead and copper sampling, as well as a plant schematic.

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Track No: 654301

30 TAC Chapter 290.46(s)(2)(C)(ii)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 10/10/2017

Failure by G-M WSC to check the accuracy of continuous disinfectant residual analyzers at least once every seven days with a chlorine solution of known concentration.

During the investigation, it was noted that the water system is not conducting the online accuracy checks every seven days for their chlorine monitors. The system does this once a month.

Investigation: 1498887

Comment Date: 06/27/2018

The water system now checks the accuracy of continuous disinfectant residual analyzers at least once every seven days.

**Recommended Corrective Action:** Begin conducting the accuracy checks of continuous disinfectant residual analyzers at least once every seven days with a chlorine solution of known concentration. Submit three months of records to the Beaumont Regional Office.

**Resolution:** On April 11 and 19, 2018, the Beaumont Regional Office received documentation which displays that the water system now conducts accuracy checks on the continuous residual analyzers at least once every seven days.

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Track No: 654303

30 TAC Chapter 290.42(e)(4)(C)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC to maintain adequate ventilation, which includes both high level and floor level screened vents, provided for all enclosures in which gas chlorine is being stored or fed.

During the investigation, it was noted that the water system is not maintaining high and floor level screened vents for all enclosures in which gas chlorine is being stored or fed at the following locations: FM 330, Jim Nethery, Crossroads, and Hwy 83.

Investigation: 1498887

Comment Date: 06/27/2018

The water system is now maintaining adequate ventilation at all enclosures at which gas chlorine is being stored or fed.

**Recommended Corrective Action:** Install high and floor level screened vents for all enclosures in which gas chlorine is being stored or fed. Submit documentation of the vents to the Beaumont Regional Office.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received photographic documentation which displays that the water system is now maintaining adequate ventilation at all enclosures at which gas chlorine is being stored or fed.

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Track No: 654304

30 TAC Chapter 290.42(b)(5)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC to maintain plant equipment tight against leakage.

During the investigation, a leak was noted on the booster pump at the FM 330 plant and on the pipe going into the ground storage at CL & M.

Investigation: 1498887

Comment Date: 06/27/2018

The water system is now maintaining its plant equipment tight against leakage.

**Recommended Corrective Action:** Repair the leaks. Submit photographic documentation to the Beaumont Regional office.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received photographic documentation which displays that the water system is now maintaining plant equipment tight against leakage.

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Track No: 654305

30 TAC Chapter 290.46(m)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/21/2017

Failure by G-M WSC to maintain all chlorine scales in good working condition.

During the investigation, it was noted that the chlorine gas cylinder scale was not working at the FM 330 plant.

**G M WSC**

Investigation: 1498887

Investigation # 1498887

Comment Date: 06/27/2018

The water system is now maintaining all chlorine scales in good working condition.

**Recommended Corrective Action:** Repair the scale. Submit documentation to the Beaumont Regional Office.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received photographic documentation which displays that the water system is now maintaining all chlorine scales in a good working condition.

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Track No: 654311

30 TAC Chapter 290.43(c)(3)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/22/2017

Failure by G-M WSC to maintain the gravity-hinged overflow on all ground storage.

During the investigation, it was noted that the overflow cover would not close on the ground storage at the following locations: FM 330 and McMahon Plants.

Investigation: 1498887

Comment Date: 06/29/2018

The water system now maintains a gravity-hinged overflow on all ground storage.

**Recommended Corrective Action:** Repair the gravity-hinged overflow on the ground storage at FM 330 and McMahon. Submit photographic documentation to the Beaumont Regional Office.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received documentation which displays that the water system now maintains a gravity-hinged overflow on all ground storage.

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Track No: 654313

30 TAC Chapter 290.46(m)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/22/2017

Failure by G-M WSC to maintain the fence at the Tebo well.

During the investigation, it was noted that the top of fence at the Tebo well was bent.

Investigation: 1498887

Comment Date: 06/29/2018

The water system now maintains the fence at the Tebo well.

**Recommended Corrective Action:** Repair the fence at the top and submit photographic documentation to the Beaumont Regional Office.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received photographic documentation which displays that the water system now maintains the fence at the Tebo well.

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Track No: 654314

30 TAC Chapter 290.42(j)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 10/10/2017

Failure by G-M WSC to use an approved ANSI/NSF Standard 61 for Drinking Water System Components.

During the investigation, it was noted that the water system used regular oil that is not food grade for the air compressor that is used to maintain the air to water ratio in the pressure tanks at the Tebo, McMahon, Crossroads, Hwy 184, and Hwy 83.

Investigation: 1498887

Comment Date: 06/29/2018

The water system now uses approved ANSI/NSF Standard 61 for Drinking Water System Components.

**Recommended Corrective Action:** Begin using a food grade oil for the air compressors at both plants 1 and 5. Submit a receipt of purchase to the Beaumont Regional Office.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received photographic documentation which displays that the water system now uses approved ANSI/NSF Standard 61 oil for Drinking Water System Components.

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Track No: 654775

30 TAC Chapter 290.111(f)(1)(A)

**Alleged Violation:**

Investigation: 1438055

Comment Date: 09/28/2017

Failure by G-M WSC to maintain effluent turbidity monitoring equipment and all associated data recording devices adequately determine compliance.

During the investigation, it was noted that the water system was maintaining the SCADA system capped at 1.007 NTU. The system is required to accurately report turbidity data which could trigger a Boil Water Notice or other compliance requirements. The system should be maintaining the SCADA above 5.1 NTU at all times.

Investigation: 1498887

Comment Date: 06/29/2018

The water system now maintains effluent turbidity monitoring equipment and all associated data recording devices adequately determine compliance.

**Recommended Corrective Action:** Adjust the SCADA system to read above 5.1 NTU. Submit documentation which displays that the SCADA system is no longer capped at 1.007 NTU and can read above the required monitoring readings.

**Resolution:** On April 11, 2018, the Beaumont Regional Office received documentation which displays that the water system now maintains effluent turbidity monitoring equipment and all associated data recording devices adequately determine compliance.

The State of Texas      ∞

County of Sabine      ∞

### AGREEMENT TO PURCHASE WATER

This Agreement entered into by and between G-M Water Supply Corporation hereinafter referred to as "G-M Water", and the City of Pineland, Texas, a Municipal Corporation, hereinafter referred to as "City" on the date shown hereinafter below:

- 1) City desires to sell and G-M Water desires to purchase water from the City in quantities mutually agreed upon by the parties. The water furnished by the City to G-M Water shall be the same quality as that used in the City of Pineland.
- 2) The term of the Agreement shall be a two (2) year term beginning on the 15th day of May 2017 and shall be renewed on successive two (2) year terms unless either party gives ninety (90) days written notice of termination of this Agreement to other party.
- 3) The purchase price for water shall be \$2.18 per thousand gallons; G-M Water shall not be obligated to purchase any minimum or maximum amount of water from the City and the City shall not be obligated to sell any water to G-M Water.
- 4) G-M Water will purchase and install all meters and shall be responsible for all taps and hookups. G-M will further assume the expense of maintaining the meters used in transferring water from the City, including an annual calibration of such meters. G-M Water shall be responsible for the expense of installation of all valves, pipes and other appurtenances necessary to interconnect with the City's water distribution system. **G-M Water shall be responsible for maintenance of the easement, line, and appurtenances to the line and including the G-M Water meter. The City shall be responsible for the maintenance of the easement, line, and appurtenances to the line up to, but not including, the G-M Water meter.**
- 5) The City warrants that its water distribution system can supply a minimum of 0.35 gallons per minute connection for the total of customers in the combined distribution systems of G-M Water and the City. The City will provide water to G-M Water on a monthly average at a rate of no more than 1.0 million gallons.

- 6) This contract shall be performed in the State of Texas and shall be construed under the laws of the State of Texas. Venue for any legal action arising out of this contract shall be exclusively in Sabine County, Texas.

This Agreement executed in duplicate original this the 15th day of May 2017 by the undersigned parties.

G-M Water Supply Corporation

P. O. Box 727

Hemphill, Texas 75948

By: Joe R. Kelley

Title: BOARD PRESIDENT

City of Pineland

P. O. Box 6

Pineland, Texas 75968

By: Rufus B. Burch

Title: Mayor

**FIRST AMENDMENT TO  
WATER SUPPLY AGREEMENT  
BETWEEN THE CITY OF HEMPHILL AND G-M WATER SUPPLY CORPORATION**

This Amendment is made and entered into effective the 1st day of January, 2017, by and between the City of Hemphill (the "City"), a municipal General Law City of Sabine County, Texas, and G-M Water Supply Corporation (the "Corporation"), a Non-Profit Water Supply Corporation operating pursuant to Texas Water Code chapter 67.

WHEREAS, the City and the Corporation entered into a Water Supply Agreement (the "Agreement") effective June 22, 2011;

WHEREAS, a dispute arose between the City and the Corporation in 2015 regarding the calculation of the rate per 1,000 gallons under the Agreement;

WHEREAS, as a result of such dispute, in 2016 the City filed suit against the Corporation in Cause No. 13,200 in the District Court of Sabine County, Texas, and the Corporation filed counterclaims against the City in such Cause;

WHEREAS, in January 2017 the City and the Corporation agreed to a settlement of parties' claims under which the calculation of the rate per 1,000 gallons under the Agreement would be amended in order to bring clarity and certainty to the contractual rates for the remainder of the contractual term; and

WHEREAS, the City and the Corporation desire to amend the Agreement as set forth in this First Amendment, to be effective January 1, 2017;

NOW, THEREFORE, the City and the Corporation agree that, effective January 1, 2017:

1. Article IV-A of the Agreement is hereby deleted in its entirety and replaced with the following language:

A. Corporation agrees to pay City each month at the time and in the manner hereinafter prescribed, not less than the minimum monthly payment based on the minimum monthly quantity shown in the attached Table of Schedules (Exhibit "A"). Such minimum monthly payment is computed by multiplying the Minimum Monthly Quantity times the applicable Rate per 1,000 gallons, as follows:

January 1, 2017 through June 30, 2018	\$4.4590 Per 1,000 Gallons
July 1, 2018 through June 30, 2019	\$4.5259 Per 1,000 Gallons
July 1, 2019 through June 30, 2020	\$4.5938 Per 1,000 Gallons

July 1, 2020 through June 30, 2021

\$4.6627 Per 1,000 Gallons

For illustration purposes, in January 2017, regardless of the amount of water the Corporation requires during such month, the Corporation will owe the City, under this Paragraph, \$4.4590 (the applicable Rate for such month), multiplied by 5,000 (the minimum monthly quantity of 5,000,000 gallons divided by 1,000), equal to the amount of \$22,295.00. The Rates set forth in this Article IV-A shall not be modified except by written agreement of the Parties.

2. Article IV-B of the Agreement is hereby deleted in its entirety and replaced with the following language:

B. In addition to the minimum monthly payment, the Corporation agrees to pay City for water actually delivered each month, if any, in excess of the minimum monthly quantity shown in the attached Table of Schedules (Exhibit "A"). Such payment is computed by multiplying the amount of water actually delivered each month in excess of the Minimum Monthly Quantity, if any, times the applicable Rate per 1,000 gallons, as follows:

January 1, 2017 through June 30, 2018                      \$4.4590 Per 1,000 Gallons

July 1, 2018 through June 30, 2019                      \$4.5259 Per 1,000 Gallons

July 1, 2019 through June 30, 2020                      \$4.5938 Per 1,000 Gallons

July 1, 2020 through June 30, 2021                      \$4.6627 Per 1,000 Gallons

For illustration purposes, if in January 2017 the City delivers to the Corporation a total of 6,500,000 gallons, then under this Paragraph the Corporation will owe the City \$4.4590 (the applicable Rate for such month), multiplied by 1,500 (6,500,000 gallons minus the minimum monthly quantity of 5,000,000 gallons, such excess amount being divided by 1,000), equal to the amount of \$6,688.50. If, instead, during such month the City delivers the Corporation a total amount of water less than 5,000,000 gallons, the Corporation will owe no amount to the City under this Paragraph. The Rates set forth in this Article IV-B shall not be modified except by written agreement of the Parties.

3. A new Article IV-G is hereby added to the Agreement to state as follows:


G. Notwithstanding anything to the contrary in this agreement, under no circumstances shall the City be entitled to any payments from the Corporation other than as expressly set forth in this agreement.

4. Articles X, XII.C, XII.D, and XIV.B of the Agreement are hereby deleted in their entirety.



5. Exhibit A to the Agreement is not modified by this First Amendment.
6. Exhibits B and C to the Agreement are hereby deleted in their entirety.
7. In the event of any conflict between the terms of this First Amendment and the terms of the Agreement, the terms of this First Amendment shall control.

**City of Hemphill**

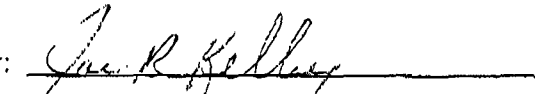
By: 

Printed Name: ROBERT HAMILTON

Title: MAYOR

Date: JANUARY 26, 2017

**G-M Water Supply Corporation**

By: 

Printed Name: JOE R KELLEY

Title: BOARD PRESIDENT

Date: JANUARY 26, 2017