

Control Number: 49260



Item Number: 1

Addendum StartPage: 0



Application for Sale, Transfer, or Merger of a Retail Public Utility
Pursuant to Chapter 13.251 of the Texas Water Code

Docket Number: 49260

(this number will be assigned by the Public Utility Commission after your application is filed)

7 copies of the application, including the original, along with one copy of the portable electronic storage medium (such as CD or DVD) containing the GIS data shall be filed with

Public Utility Commission of Texas
Attention: Filing Clerk
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

No later than seven days after filing the application for the boundary change, provide a copy of each paper map and a portable electronic storage medium (such as CD, flash drive or DVD) containing complete and identical data to the portable electronic storage medium submitted above to

Texas Natural Resources Information System
1700 N. Congress Ave, Room B40
Austin, Texas 78701

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Part A – General Information

*RN# *CN# * (PRIOR TCEQ ID numbers)

1. Proposed action of application (check all the boxes that apply):

Sale of All Portion of the Water system(s) under CCN No.:
 Acquisition Sewer system(s) under CCN No.:
 Lease/Rental

Transfer of All Portion of the Certificated water service area – CCN No.:
 Certificated sewer service area – CCN No.:

If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivision involved:

and to:

Obtain a CCN for the transferee (purchaser) – indicate if purchaser will take the seller’s CCN
 Amend the transferee’s CCN No.:
 Merge or consolidate public utilities
 Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction:

(Must be at least 120 days after proper notice is provided)

Part B – Current Service Provider or Seller Information

Questions 3 through 5 apply to the transferor (current service provider or seller)

3. For the current CCN holder or service provider please indicate:

A. Name:
(Individual, Corporation or Other Legal Entity)

who is a(n):of Individual Corporation WSC HOA or POA Other

B. Utility Name (if different than above):
Address: Telephone: (AC)

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: Title:
Address: Telephone: (AC)

Fax:

Email:

4. About the last rate increase for the system or facilities being transferred:

A. What was the effective date of the last rate increase?

B. Was notice of this increase provided to the Public Utility Commission of Texas (commission or PUC) or a predecessor regulatory authority?

No

Yes

Application/Docket Number:

Date

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of Utility Customer	Date of Deposit	Amount of Deposit	Amount of Unpaid Interest on Deposit
Please See Attachment 'B'			

Part C – Purchaser or Transferee Information

Questions 6 through 16 refer to the transferee or purchaser.

6. For the person or entity acquiring the facilities and/or CCN:

Applicant:

(Individual, Corporation, or Other Legal Entity)

Utility Name:

(If different than above)

Utility Address:

Fax:

Email:

Telephone (AC):

CCN Numbers held prior to the filing of this application:

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:

Individual

Home or Property Owners Association

Partnership; attach copy of partnership agreement

Corporation; provide charter number as recorded with the Office of the Secretary of State for

Texas:

Non-profit, member owned, member-controlled Cooperative Corporation (Article 1434(a) Water Sewer Service Corporation); provide charter number:

<input type="checkbox"/>	Municipally-owned utility
<input type="checkbox"/>	District (MUD, SUD, WCID, etc.)
<input type="checkbox"/>	County
<input type="checkbox"/>	Other (please explain): _____

8. If the applicant is an *Individual* or sole proprietorship, provide the following information. If not, skip to the next question.

Name:	NA	Email	
Address	NA		
Telephone (AC):		Fax (AC):	

9. If the applicant is other than an *Individual*, provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8 or question 9, whichever applies to the transferee applicant. Please See Attachment 'C'

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

•Name:		Telephone (AC):	
Address:			
Position:		Ownership % (if applicable):	0.00%

- Attach additional sheet(s) if necessary -

Important: • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from: Please See Attachment 'D'

Texas Comptroller of Public Accounts
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name:	Peter T. Gregg	Title:	Partner-Dubois Bryant&Campbell
Address:	303 Colorado, Suite 2300 Austin, Texas 78701	Telephone (AC):	(512) 457-8000
Fax #	(512) 457-8008	Email	pgregg@dbcllp.com
Relationship to the applicant:	Attorney		

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

- A. Describe the experience and qualifications of the applicant to provide adequate utility service to the requested area

Please See Attachment 'E'

- B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the PUC, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG) or the Environmental Protection Agency (EPA) in the past for noncompliance with rules, orders or State Statutes? Yes No

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements. Attach additional sheets if needed.

- C. Describe the source and availability of funds required to make the planned or required improvements, if any, to meet minimum requirements of the TCEQ and PUC and ensure continuous and adequate service.

Undine Texas, LLC is funded through equity and/or bank financing.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

Undine Texas, LLC intends to raise the standards of quality for: 1) customer service, 2) customer and regulatory communications, 3) all regulatory compliance issues.

E. How will the transaction serve the public interest?

The public will be better served through Undine Texas, LLC ownership of water and/or wastewater utilities due to the improvements to utility customer service and the improvements to operations and maintenance. The EPA reports to Congress state that the best possible future for small to midsize privately owned utilities is to be acquired by a larger more responsible provider that possesses the financial, managerial and technical experience to insure the system meets regulatory requirements.

12. Please describe the nature of the proposed transaction:

Undine Texas, LLC will purchase all utility assets listed in Attachment 'A'

13. If the transferee applicant is an Investor Owned Utility (IOU) and will be under the rate jurisdiction of the PUC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A: Please See Attachment 'G'

A.

• Total Purchase Price: []

• Total Original Cost (as recorded on books of seller or merging entity): []

• Accumulated Depreciation as of the proposed effective date of the transaction: []

• Contributions in Aid of Construction:

- Specific surcharges approved by TCEQ or PUC: []

- Revenues from explicit customer agreements: []

- Developer Contributions (please explain):

None

- Other Contributions (please explain):

None

Total Contributions in Aid of Construction []

• Net Book Value: []

- If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TCEQ, please provide the Application/Docket Number and date:

Application/Docket Number: Date:

- If the applicant is not under the rate jurisdiction of the TCEQ, only the purchase price and information related to Contributions In Aid of Construction is required.

Please provide any other information concerning the nature of the transaction you believe should be given consideration if not explained elsewhere in the application.

[attach additional sheet(s) if necessary]:

The public will be better served through Undine Texas, LLC ownership of water and wastewater utilities due to the improvements to utility customer service and the improvements to operations and maintenance. The EPA reports to Congress state that the best possible future for small to midsize privately owned utilities is to be acquired by a larger more responsible provider that possesses the financial, managerial and technical experience to insure the system meets regulatory requirements.

- C. Complete the following proposed entries listed below as shown in books of purchasing (or surviving) company. Additional entries may be made; the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service:	<input type="text"/>
Plant Acquisition Adjustment:	<input type="text"/>
Extraordinary Loss on Purchase:	<input type="text"/>
Accumulated Depreciation of Plant:	<input type="text"/>
Cash:	<input type="text"/>
Notes Payable:	<input type="text"/>
Mortgage Payable:	<input type="text"/>
Others (please list):	<input type="text"/>

As the purchaser, I understand that it is **my responsibility** in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: Date:

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

All the customers will be charged the same rates as they were charged before the transaction.

Some All customers will be charged different rates than they were charged before the transaction.

If rates are changing, please explain:

Not Applicable

Applicant is an IOU and intends to file with the commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain:

Not Applicable

Other. Please explain:

Not Applicable

15. List all neighboring water and /or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from the water utility database (WUD) or Applicant's licensed water operator.

Please See Attachment 'J'

16. Financial, Managerial and Technical information for the acquiring entity.

Part D – Historical Financial Information

HISTORICAL BALANCE SHEETS	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
TOTAL						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						

Please See Attachment 'G'

HISTORICAL INCOME STATEMENT	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

Please See Attachment 'G'

HISTORICAL EXPENSE DETAIL	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4 YEAR	A-5 YEAR
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

Part E – Projected Information

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS						

Please See Attachment 'G'

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps Per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

Please See Attachment 'G'

PROJECTED EXPENSE DETAIL

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
GENERAL/ADMINISTRATIVE EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.0
OPERATIONAL EXPENSES						
Salaries						
Auto Expense						
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other						
Total						
% Increase Per Year	0.00%	0.00%	0.00%	0.00%	0.00%	0.0
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

Please See Attachment 'G'

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
SOURCES OF CASH						
Net Income						
Depreciation (If Funded)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Assct Purchase						
Reserve						
Other						
Total Uses						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt						
SERVICE (CADS)						
Net Income (Loss)						
Depreciation, or Reserve Interest						
Total						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

Part F – TCEQ Public Water or Sewer System Information

Please See Attachment 'H'

Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

Date of last inspection:

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q -

-Name of Permittee:

-Date of application to transfer Discharge Permit submitted:

-Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? Yes No. If yes, please explain:

B. Is there a moratorium on new connections? Yes No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? Yes No

If yes, indicate the number of customers within the city limits or district boundaries:
 Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? Yes No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: _____ % of total supply: 0.00%

21. List the number of existing connections to be effected by this transaction.

Water		Sewer	
-Non Metered		-2"meter	
-5/8" or 3/4" meter		-3" meter	
-1" meter		-4" meter	
-1 1/2" meter		-Other	
Total Water Connections:		Total Sewer Connections	

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? Yes No
 If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
See Attachment 'I'		

24. Attach the following maps with each copy of the application: **See Attachment 'I'**
- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
 - b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.
 3. A written description of the proposed service area.

Part G – Oaths and Notices

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF Texas
COUNTY OF Dallas

I, Hudson White, being duly sworn, file this application for sale, lease, rental or merger or consolidation as Owner (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contributed property as required under Section 13.301(i) and copies of any outstanding Orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas, or Attorney General and have also complied with the notice requirements in Section 13.301(k) of the Texas Water Code.

[Handwritten signature of Hudson White]

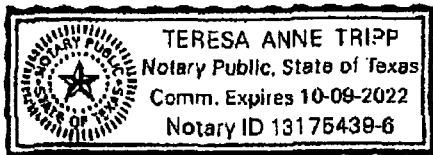
Hudson White

AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this day 21 of February, 2019.

SEAL



[Handwritten signature of Teresa A. Tripp]
NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS

Teresa A. Tripp
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 10-9-2022

One copy of this page must be submitted for each utility involved in this transaction.

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF Texas

COUNTY OF Harris

I, Carey A. Thomas, being duly sworn, file this application for

sale, lease, rental or merger or consolidation as Senior Vice President (indicate relationship to applicant) that is, owner, member of partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Texas Commission on Environmental Quality, the Public Utility Commission of Texas or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

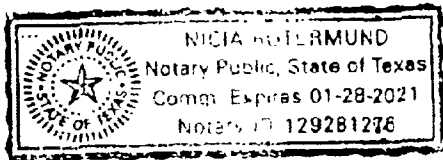
Carey A. Thomas
AFFIANT
(Utility's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State of Texas, this day 21 of February 2019.

SEAL



Nicia Rotermund
NOTARY PUBLIC IN AND FOR THE
STATE OF TEXAS

Nicia Rotermund
PRINT OR TYPE NAME OF NOTARY

MY COMMISSION EXPIRES 1-28-21

One copy of this page must be submitted for each utility involved in this transaction.

Notice to Current Customers, Neighboring Systems and Cities

Texas Water Systems, Inc. 'S
(Seller's or Transferor's Name)

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER CERTIFICATE OF CONVENIENCE AND
NECESSITY (CCN) NO 12473 TO Undine Texas, LLC
(Purchaser's or Transferee's Name)

IN Gregg, Henderson, Limestone, Smith, and Upshur COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20 ____
(Name of Customer, Neighboring System or City)

(Address)

City State Zip

Texas Water Systems, Inc. 7891 U.S Highway 271 Tyler, Texas 75708
Sellers or Transferors' Name Address City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell facilities and transfer
water or sewer (please select) CCN No. 12473 in Gregg, Henderson, Limestone, Smith and Upshur [County Name]

County to:

Undine Texas, LLC 17681 Telge Road Cypress, Texas 77429
Purchasers or Transferee's Name Address City/State/Zip Code

The sale is scheduled to take place as approved by the Commission (V.T.C.A., Water Code §13.301). The transaction and the transfer of
the CCN include the following subdivision(s): Please see Attachment 'I'

The area subject to this transaction is located approximately _____ miles _____ [direction] of
downtown _____, [City or Town] Texas, and is generally bounded on the north by
_____; on the east by _____
; on the south by _____; and on the west by _____

The total area being requested includes approximately _____ acres and serves _____ current customers.
This transaction will have the following effect on the current customer's rates and services:
This application will not change the customers rates

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.
To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

**Se desea informacion en Espanol, puede llamar al
1-888-782-8477**

[Redacted]

Utility Representative

[Redacted]

Utility Name

Notice to Current Customers, Neighboring Systems, Landowner and Cities

Texas Water Systems, Inc. 'S NOTICE OF INTENT TO SELL FACILITIES TO
 (Seller's or Transferor's Name)
Undine Texas, LLC AND FOR Undine Texas, LLC
 (Purchaser's or Transferee's Name) Purchaser's or Transferee's Name)

TO OBTAIN OR AMEND A CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) IN
Gregg, Henderson, Limestone, Smith, and Upshur COUNTY, TEXAS

To: _____ Date Notice Mailed _____, 20____
 (Name of Customer, Neighboring System, Landowner or City)

(Address)

City State Zip

<u>Texas Water Systems, Inc.</u>	<u>7891 U.S. Highway 271</u>	<u>Tyler, Texas 75708</u>
Sellers or Transferors' Name	Address	City/State/Zip Code

has submitted an application with the Public Utility Commission of Texas to sell water or sewer (please
 select) Facilities in Gregg, Henderson, Limestone, Smith, and Upshur [County Name] County to:

<u>Undine Texas, LLC</u>	<u>17681 Telge Road</u>	<u>Cypress, Texas 77429</u>
Purchasers or Transferee's Name	Address	City/State/Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the
 Commission (Texas Water Code §13.301). The transaction and the proposed service area include the following subdivision(s):

Please see Attachment 'I'

The area subject to this transaction is located approximately _____ miles _____ [direction] of
 downtown _____, [City or Town] Texas, and is **generally** bounded on the north by
 _____; on the east by _____
 _____; on the south by _____; and on the west by _____

The total area being requested includes approximately _____ acres and serves _____ current customers.
 This transaction will have the following effect on the current customer's rates and services:
 This application will not change the customers rates

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must:

- (1) state your name, mailing address and daytime telephone number;
- (2) state the applicant's name, application number or another recognizable reference to this application;
- (3) include the statement "I/we request a public hearing";
- (4) write a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and
- (5) state your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The
 Commission will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no

protests or requests for hearing are filed during the comment period, the Commission may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Filing Clerk
Public Utility Commission of Texas
1701 North Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326

**Se desea informacion en Espanol, puede llamar al
1-888-782-8477**

[Redacted]

Utility Representative

[Redacted]

Utility Name

TABLE OF CONTENTS

Application for Sale, Transfer, or Merger of a Retail Public Utility

Attachment 'A'	CCN Number, Subdivision Name(s), RN Number(s), Current Tariff
Attachment 'B' Confidential	Customer Name, Address, and Deposit Information
Attachment 'C' Confidential	Limited Liability Company Agreement Undine Texas. LLC and Organizational Chart
Attachment 'D'	Certificate of Account Status
Attachment 'E' Confidential	Evidence of Financial, Managerial and Technical, and Capabilities
Attachment 'F' Confidential	Letter of Intent
Attachment 'G' Confidential	Financial Information
Attachment 'H'	Individual Page 16 & 17 for Each System, and Inspection Reports
Attachment 'I'	CCN Maps to be Transferred with this Application, and CCN Descriptions
Attachment 'J'	Utilities within 2-Miles
Attachment 'K'	Operators Information

Attachment 'A'

CCN Number, Subdivision Name, RN Number, Current Tariff

ATTACHMENT "A"
 STM FILING UNDINE TEXAS, LLC AND TEXAS WATER SYSTEMS, INC

Cape Tranquility System

CN 600629893
 CCN 12473
 RN 101250405
 PWSID No 1070176
 Subdivision Cape Tranquility
 County Henderson
 Connections 70

Country Club Estates

CN 600629893
 CCN 12473
 RN 101440592
 PWSID No 2300021
 Subdivision Country Club Estates
 County Upshur
 Connections (TCEQ) 34

Friendship Water System

CN 600629893
 CCN 12473
 RN 101210292
 PWSID No 2300020
 Subdivision Friendship
 County Upshur
 Connections (TCEQ) 92

Garden Acres System

CN 600629893
 CCN 12473
 RN 101376705
 PWSID No 0920031
 Subdivision Garden Acres
 County Gregg
 Connections (TCEQ) 79

Garden Valley Resort

CN 600629893
 CCN 12473
 RN 102665965
 PWSID No 2120081
 Subdivision Garden Valley Resort
 County Smith
 Connections (TCEQ) 88

Mount Sylvan Water System

CN 600629893
CCN 12473
RN 101195238
PWSID No 2120034
Subdivision Mount Sylvan
County Smith
Connections (TCEQ) 312

Rosewood Water System

CN 600629893
CCN 12473
RN 101182475
PWSID No 2300026
Subdivision Rosewood & Harmony
County Upshur
Connections (TCEQ) 199

Stallion Lake Ranch

CN 600629893
CCN 12473
RN 102321544
PWSID No 2120104
Subdivision Stallion Lake Ranch
County Smith
Connections (TCEQ) 123



DOCKET NO. 47091

**APPLICATION OF TEXAS WATER §
SYSTEMS, INC. FOR AUTHORITY TO §
CHANGE RATES §**

**PUBLIC UTILITY COMMISSION
OF TEXAS**

NOTICE OF APPROVAL

This Notice addresses the application of Texas Water Systems, Inc. for a rate/tariff change in Upshur County. Commission Staff recommended approval of the application. The application is approved.

The Commission adopts the following findings of fact and conclusions of law:

I. Findings of Fact

Procedural History

1. On April 21, 2017, Texas Water filed an application with the Commission under Texas Water Code (TWC) § 13.1871 to change its rates.
2. Texas Water holds water certificate of convenience and necessity no. 12473.
3. Texas Water mailed notice of the proposed rate change to all of its customers on or about May 8, 2017.
4. Fifty-six protests (6.6%) out of 842 connections were received from the ratepayers affected by this rate/tariff change.
5. On August 4, 2017, Commission Staff recommended Texas Water's application be deemed administratively complete and the notice sufficient.
6. On August 9, 2017, Order No. 4 was issued, deeming the application administratively complete and the notice sufficient.
7. On October 17, 2017, Commission Staff recommended the application be deemed administratively complete and recommended approval. Commission Staff attached the final tariff pages.
8. The tariff discussed in Finding of Fact No. 7 is attached to this Notice.

9. On October 23, 2017, Commission Staff filed a joint motion to admit evidence.
10. On October 31, 2017, Order No. 6 was issued, admitting evidence into the record.

Proposed Rate Increase

11. The rates requested by Texas Water produce total revenues of approximately \$629,748. Commission Staff recommends approval of the following rate structure:

Meter Size	Proposed Rates
5/8"	\$42.00
¾"	\$63.00
1"	\$104.00
1½"	\$205.00
2"	\$325.00
3"	\$600.00

Gallage charge: \$3.00 per 1,000 gallons

12. Texas Water's proposed rates, as laid out in the tariff, are just and reasonable.
13. Texas Water's proposed rates permit the utility a reasonable opportunity to earn a reasonable return on invested capital and to preserve the financial integrity of the utility.

II. Conclusions of Law

1. Texas Water is a retail public utility as defined in TWC § 13.002(19) and 16 Texas Administrative Code (TAC) § 24.3(59).
2. The Commission has jurisdiction over this application under TWC §§ 13.041 and 13.181.
3. TWC § 13.1871(k) states the regulatory authority may set the matter for hearing on its own motion at any time within 120 days after the effective date of the rate change. No hearing is required. Hearing requests filed in this docket do not satisfy the 10% or 1,000 ratepayer requirement of TWC § 13.1871(i).

4. The rates approved herein are consistent with the requirements of TWC §§ 13.182 and 13.183.
5. Texas Water provided notice consistent with TWC § 13.1871 and 16 TAC § 24.22.
6. The requirements for informal disposition in 16 TAC § 22.35 have been met in this proceeding.
7. This docket was processed in accordance with the requirements of the Texas Water Code and Commission rules.

III. Ordering Paragraphs

In accordance with these findings of fact and conclusions of law, the Commission issues the following orders:

1. The application is approved. The tariff implementing the approved rates is attached to this Notice.
2. All other motions, requests for entry of specific findings of fact and conclusions of law, and any other requests for general relief, if not expressly granted herein, are hereby denied.

Signed at Austin, Texas the 31st day of October 2017.

PUBLIC UTILITY COMMISSION OF TEXAS



JEFFREY J. HOHN
ADMINISTRATIVE LAW JUDGE



**WATER UTILITY TARIFF
Docket Number 47091**

Texas Water Systems, Inc.
(Utility Name)

7891 U.S. Highway 271
(Business Address)

Tyler, Texas 75708
(City, State, Zip Code)

(903) 595-2128
(Area Code/Telephone)

This tariff is effective for utility operations under the following Certificate of Convenience and Necessity:

12473

This tariff is effective in the following county:

Gregg, Henderson, Limestone, Smith and Upshur

This tariff is effective in the following cities or unincorporated towns (if any):

None

This tariff is effective in the following subdivisions or systems:

See attached list.

TABLE OF CONTENTS

The above utility lists the following sections of its tariff (if additional pages are needed for a section, all pages should be numbered consecutively):

SECTION 1.0 -- RATE SCHEDULE	2
SECTION 2.0 -- SERVICE RULES AND POLICIES	4
SECTION 2.20 -- SPECIFIC SERVICE RULES AND POLICIES	8
SECTION 3.0 -- EXTENSION POLICY	9
SECTION 3.02 -- SPECIFIC UTILITY EXTENSION POLICY	10

APPENDIX A -- DROUGHT CONTINGENCY PLAN

APPENDIX B -- APPLICATION FOR SERVICE

Texas Water Systems, Inc.

This tariff is effective in the following subdivisions or systems:

Subdivision	PWS ID Number	County
Cape Tranquility	1070176	Henderson
Country Club Estates	2300021	Upshur
Friendship Community	2300020	Upshur
Garden Acres Subdivision	0920031	Gregg
Garden Valley Water System	2120081	Smith
Mount Sylvan Community	2120034	Smith
Rosewood Community	2300026	Upshur
Stallion Lake	2120104	Smith
Tall Oaks Subdivision	1470037	Limestone

SECTION 1.0 -- RATE SCHEDULE

Section 1.01 - Rates

<u>Meter Size</u>	<u>Monthly Minimum Charge</u> (Includes 0 gallons)	<u>Gallonage Charge</u>
5/8"	<u>\$42.00</u>	<u>\$3.00</u> per 1,000 gallons
3/4"	<u>\$63.00</u>	
1"	<u>\$104.00</u>	
1½"	<u>\$205.00</u>	
2"	<u>\$325.00</u>	
3"	<u>\$600.00</u>	

FORM OF PAYMENT: The utility will accept the following forms of payment:

Cash X Check X Money Order X Credit Card _____ Other (specify) _____
 THE UTILITY MAY REQUIRE EXACT CHANGE FOR PAYMENTS AND MAY REFUSE TO ACCEPT PAYMENTS MADE USING MORE THAN \$1.00 IN SMALL COINS. A WRITTEN RECEIPT WILL BE GIVEN FOR CASH PAYMENTS.

REGULATORY ASSESSMENT 1.0%
 PUC RULES REQUIRE THE UTILITY TO COLLECT A FEE OF ONE PERCENT OF THE RETAIL MONTHLY BILL AND TO REMIT TO THE TCEQ.

Section 1.02 – Miscellaneous Fees

TAP FEE 800.00
 TAP COVERS THE UTILITY'S COST FOR MATERIALS AND LABOR TO INSTALL STANDARD RESIDENTIAL 5/8" OR 3/4" METER. AN ADDITIONAL FEE TO COVER UNIQUE COSTS IS PERMITTED IF LISTED ON THIS TARIFF.

METER TEST FEE (actual cost of testing the meter up to) \$25.00
 THIS FEE WHICH SHOULD REFLECT THE UTILITY'S COST MAY BE CHARGED IF A CUSTOMER REQUESTS A SECOND METER TEST WITHIN A TWO-YEAR PERIOD AND THE TEST INDICATES THAT THE METER IS RECORDING ACCURATELY. THIS FEE MAY NOT EXCEED \$25.

RECONNECTION FEE
 THE RECONNECT FEE MUST BE PAID BEFORE SERVICE CAN BE RESTORED TO A CUSTOMER WHO HAS BEEN DISCONNECTED FOR THE FOLLOWING REASONS:
 a) Nonpayment of bill (Maximum \$25.00) \$25.00
 b) Customer's request None
 or other reasons listed under Section 2.0 of this tariff

LATE CHARGE \$5.00
 PUC RULES ALLOW A ONE-TIME PENALTY TO BE CHARGED ON DELINQUENT BILLS. A LATE CHARGE MAY NOT BE APPLIED TO ANY BALANCE TO WHICH THE PENALTY WAS APPLIED IN A PREVIOUS BILLING.

RETURNED CHECK CHARGE..... \$25.00

RETURNED CHECK CHARGES MUST BE BASED ON THE UTILITY'S DOCUMENTABLE COST.

CUSTOMER DEPOSIT RESIDENTIAL (Maximum \$50) \$50.00

COMMERCIAL & NON-RESIDENTIAL DEPOSIT 1/6TH OF ESTIMATED ANNUAL BILL

GOVERNMENTAL TESTING, INSPECTION AND COSTS SURCHARGE

WHEN AUTHORIZED IN WRITING BY PUC AND AFTER NOTICE TO CUSTOMERS, THE UTILITY MAY INCREASE RATES TO RECOVER INCREASED COSTS FOR INSPECTION FEES AND WATER TESTING. [16 TAC 24.21(b)(2)(F)]

LINE EXTENSION AND CONSTRUCTION CHARGES:

REFER TO SECTION 3.0--EXTENSION POLICY FOR TERMS, CONDITIONS, AND CHARGES WHEN NEW CONSTRUCTION IS NECESSARY TO PROVIDE SERVICE.

Docket No. 47091

Section 2.01 – Rules

The Utility will have the most current Public Utility Commission of Texas (PUC or Commission) Rules, 16 TAC Chapter 24, available at its office for reference purposes. The Rules and this tariff shall be available for public inspection and reproduction at a reasonable cost. The latest Rules or Commission approved changes to the Rules supersede any rules or requirements in this tariff.

Section 2.02 - Application for and Provision of Water Service

All applications for service will be made on the Utility's standard application or contract form (attached in the Appendix to this tariff) and will be signed by the applicant before water service is provided by the Utility. A separate application or contract will be made for each service location.

After the applicant has met all the requirements, conditions, and regulations for service, the Utility will install tap, meter, and utility cut-off valve and/or take all necessary actions to initiate service. The Utility will serve each qualified applicant for service within 5 working days unless line extensions or new facilities are required. If construction is required to fill the order and if it cannot be completed within 30 days, the Utility will provide the applicant with a written explanation of the construction required and an expected date of service.

Where service has previously been provided, service will be reconnected within one working day after the applicant has met the requirements for reconnection.

The customer will be responsible for furnishing and laying the necessary customer service pipe from the meter location to the place of consumption. Customers may be required to install a customer owned cut-off valve on the customer's side of the meter or connection.

Section 2.03 - Refusal of Service

The Utility may decline to serve an applicant until the applicant has complied with the regulations of the regulatory agencies (state and municipal regulations) and for the reasons outlined in the PUC Rules. In the event that the Utility refuses to serve an applicant, the Utility will inform the applicant in writing of the basis of its refusal. The Utility is also required to inform the applicant that a complaint may be filed with the Commission.

Section 2.04 - Customer Deposits

If a residential applicant cannot establish credit to the satisfaction of the Utility, the applicant may be required to pay a deposit as provided for in Section 1.02 of this tariff. The Utility will keep records of the deposit and credit interest in accordance with PUC Rules.

Residential applicants 65 years of age or older may not be required to pay deposits unless the applicant has an outstanding account balance with the Utility or another water or sewer utility that accrued within the last two years.

Docket No. 47091

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Nonresidential applicants who cannot establish credit to the satisfaction of the Utility may be required to make a deposit that does not exceed an amount equivalent to one-sixth of the estimated annual billings.

Refund of deposit. If service is not connected, or after disconnection of service, the Utility will promptly refund the customer's deposit plus accrued interest or the balance, if any, in excess of the unpaid bills for service furnished. The Utility may refund the deposit at any time prior to termination of utility service but must refund the deposit plus interest for any residential customer who has paid 18 consecutive billings without being delinquent.

Section 2.05 - Meter Requirements, Readings, and Testing

All water sold by the Utility will be billed based on meter measurements. The Utility will provide, install, own, and maintain meters to measure amounts of water consumed by its customers. One meter is required for each residential, commercial, or industrial facility in accordance with the PUC Rules.

Service meters will be read at monthly intervals and as nearly as possible on the corresponding day of each monthly meter reading period unless otherwise authorized by the Commission.

Meter tests. The Utility will, upon the request of a customer, and, if the customer so desires, in his or her presence or in that of his or her authorized representative, make without charge a test of the accuracy of the customer's meter. If the customer asks to observe the test, the test will be made during the Utility's normal working hours at a time convenient to the customer. Whenever possible, the test will be made on the customer's premises, but may, at the Utility's discretion, be made at the Utility's testing facility. If within a period of two years the customer requests a new test, the Utility will make the test, but if the meter is found to be within the accuracy standards established by the American Water Works Association, the Utility will charge the customer a fee that reflects the cost to test the meter up to a maximum \$25 for a residential customer. Following the completion of any requested test, the Utility will promptly advise the customer of the date of removal of the meter, the date of the test, the result of the test, and who made the test.

Section 2.06 - Billing

Bills from the Utility will be mailed monthly unless otherwise authorized by the Commission. The due date of the bills for utility service will be at least sixteen (16) days from the date of issuance. The postmark on the bill or, if there is no postmark on the bill, the recorded date of mailing by the Utility will constitute proof of the date of issuance. At the customer's option, bills may be sent in a paperless, electronic form by email. The date of the email will constitute the date of issuance. Payment for utility service is delinquent if full payment, including late fees and the regulatory assessment, is not received at the Utility or the Utility's authorized payment agency by 5:00 p.m. on the due date. If the due date falls on a holiday or weekend, the due date for payment purposes will be the next workday after the due date.

Docket No. 47091

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

A late penalty of either \$5.00 or 10% will be charged on bills received after the due date. The penalty on delinquent bills will not be applied to any balance to which the penalty was applied in a previous billing. The Utility must maintain a record of the date of mailing to charge the late penalty.

Each bill will provide all information required by the PUC Rules. For each of the systems it operates, the Utility will maintain and note on the monthly bill a telephone number (or numbers) which may be reached by a local call by customers. At the Utility's option, a toll-free telephone number or the equivalent may be provided.

In the event of a dispute between a customer and the Utility regarding any bill for utility service, the Utility will conduct an investigation and report the results to the customer. If the dispute is not resolved, the Utility will inform the customer that a complaint may be filed with the Commission.

Section 2.07 - Service Disconnection

Utility service may be disconnected if the bill has not been paid in full by the date listed on the termination notice. The termination date must be at least 10 days after the notice is mailed or hand delivered.

The Utility is encouraged to offer a deferred payment plan to a customer who cannot pay an outstanding bill in full and is willing to pay the balance in reasonable installments. However, a customer's utility service may be disconnected if a bill has not been paid or a deferred payment agreement entered into within 26 days from the date of issuance of a bill and if proper notice of termination has been given.

Notice of termination must be a separate mailing or hand delivery in accordance with the PUC Rules.

Utility service may also be disconnected without notice for reasons as described in the PUC Rules.

Section 2.08 - Reconnection of Service

Utility personnel must be available to collect payments and to reconnect service on the day of and the day after any disconnection of service unless service was disconnected at the customer's request or due to a hazardous condition.

Service will be reconnected within 24 hours after the past due bill and any other outstanding charges are paid or correction of the conditions which caused service to be disconnected.

Docket No. 47091

SECTION 2.0 - SERVICE RULES AND REGULATIONS (Continued)

Section 2.09 - Service Interruptions

The Utility will make all reasonable efforts to prevent interruptions of service. If interruptions occur, the Utility will re-establish service within the shortest possible time. Except for momentary interruptions due to automatic equipment operations, the Utility will keep a complete record of all interruptions, both emergency and scheduled and will notify the Commission in writing of any service interruptions affecting the entire system or any major division of the system lasting more than four hours. The notice will explain the cause of the interruptions.

Prorated Bills. If service is interrupted or seriously impaired for 24 consecutive hours or more, the Utility will prorate the monthly base bill in proportion to the time service was not available to reflect this loss of service.

Section 2.10 - Quality of Service

The Utility will plan, furnish, and maintain production, treatment, storage, transmission, and distribution facilities of sufficient size and capacity to provide a continuous and adequate supply of water for all reasonable consumer uses. Unless otherwise authorized by the Commission, the Utility will maintain facilities as described in the TCEQ Rules and Regulations for Public Water Systems.

Section 2.11 - Customer Complaints and Disputes

If a customer or applicant for service lodges a complaint, the Utility will promptly make a suitable investigation and advise the complainant of the results. Service will not be disconnected pending completion of the investigation. If the complainant is dissatisfied with the Utility's response, the Utility must advise the complainant that he has recourse through the PUC complaint process. Pending resolution of a complaint, the Commission may require continuation or restoration of service.

The Utility will maintain a record of all complaints which shows the name and address of the complainant, the date and nature of the complaint and the adjustment or disposition thereof, for a period of two years after the final settlement of the complaint.

This section contains specific utility service rules in addition to the rules previously listed under Section 2.0. It must be reviewed and approved by the Commission and in compliance with PUC rules to be effective.

Docket No. 47091

SECTION 3.0 - EXTENSION POLICY

Section 3.01 - Standard Extension Requirements

LINE EXTENSION AND CONSTRUCTION CHARGES. No contribution in aid of construction may be required of any customer except as provided for in this approved extension policy.

The customer will be given an itemized statement of the costs, options such as rebates to the customer, sharing of construction costs between the Utility and the customer, or sharing of costs between the customer and other applicants before beginning construction.

The Utility will bear the full cost of any oversizing of water mains necessary to serve other customers in the immediate area. The individual residential customer shall not be charged for any additional production, storage, or treatment facilities. Contributions in aid of construction may not be required of individual residential customers for production, storage, treatment or transmission facilities unless otherwise approved by the Commission under this specific extension policy.

COST UTILITIES SHALL BEAR. Within its certificate area, the Utility will pay the cost of the first 200 feet of any water main or distribution line necessary to extend service to an individual residential customer within a platted subdivision. However, if the residential customer requesting service purchased the property after the developer was notified of the need to provide facilities to the Utility, the Utility may charge for the first 200 feet. The Utility must also be able to document that the developer of the subdivision refused to provide facilities compatible with the Utility's facilities in accordance with the Utility's approved extension policy after receiving a written request from the Utility.

Developers may be required to provide contributions in aid of construction in amounts to furnish the system with all facilities necessary to comply with the PUC's Rules.

This section contains the Utility's specific extension policy that complies with the requirements already stated under Section 3.01. It must be reviewed and approved by the Commission and in compliance with PUC Rules to be effective.

Residential customers not covered under Section 3.01 will be charged the equivalent of the costs of extending service to their property from the nearest transmission or distribution line even if that line does not have adequate capacity to serve the customer. However, if the customer places unique, non-standard service demands upon the system, the customer may be charged the full cost of extending service to and throughout their property, including the cost of all necessary transmission and storage facilities necessary to meet the service demands anticipated to be created by that property.

Developers may be required to provide contributions in aid of construction in amounts sufficient to furnish the development with all facilities necessary to provide for reasonable local demand requirements and to comply with TCEQ minimum design criteria for facilities used in the production, transmission, pumping, or treatment of water or TCEQ minimum requirements. For purposes of this subsection, a developer is one who subdivides or requests more than two meters on a piece of property. Commercial, industrial, and wholesale customers will be treated as developers.

APPENDIX A – DROUGHT CONTINGENCY PLAN

“This page incorporates by reference the utility’s Drought Contingency Plan, as approved and periodically amended by the Texas Commission on Environmental Quality.”

Attachment 'B'

Confidential

Customer Name, Address and Deposit Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Texas Water Systems, Inc. and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment B – Customer Name, Address, and Deposit Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 44 TO 56

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: February 25, 2019

Attachment 'C'

Confidential

Limited Liability Company Agreement Undine Texas, LLC
and Organizational Chart

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Texas Water Systems, Inc. and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment C – Limited Liability Company Agreement Undine Texas, LLC and Organizational Chart

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 58 TO 65

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: February 25, 2019

Attachment 'D'

Certificate of Account Status

Delaware

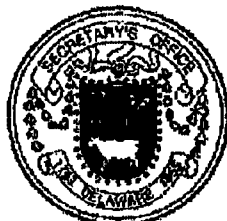
Page 1

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "UNDINE TEXAS, LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE TWENTY-EIGHTH DAY OF JUNE, A.D. 2017.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "UNDINE TEXAS, LLC" WAS FORMED ON THE TWENTY-THIRD DAY OF OCTOBER, A.D. 2015.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



5860781 8300

SR# 20175003603

You may verify this certificate online at corp.delaware.gov/authver.shtml

A handwritten signature in black ink, appearing to read "JBULLOCK", written over a horizontal line. Below the line, the text "Jeffrey W. Bullock, Secretary of State" is printed in a small font.

Authentication: 202799290

Date: 06-28-17

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697



Rolando B. Pablos
Secretary of State

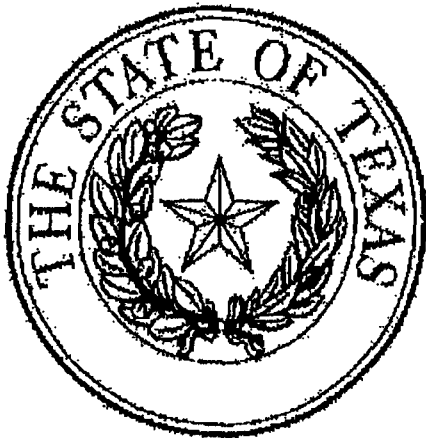
Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Application for Registration for Undine Texas, LLC (file number 802339329), a DELAWARE, USA, Foreign Limited Liability Company (LLC), was filed in this office on November 25, 2015.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on June 28, 2017.



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

Rolando B. Pablos
Secretary of State

Attachment 'E'

Confidential

Evidence of Financial, Managerial and Technical Capabilities

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Texas Water Systems, Inc. and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment E – Evidence of Financial, Managerial and Technical Capabilities

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 70 TO 70

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: February 25, 2019

Attachment 'F'

Confidential

Letter of Intent

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Texas Water Systems, Inc. and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment F – Letter of Intent

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 72 TO 77

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: February 25, 2019

Attachment 'G'

Confidential

Financial Information

CONFIDENTIAL

DOCKET NO.:

STYLE: Application of Texas Water Systems, Inc. and Undine Texas, LLC for Sale, Transfer, or Merger of a Retail Public Utility

SUBMITTING PARTY: Undine Texas, LLC

BRIEF DESCRIPTION OF CONTENTS: Attachment G – Financial Information

BATE STAMP OR SEQUENTIAL PAGE NUMBER RANGE: 79 TO 87

ENVELOPE #: 1 OF 1

ADDITIONAL INFORMATION REQUIRED BY PROTECTIVE ORDER:

DATE SUBMITTED TO COMMISSION: February 25, 2019

Attachment 'H'

Individual Page 16 & 17 for Each System, and Inspection
Reports

Part F – TCEQ Public Water or Sewer System Information

H1 - Cape Tranquility

Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

1	0	7	0	1	7	6
---	---	---	---	---	---	---

Date of last inspection:

2/14/2018

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q

--	--	--	--	--	--

 -

--	--	--	--

 -Name of Permittee:

--

 -Date of application to transfer Discharge Permit submitted:

--

 -Date of application to transfer Discharge Permit approved by TCEQ:

--

18. A. Are any improvements required to meet TCEQ or PUC standards? Yes No. If yes, please explain:

--

B. Is there a moratorium on new connections? Yes No. If yes, please explain:

--

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? Yes No

If yes, indicate the number of customers within the city limits or district boundaries:
 Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? Yes No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water		Sewer	
-Non Metered		-2"meter	
70 -5/8" or 3/4" meter		-3" meter	
-1" meter		-4" meter	
-1 1/2" meter		-Other	
Total Water Connections:	70	Total Sewer Connections	

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? Yes No
 If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
See Attachment 'K'		

24. Attach the following maps with each copy of the application:

- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks, or
 - iv. a copy of recorded plat map with metes and bounds.
 3. A written description of the proposed service area.

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 14, 2018

**CERTIFIED MAIL 9171 9690 0935 0136 8024 07
RETURN RECEIPT REQUESTED**

Mr. James K. Brown, President
Cape Tranquility Water System
7891 Highway 271
Tyler, Texas 75708-4002

Re: **Unresolved Alleged Violations for the Comprehensive Compliance Investigation at:
Cape Tranquility WS, located on CR 4202, NW of Coffee City (Henderson County), Texas
RN101250405, TCEQ Additional ID No.: 1070176, Investigation No.: 1467197**

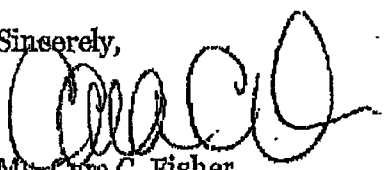
Dear Mr. Brown:

The Texas Commission on Environmental Quality (TCEQ) Tyler Region Office has previously requested that you submit compliance documentation for the alleged violations noted during the investigation of the above-referenced public water supply conducted on May 29, 2017. We have received acceptable compliance documentation from you for all of the alleged violations except those listed in the enclosed summary.

Please submit to our office by **March 16, 2018** a written description of corrective action taken and the required compliance documentation demonstrating that this remaining alleged violation has been resolved by track no.: **648529**.

If you or members of your staff have any questions, please feel free to contact Ms. Jennifer Brewton in the Tyler Region Office at (903)535-5150.

Sincerely,


Ms. Cara C. Fisher
Water Work Leader, Tyler Region Office

CCF/jcb

Enclosures: Summary of Investigation Findings

Answer move down bank from 16' x 21' Ground storage TANK

Summary of Investigation Findings

CAPE TRANQUILITY SYSTEM

Investigation # 1467197
Investigation Date: 02/02/2018

HENDERSON COUNTY,

Additional ID(s): 1070176

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

Track No: 648529 Compliance Due Date: 03/16/2018
30 TAC Chapter 291.93(3)(A)

Alleged Violation:

Investigation: 1425079

Comment Date: 07/17/2017

Failure to submit a Capacity Planning Report.

During the investigation, the investigator documented the water system failed to submit a Capacity Planning Report after exceeding 85% total storage capacity. At the time of the current investigation the system capacities are as follows:

Well: Required—0.6 gpm x 71 con. = 43 gpm; Provided—53 gpm (80%)
Pressure Storage: Required—20 gal. x 71 con. = 0.00142 MG; Provided—0.0025 MG (57%)
Ground/Total Storage: Required—200 gal. x 71 con. = 0.014; Provided—0.0152 (95%)
Service Pump: Required—2.0 gpm x 71 con. = 142 gpm; Provided—180 gpm (79%)
Investigation: 1438803 Comment Date: 09/25/2017

Failure to submit a Capacity Planning Report.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system plans to apply for an Alternative Capacity Requirement. The average time to complete this process once required documentation has been submitted is 90 days. Therefore, a compliance due date will be set at 120 days from the date of this letter.

Investigation: 1467197

Comment Date: 02/02/2018

Failure to submit a Capacity Planning Report.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system still plans to apply for an Alternative Capacity Requirement. No further information was submitted for this alleged violation.

Recommended Corrective Action: Please submit compliance documentation by March 16, 2018. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

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

Track No: 548023
30 TAC Chapter 290.46(s)(2)(C)(i)

Alleged Violation:

Investigation: 1193744

Comment Date: 09/10/2014

Failure to verify accuracy of the manual disinfectant analyzer.

During the investigation, the investigator documented that the water system was not verifying the accuracy of the Hach colorimeter.

Investigation: 1425079

Comment Date: 07/17/2017

Failure to verify the accuracy of the manual disinfectant analyzer.

During the investigation, the investigator documented the water system gel standards for calibrating the handheld colorimeter were expired. Additionally, water system personnel were unable to provide calibration records showing accuracy checks every 90 days as required.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to verify the accuracy of the manual disinfectant analyzer.

During the file review, the water system submitted a receipt for the purchase of new gel standards to be used for verification. However, the system did not submit any records showing the verifications had been performed. Therefore, this alleged violation cannot be resolved without further documentation.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed documentation of the verification of the manual disinfectant analyzer. This alleged violation will be resolved.

Track No: 648523**30 TAC Chapter 290.46(m)(1)(B)****Alleged Violation:**

Investigation: 1425079

Comment Date: 07/26/2017

Failure to conduct interior pressure tank inspections.

During the investigation, the investigator documented the water system had not conducted an interior inspection for the pressure tank within the last five years.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to conduct interior pressure tank inspections.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system anticipates having the tank inspection completed by November 30, 2017.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed a copy of the tank inspection completed on November 9, 2017. This alleged violation will be resolved.

Track No: 648524**30 TAC Chapter 290.46(l)****Alleged Violation:**

Investigation: 1425079

Comment Date: 07/17/2017

Failure to provide adequate flushing logs.

During the investigation, the investigator documented the water system was unable to provide complete flushing logs for the previous twelve months.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to provide adequate flushing logs.

This alleged violation currently has a compliance due date of February 1, 2018.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed flushing logs for the previous months. This alleged violation will be resolved.

Track No: 648526

30 TAC Chapter 290.48(m)

Alleged Violation:

Investigation: 1425079

Comment Date: 07/17/2017

Failure to maintain intruder resistant fencing.

During the investigation, the investigator documented that the fencing at the plant had numerous holes located near the bottom of the fencing.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to maintain intruder resistant fencing.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system anticipates having the fence repairs completed by October 30, 2017.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed photographic documentation of the repairs made to the fencing at the well site. This alleged violation will be resolved.

Track No: 648528

30 TAC Chapter 290.41(c)(3)(M)

Alleged Violation:

Investigation: 1425079

Comment Date: 07/17/2017

Failure to provide a suitable sampling cock on discharge pipe.

During the investigation, the investigator observed the sampling cock for Well 1 was inoperable.

Investigation: 1438803

Comment Date: 09/25/2017

Failure to provide a suitable sampling cock on discharge pipe.

During the file review, the investigator reviewed a letter from Mr. Dave Odle stating the water system anticipates having the fence repairs completed by October 30, 2017.

Investigation: 1467197

Comment Date: 02/02/2018

See previous comments.

Resolution: During the file review, the investigator reviewed photographic documentation of the installation of a sampling cock on the discharge pipe. This alleged violation will be resolved.



COPY

TEXAS WATER SYSTEMS Inc

An Investor Owned Utility

7891 Hwy. 271

Tyler, TX 75708

Phone: 903-597-5788 Fax: 903-526-0076

Ms. Cara C. Fisher
Work Leader, Water Program
Tyler Region 5 Office
2916 Teague Drive
Tyler, Texas 75701

Nov.28, 2017

Re: Cape Tranquility PWS ID No. 1070176, Investigation No. 1425079 (Letter of July 28 & October 10, 2017)

Dear Ms. Fisher:

We submit this up dated compliance plan for the Cape Tranquility system on the tracks at issue:

1. Track # 548023: We purchased a current set of standards--copy enclosed-- added test preformed to certificate of standards (enclosed)
2. Track # 648523: We will have the inspection preformed by November 30, 2017 and documents to follow --preformed Nov. 9, 2017 (copy enclosed)
3. Track # 648526: We will make corrected adjustments and send proof by Oct. 30, 2017 including picture -- (repaired and photo's enclosed)
4. Track # 648528: New sample cock will be installed and a picture sent by Oct. 30, 2017 (replaced and photo enclosed)
5. Track # 648524: Enclosed you will find a copy of flush records since investigation-- a better system of filing has been established to find same-- please consider
6. Concerning track 648529 we will probably apply for waiver due to no growth potential in subdivision and have enough water with well work.

David L. Odle
TWS Management
Operating Company

Part F – TCEQ Public Water or Sewer System Information

H2 - Country Club Estates

Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

2	3	0	0	0	2	1
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Date of last inspection:

4/14/2016

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q

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 -Name of Permittee:

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 -Date of application to transfer Discharge Permit submitted:

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 -Date of application to transfer Discharge Permit approved by TCEQ:

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18. A. Are any improvements required to meet TCEQ or PUC standards? Yes No. If yes, please explain:

--

B. Is there a moratorium on new connections? Yes No. If yes, please explain:

--

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? Yes No

If yes, indicate the number of customers within the city limits or district boundaries:
 Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? Yes No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water			Sewer		
	-Non Metered		-2"meter		-Residential Connection
34	-5/8" or 3/4" meter		-3" meter		-Commercial Connection
	-1" meter		-4" meter		-Industrial Connection
	-1 1/2" meter		-Other		-Other
Total Water Connections:			34	Total Sewer Connections	

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? Yes No
 If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
See Attachment 'K'		

24. Attach the following maps with each copy of the application:
- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
 - b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks, or
 - iv. a copy of recorded plat map with metes and bounds.
 3. A written description of the proposed service area.

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

April 14, 2016

CERTIFIED MAIL 91 7199 9991 7031 8332 8182
RETURN RECEIPT REQUESTED

Mr. James K. Brown, President
 Texas Water Systems, Inc.
 7891 Highway 271
 Tyler, Texas 75708-4002

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
 Country Club Estates, Located on Fairway Dr. off FM 2685, S of Gilmer, adj. to Country
 Club (Upshur Co.), Texas
 RN101440592, PWS ID: 2300021, Investigation No: 1323280

Dear Mr. Brown:

On March 22, 2016, Ms. Jennifer Brewton of the Texas Commission on Environmental Quality (TCEQ) Tyler Regional Office conducted an investigation of the above-referenced system to evaluate compliance with applicable requirements for public water supply systems. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required.

Please submit compliance documentation, such as a photograph, purchase order, etc., demonstrating what actions were taken by **October 11, 2016**, for the following outstanding alleged violations: **494799 and 600090**.

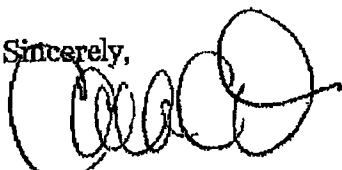
In the listing of the alleged violation(s), we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules (GI 032)* are located on our agency website at <http://www.tceq.texas.gov> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Tyler Region Office at 903-535-5100 or the Central Office Publications Ordering Team at 512-239-0028.

Mr. James K. Brown, President
April 14, 2016
Page 2

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation(s) documented in this notice. Should you choose to do so, you must notify the Tyler Region Office within 10 days from the date of this letter. At that time, Mr. Ross Morgan, Water Section Manager, will schedule a violation review meeting to be conducted *within 21 days from the date of this letter*. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Ms. Jennifer Brewton in the Region 5-Tyler Office at (903) 535-5150.

Sincerely,



Ms. Cara C. Fisher
Work Leader, Water Program
Tyler Region Office

CCF/JCB

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

COUNTRY CLUB ESTATES , UPSHUR COUNTY, Additional ID(s): 2300021	Investigation # 1323280 Investigation Date: 03/22/2016
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OUTSTANDING ALLEGED VIOLATION(S) ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 600090 Compliance Due Date: To Be Determined
30 TAC Chapter 291.93(3)

Alleged Violation:

Investigation: 1323280

Comment Date: 04/04/2016

Failure to submit a capacity planning report. 30 TAC §291.93(3) states that a retail public utility that possesses a certificate of public convenience and necessity that has reached 85% of its capacity as compared to the most restrictive criteria of the commission's minimum capacity requirements in 30 TAC 290 to submit to the executive director a planning report that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area.

During the investigation, the investigator calculated the water system's storage capacity as follows: 200 gallons x 34 connections = 0.0068 MG storage required. The water system currently provides 0.0075 MG ground storage, which places the water system at 91% capacity for storage. This was noted during the previous CCI as an Additional Issue.

Recommended Corrective Action: Please submit compliance documentation by 10/11/2016. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

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

Track No: 494797
30 TAC Chapter 290.41(c)(1)(F)

Alleged Violation:

Investigation: 1075223

Comment Date: 03/17/2013

Failure to make available sanitary control easements for the wells at the time of inspection, or executive director approval for a substitute authorized in §290.41(c)(1)(F)(iv). A sanitary easement covering all property within 150 feet each well location must be secured from adjacent landowners and recorded at the county courthouse to ensure that hazards will not develop in the well area. Residential type wells within the easement must be constructed to public water well standards. An approved substitute, such as a copy of the recorded deed and map demonstrating that the public water system owns all real property within 150 feet of the well, may qualify as an exception to obtaining the easement.

The water system may request an exception to this requirement by contacting the Water Supply Division, Public Drinking Water Section, Surveillance and Technical Assistance at 612-239-6020 or 903-535-5104. Please be reminded that all requests for exceptions must be in writing and supported with adequate documentation.

During the investigation on 02/05/2013, the investigator documented through conversation with the Field Supervisor, that the system failed to have a sanitary control easement on the west side of the well, and the system could not provide documentation that a substitute had been approved.

Investigation: 1094829

Comment Date: 07/09/2013

Failure to make available sanitary control easements for the wells at the time of inspection, or executive director approval for a substitute authorized in §290.41(c)(1)(F)(iv).

During a file record review a compliance plan submitted by the system was reviewed, which was found to be acceptable.

Investigation: 1323280

Comment Date: 04/04/2016

See previous comments.

Resolution: During the investigation, the investigator reviewed a signed and notarized sanitary control easement for the water system well. This alleged violation will be resolved.

ASSOCIATED TO A NOTICE OF VIOLATION

Track No: 494799

Compliance Due Date: 10/11/2016

30 TAC Chapter 290.43(c)(8)

Alleged Violation:

Investigation: 1076223

Comment Date: 04/01/2013

Failure to cover and design, fabricate, erect, test and disinfect in strict accordance with current American Water Works Association (AWWA) standards, all facilities for potable water storage.

During the investigation on 02/06/2013, the investigator observed that the system failed to maintain the storage tanks as follows: 1) on the ground storage tank, the interior sidewalls, roof hatch lip, and hatch were corroded; and 2) on the pressure tank, there were spots of corrosion on the exterior roof and sidewalls.

Investigation: 1094829

Comment Date: 07/09/2013

Failure to cover and design, fabricate, erect, test and disinfect in strict accordance with current American Water Works Association (AWWA) standards, all facilities for potable water storage.

During a file record review a compliance plan submitted by the system was reviewed, which was found to be acceptable.

Investigation: 1323280

Comment Date: 04/04/2016

See previous comments.

During the investigation, the investigator observed the interior of the 0.0075 MG ground storage tank was heavily corroded and in need of refurbishment.

Recommended Corrective Action: Please submit compliance documentation by 10/11/2016. The documentation should demonstrate what actions have been taken and may include photographs, purchase orders, results of analyses, etc.

Part F – TCEQ Public Water or Sewer System Information

H3 - Friendship

Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

2	3	0	0	0	2	0
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Date of last inspection:

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q

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 -Name of Permittee:
 -Date of application to transfer Discharge Permit submitted:
 -Date of application to transfer Discharge Permit approved by TCEQ:

18. A. Are any improvements required to meet TCEQ or PUC standards? Yes No. If yes, please explain:

B. Is there a moratorium on new connections? Yes No. If yes, please explain:

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? Yes No

If yes, indicate the number of customers within the city limits or district boundaries:
 Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? Yes No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: _____ % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water			Sewer		
	-Non Metered		-2"meter		-Residential Connection
92	-5/8" or 3/4" meter		-3" meter		-Commercial Connection
	-1" meter		-4" meter		-Industrial Connection
	-1 1/2" meter		-Other		-Other
Total Water Connections:			92	Total Sewer Connections	

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? Yes No
 If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
See Attachment 'K'		

24. Attach the following maps with each copy of the application:

- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks, or
 - iv. a copy of recorded plat map with metes and bounds.
 3. A written description of the proposed service area.



TEXAS WATER SYSTEMS Inc

An Investor Owned Utility

7891 Hwy. 271

Tyler, TX 75708

Phone: 903-597-5788 Fax: 903-526-0076

AUG.15, 2018

Mr. Michael Tucker
TCEQ Enforcement Division

Re: Friendship Water System PWS #2300020
Docket No. 2016-0827-PWS-E

Dear Mr. Tucker:

We submit this compliance plan for the Friendship system on the allegations 1-6 on reference Docket

1. This has an outstanding Well Permit-- According to owner this will be exercised within 18 months
2. We have purchased a 10,000 gal GST to be placed in service.--Bill of Sale enclosed-- Will be in place by Jan. 31, 2018.
3. We will install higher gpm booster pumps with insulation of ground storage tank by Jan. 31, 2019
4. We also purchased a 1000 gal pressure tank (with 10,000 gal) to place in service -- Will be in place by Jan. 31, 2018
5. The storage tank was repaired with purchase order and receipts attached
6. The plant structure was repaired and added to--pictures and etc. enclosed

We had an employee turn over in past and a difficult time replacing same with knowledgeable help .

cc: Tyler regional office

Sincerely,

David L. Odle
Operations Manager

COPY

Dave Odle

From: Michael Tucker [Michael.Tucker@tceq.texas.gov]
Sent: Thursday, August 2, 2018 2:22 PM
To: dave@txwatersystems.com
Subject: RE: Agreed Order Docket No. 2016-0827-PWS-E
Attachments: ext req.pdf

Mr. Odle,

As we discussed please see the attached guidance document for requesting an extension. Please let me know if you have any question, I am happy to help.

Regards,

Michael Tucker

TCEQ Enforcement Division
(512) 239-6924

From: Michael Tucker
Sent: Tuesday, July 24, 2018 1:54 PM
To: dave@txwatersystems.com
Subject: Agreed Order Docket No. 2016-0827-PWS-E

Mr. Odle,

Per our discussion please see the attached copy of Agreed Order Docket No. 2016-0827-PWS-E.

Please respond with documents demonstrating compliance with each of the allegations and I will move forward with closing the enforcement case. If you are not in compliance with any of the allegation I will be happy to discuss the extension process with you.

Please let me know if you have any questions.

Thank you,

Michael Tucker

TCEQ Enforcement Division
(512) 239-6924

A request to amend a compliance schedule must include the following:

1. You must explain the delay in achieving compliance.
2. You must request a specific amount of time for each ordering provision.
3. You must specifically mention each ordering provision.
4. You must include a detailed plan to return to compliance for each provision that justifies the amount of time requested.

If you are unsure of what is required for an ordering provision please consult your order, under the ordering provisions section. Any request that does not include all of this information will not be considered. The request may be emailed to me at _____, be sure to include any supporting documentation with the request.

Dave Odle

From: Michael Tucker [Michael.Tucker@tceq.texas.gov]
Sent: Tuesday, July 24, 2018 1:54 PM
To: dave@txwatersystems.com
Subject: Agreed Order Docket No. 2016-0827-PWS-E
Attachments: Order-1.pdf

Mr. Odle,

Per our discussion please see the attached copy of Agreed Order Docket No. 2016-0827-PWS-E.

Please respond with documents demonstrating compliance with each of the allegations and I will move forward with closing the enforcement case. If you are not in compliance with any of the allegation I will be happy to discuss the extension process with you.

Please let me know if you have any questions.

Thank you,

Michael Tucker
TCEQ Enforcement Division
(512) 239-6924

→ spoke with Agard 8-2-18 2:15 PM.
He will e-mail instructions on issues
that has been meet & paperwork for
possible extension (D)

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
TEXAS WATER SYSTEMS, INC.
RN101210292

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

AGREED ORDER
DOCKET NO. 2016-0827-FWS-E

I. JURISDICTION AND STIPULATIONS

On NOV 08 2016, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Texas Water Systems, Inc. (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a public water supply system located off Farm-to-Market Road 852 northwest of State Highway 154 in Upshur County, Texas (the "Facility"). The Facility provides water for human consumption, has approximately 96 service connections, and serves at least 25 people per day for at least 60 days per year. As such, the Facility is a public water system as defined in 30 TEX. ADMIN. CODE § 290.38(69).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE § 7.002 and TEX. HEALTH & SAFETY CODE § 341.049, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 and TEX. HEALTH & SAFETY CODE § 341.081 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$300 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$240 of the penalty and \$60 is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order. The deferred amount shall be waived only upon full compliance with all the terms and conditions contained in this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms or requirements contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
6. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Order.
7. This Order represents the complete and fully-integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. 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.

II. ALLEGATIONS

During an investigation conducted on March 22, 2016, an investigator documented that the Respondents:

1. Failed to provide a minimum well system capacity of 0.6 gallons per minute ("gpm") per connection, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(i) and TEX. HEALTH & SAFETY CODE § 341.0315(c). Specifically, at the time of the investigation, the Facility had ~~96 connections~~ which require a minimum water system capacity of 57.6 gpm. However, the Facility was providing only 34 gpm, which is a 41 percent (%) deficiency.
2. Failed to provide a total storage capacity of 200 gallons per connection, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(ii) and TEX. HEALTH & SAFETY CODE § 341.0315(c). Specifically, the Facility has 96 connections which require 0.0192 million gallons ("MG"). However, the Facility was providing 0.0126 MG, which is a 34% deficiency.
3. Failed to provide two or more service pumps having a total capacity of at least 2.0 gpm per connection at each pump station or pressure plane, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(iii) and TEX. HEALTH & SAFETY CODE § 341.0315(c). Specifically, the Facility had 96 connections which require 192 gpm capacity. However, the Facility provided 180 gpm, which is a 6% deficiency.
4. Failed to provide a pressure tank capacity of at least 20 gallons per connection, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(C)(iv) and TEX. HEALTH & SAFETY CODE § 341.0315(c). Specifically, the Facility has 96 connections and must provide a pressure tank capacity of 1,920 gallons. The Facility was providing a pressure tank capacity of 1,400 gallons, which is a 27 % deficiency.

this was completed

5. Failed to maintain the Facility's storage tanks in strict accordance with current American Water Works Association ("AWWA") standards, in violation of 30 TEX. ADMIN. CODE § 290.43(c)(8). Specifically, the interior and exterior of the ground storage tank was corroded and needed recoating.

6. Failed to initiate maintenance and housekeeping practices to ensure the good working condition and general appearance of the Facility and its equipment, in violation of 30 TEX. ADMIN. CODE § 290.46(m). Specifically, the housing structure at the water system plant had been shifted off the foundation and there was a large hole in the structure's roof.

this was completed

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Texas Water Systems, Inc., Docket No. 2016-0827-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 180 days after the effective date of this Order:

- i. Provide a minimum well capacity of 0.6 gpm, in accordance with 30 TEX. ADMIN. CODE § 290.45;
- ii. Provide a total storage capacity of 200 gallons per connection, in accordance with 30 TEX. ADMIN. CODE § 290.45;
- iii. Provide the minimum service pump capacity of at least 2.0 gpm per connection, in accordance with 30 TEX. ADMIN. CODE § 290.45;
- iv. Provide a pressure tank capacity of at least 20 gallons per connection, in accordance with 30 TEX. ADMIN. CODE § 290.45;

- v. Refurbish or replace the ground storage tank so that the interior and exterior meet AWWA standards, in accordance with 30 TEX. ADMIN. CODE § 290.43; and
 - vi. Initiate good housekeeping practices, in accordance with 30 TEX. ADMIN. CODE § 290.46, including but not limited to, repairing the roof and foundation of the housing structure at the Facility, in accordance with 30 TEX. ADMIN. CODE § 290.46.
- b. Within 195 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a.i. through 2.a.vi. The certification shall be signed by the Respondent and shall 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:

Water Section Manager
Tyler Regional Office
Texas Commission on Environmental Quality
2916 Teague Drive
Tyler, Texas 75701-3734

- 3. All relief not expressly granted in this Order is denied.
- 4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.
- 5. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this 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. Extension requests shall be sent to the Order Compliance Team at the address listed above.
6. This 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 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.
 7. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 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.
 8. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date


For the Executive Director


11/8/2016
Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

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 signed for James K. Brown Date 10/06/16

Jane M. Brown signed for James K. Brown President
Name (Printed or typed) Title
Authorized Representative of Brown
Texas Water Systems, Inc.

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

If mailing address has changed, please check this box and provide the new address below:

Part F – TCEQ Public Water or Sewer System Information

H4 - Garden Acres

Please answer questions 17 through 22 on a different sheet for each physically Distinct system being transferred or acquired.

17. A. For Water Systems. TCEQ Public Water System Identification Number:

0	9	2	0	0	3	1
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Date of last inspection:

6/10/2016

B. For Wastewater Systems:

-TCEQ Discharge Permit Number: W Q

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 -Name of Permittee:

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 -Date of application to transfer Discharge Permit submitted:

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 -Date of application to transfer Discharge Permit approved by TCEQ:

--

18. A. Are any improvements required to meet TCEQ or PUC standards? Yes No. If yes, please explain:

--

B. Is there a moratorium on new connections? Yes No. If yes, please explain:

--

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TCEQ or PUC standards (attach additional sheets if necessary):

Description of the Required Improvement	Schedule to Complete	Estimated Cost

19. Does the system being transferred operate within the city limits of a municipality or within district boundaries? Yes No

If yes, indicate the number of customers within the city limits or district boundaries:

Water Sewer

Attach copy of franchise agreement or consent letter from the city or district.

20. Do you currently purchase water or sewer treatment capacity from another source? Yes No
 Water Sewer Purchased on a Regular Seasonal Emergency Basis

• Source: _____ % of total supply:

21. List the number of existing connections to be effected by this transaction.

Water			Sewer		
	-Non Metered		-2"meter	-Residential Connection	
79	-5/8" or 3/4" meter		-3" meter	-Commercial Connection	
	-1" meter		-4" meter	-Industrial Connection	
	-1 1/2" meter		-Other	-Other	
Total Water Connections:			79	Total Sewer Connections	

22. Has the system reached 85% of its capacity based on TCEQ's minimum requirements? Yes No
 If yes, please explain what steps are being taken to address the capacity issues:

23. List the name, class, and license number of the operator(s) that will be responsible for the system:

Name	Class	License#
See Attachment 'K'		

24. Attach the following maps with each copy of the application:

- a. One small scale map clearly showing affected service area with enough detail to accurately locate the area if the application is for the transfer of all or a portion of a CCN.
- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. If transferring area not currently in a CCN or a portion of an existing CCN area please attach the following hard copy maps with each copy of the application:
 1. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.
 2. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or registered professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled, data disk should be included); or
 - iii. following verifiable natural and man-made landmarks, or
 - iv. a copy of recorded plat map with metes and bounds.
 3. A written description of the proposed service area.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
TEXAS WATER SYSTEMS, INC.
RN101376705

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

AGREED ORDER
DOCKET NO. 2016-0208-PWS-E

I. JURISDICTION AND STIPULATIONS

On JUN 07 2016, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding TEXAS WATER SYSTEMS, INC. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a public water supply located two miles west of Loop 281 and south of Farm-to-Market Road 2206 on Poppy Lane near Longview, Gregg County, Texas (the "Facility") that has approximately 74 service connections and serves at least 25 people per day for at least 60 days per year.
2. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
3. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about February 10, 2016.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of One Hundred Sixty-Eight Dollars (\$168) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid One Hundred Thirty-Five Dollars (\$135) of the administrative penalty and Thirty-Three Dollars (\$33) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed

Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

6. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
7. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
8. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
9. 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.
10. 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.

II. ALLEGATIONS

As owner and operator of the Facility, the Respondent is alleged to have 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, in violation of 30 TEX. ADMIN. CODE § 290.115(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c), as documented during a record review conducted from January 19, 2016 through February 5, 2016. Specifically, the locational running annual average concentrations for TTHM at Stage 2 Disinfection Byproducts Site 1 were 0.087 mg/L for the second quarter of 2015, 0.086 mg/L for the third quarter of 2015, and 0.094 mg/L for the fourth quarter of 2015.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations

which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: TEXAS WATER SYSTEMS, INC., Docket No. 2016-0208-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. It is further ordered that the Respondent shall undertake the following technical requirements:
- a. Within 365 days after the effective date of this Agreed Order, return to compliance with the MCL for TTHM, based on the locational running annual average, in accordance with 30 TEX. ADMIN. CODE § 290.115; and
 - b. Within 380 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or records to demonstrate compliance with Ordering Provision No. 2.a. The certification 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. 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.
6. 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.
7. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date


For the Executive Director

6/7/2016
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

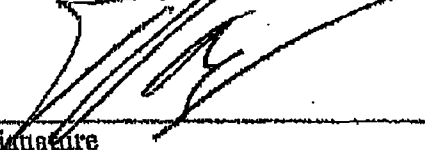
I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- 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

Date


Dave Cole

3-17-2016
Date

Name (Printed or typed)
Authorized Representative of
TEXAS WATER SYSTEMS, INC.

Manager
Title

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

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 10, 2016

Mr. James K. Brown
President
TEXAS WATER SYSTEMS, INC.
7891 Highway 271
Tyler, Texas 75708-4002

Re: TCEQ Enforcement Action
TEXAS WATER SYSTEMS, INC.
Docket No. 2016-0208-PWS-E

Dear Mr. Brown:

Enclosed for your records is a fully-executed copy of the Agreed Order for the above-referenced matter.

Please review the enclosed Agreed Order, particularly the "Ordering Provisions" section, to determine if further action will be required of you, such as the completion of technical requirements to achieve compliance. When technical requirements are listed (usually Ordering Provision No. 2 or 3), a deadline will be provided based on a specific number of days after the effective date. The effective date is as stated in the enclosed Agreed Order.

Should you have any questions, please contact Carol McGrath, the Enforcement Coordinator assigned to this matter, at (210) 403-4063.

Sincerely,

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

Melissa Cordell
Assistant Division Director
Enforcement Division

Enclosure

cc: Carol McGrath, Enforcement Division
Water Section Manager, Region 5

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 25, 2017

CERTIFIED MAIL 9171 9690 0935 0083 4069 63
RETURN RECEIPT REQUESTED

Mr. James K. Brown, President
Garden Acres Subdivision
7891 US Highway 271
Tyler, Texas 75708-4002

Re: Partial Compliance Letter for:
Garden Acres Subdivision, located 2 MI. W of Loop 281 on FM 2206 on Poppy Lane,
Longview (Gregg County), Texas
RN101376705, TCEQ Additional ID No.: 0920031, Investigation No.: 1436966

Dear Mr. Brown:

The Texas Commission on Environmental Quality (TCEQ) Tyler Region Office has received compliance documentation that you submitted on August 30, 2017, for the alleged violation, track no. 647528, noted during the investigation of the above-referenced facility conducted on June 28, 2017. The compliance documentation was sufficient to resolve this alleged violation. Please see the enclosed Summary of Investigation Findings.

Please submit compliance documentation by the following dates and track numbers for the outstanding alleged violations: **647523, 647525, 647527 by January 3, 2018; and 645724 by November 4, 2017.** The documentation should demonstrate what actions have been taken to correct the violations and may include photographs, purchase orders, results of analyses, etc.

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. Jennifer Smith in the Region 5-Tyler Office at (903) 535-5104.

Sincerely,


Ms. Cara C. Fisher, Water Work Leader
Tyler Region Office

CCF/jrs

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

GARDEN ACRES SUBDIVISION

Investigation #

1436966

Investigation Date: 09/04/2017

, GREGG COUNTY,

Additional ID(s): 0820031

ALLEGED VIOLATION(S) NOTED AND RESOLVED

Track No: 647528

30 TAC Chapter 290.46(s)(1)

Alleged Violation:

Investigation: 1424189

Comment Date: 07/19/2017

Failure to have well meters calibrated at least once every three years.

During the investigation, the investigator documented that the well meters for wells 1, and 2 had not been calibrated within the last three years. According to 30 TAC 290.46(s)(1) Flow-measuring devices and rate-of-flow controllers shall be calibrated at least once every 12 months, and well meters shall be calibrated at least once every three years.

Investigation: 1436935

Comment Date: 08/24/2017

Failure to have well meters calibrated at least once every three years.

A file record review was conducted on August 24, 2017, to evaluate the status of this outstanding alleged violation. The regulated entity submitted documentation on August 21, 2017, requesting a compliance due date of October 5, 2017, in order to come into compliance. This violation will be put under a compliance schedule until the due date.

Investigation: 1436966

Comment Date: 09/04/2017

A file record review was conducted by the TCEQ Tyler Region 5 on September 4, 2017, to determine the status of this outstanding alleged violation.

The TCEQ Tyler Region 5 office received documentation from the regulated entity on August 30, 2017, to address this violation.

Resolution: The documentation submitted is an invoice of the purchase of two meters for wells 1 and 2. The documentation submitted has been reviewed by TCEQ Tyler Region 5 and is adequate to resolve this outstanding violation. The violation is resolved.



TEXAS WATER SYSTEMS Inc

An Investor Owned Utility

7891 Hwy. 271

Tyler, TX 75708

Phone: 903-597-5788 Fax: 903-526-0076

Ms. Cara C. Fisher
Work Leader, Water Program
Tyler Region 5 Office
2916 Teague Drive
Tyler, Texas 75701

Nov. 2, 2017

Re: Garden Acres Subdivision PWS ID No. O920031, Investigation No. 1424189 (Letter of July 21 & Sept. 5, 2017)

Dear Ms. Fisher:

We submit this up dated compliance plan for the Garden Acres system on the tracks at issue;

1. Track # 647523: We will take vessel down for repairs next 120 days -- work in process

2. Track #647524: We will have the necessary updates added to manual in 60 days-- work in process

3. Track # 647525: We will make arrangements with adjacent property owner to move fence to appropriate distance within 120 days--working with land owner

5. Track # 647527: We actually have 2 units and addressing the issue of more with the options of transit or fixed-enclosed a photo copy of unit to address issue

6. Track # 647528: 2ea 1.5 flanged meters were ordered and installed as indicated on work order (copy enclosed)

COPY

David L. Odle
TWS Management
Operating Company

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 21, 2017

CERTIFIED MAIL 9171 9690 0935 0083 4066 59
RETURN RECEIPT REQUESTED

Mr. James K. Brown, President
Garden Acres Subdivision
7891 US Highway 271
Tyler, Texas 75708-4002

Re: Notice of Violation for the Comprehensive Compliance Investigation at:
Garden Acres Subdivision, located South of FM 2206 on Poppy Lane, Longview
(Gregg County), Texas
RN101376705, TCEQ Additional ID: 0920031, Investigation No. 1424189

Dear Mr. Brown:

On June 28, 2017, Ms. Jennifer Smith of the Texas Commission on Environmental Quality (TCEQ) Tyler Region Office conducted an investigation of the above-referenced system to evaluate compliance with applicable requirements for public water systems. Enclosed is a summary which lists the investigation findings. During the investigation, certain outstanding alleged violations were identified for which compliance documentation is required.

Please submit a compliance plan by **August 21, 2017**, for the following outstanding alleged violations by track numbers: **647523, 647524, 647525, 647526, 647527, and 647528**. The plan should include the proposed actions to be taken to correct the alleged violations and a schedule for the completion of the corrections. If the violations have already been corrected, please submit compliance documentation, such as a photograph, purchase order, etc., demonstrating what actions were taken.

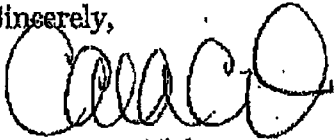
In the listing of the alleged violations, we have cited applicable requirements, including TCEQ rules. Please note that both the rules themselves and the agency brochure entitled *Obtaining TCEQ Rules (GI 032)* are located on our agency website at <http://www.tceq.texas.gov> for your reference. If you would like a hard copy of this brochure mailed to you, you may call and request one from either the Tyler Region Office at (903) 535-5100 or the Central Office Publications Ordering Team at 512-239-0028.

Mr. James K. Brown
July 21, 2017
Page 2

The TCEQ appreciates your assistance in this matter. Please note that the Legislature has granted TCEQ enforcement powers which we may exercise to ensure compliance with environmental regulatory requirements. We anticipate that you will resolve the alleged violations as required in order to protect the State's environment. If you have additional information that we are unaware of, you have the opportunity to contest the violation(s) documented in this notice. Should you choose to do so, you must notify the Tyler Region Office within 10 days from the date of this letter. At that time, Mr. Ross B. Morgan, Water Section Manager, will schedule a violation review meeting to be conducted *within 21 days from the date of this letter*. However, please be advised that if you decide to participate in the violation review process, the TCEQ may still require you to adhere to the compliance schedule included in the attached Summary of Investigation Findings until an official decision is made regarding the status of any or all of the contested violations.

If you or members of your staff have any questions, please feel free to contact Ms. Jennifer Smith in the Region 5-Tyler Office at (903) 535-5104.

Sincerely,



Ms. Cara C. Fisher
Work Leader, Water Program
Tyler Region Office

CCF/jrs

Enclosures: Summary of Investigation Findings

Summary of Investigation Findings

GARDEN ACRES SUBDIVISION

Investigation #

1424189
Investigation Date: 06/28/2017

GREGG COUNTY,

Additional ID(s): 0920031

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

Track No: 647523 Compliance Due Date: To Be Determined
30 TAC Chapter 290.48(m)(1)(B)

Alleged Violation:

Investigation: 1424189

Comment Date: 07/10/2017

Failure to have the interior surface of the pressure tank inspected every five years.

During the investigation, the investigator documented that the interior of the pressure tank had not been inspected every five years. According to 30 TAC 290.48(m)(1)(B) Pressure tank inspections must determine that the pressure release device and pressure gauge are working properly, the air-water ratio is being maintained at the proper level, the exterior coating systems are continuing to provide adequate protection to all metal surfaces, and the tank remains in watertight condition. Pressure tanks provided with an inspection port must have the interior surface inspected every five years.

Recommended Corrective Action: Please submit a compliance plan by August 21, 2017. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, such as photographs, purchase orders, results of analyses, etc., demonstrating what actions were taken.

Track No: 647524 Compliance Due Date: To Be Determined
30 TAC Chapter 290.42(f)

Alleged Violation:

Investigation: 1424189

Comment Date: 07/10/2017

Failure to update the Plant Operations Manual with emergency contacts.

During the investigation, the investigator documented that the regulated entity did not have an emergency contact list within the Plant Operations Manual. According to 30 TAC 290.42(f) A thorough Plant Operations Manual must be compiled and kept up-to-date for operator review and reference. This manual should be of sufficient detail to provide the operator with routine maintenance and repair procedures, with protocols to be utilized in the event of a natural or man-made catastrophe, as well as provide telephone numbers of water system personnel, system officials, and local/state/federal agencies to be contacted in the event of an emergency.

Recommended Corrective Action: Please submit a compliance plan by August 21, 2017. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, such as photographs, purchase orders, results of analyses, etc., demonstrating what actions were taken.

Track No: 647525 Compliance Due Date: To Be Determined
30 TAC Chapter 290.41(c)(1)(D)

Alleged Violation:

Investigation: 1424189

Comment Date: 07/10/2017

Failure to prevent livestock within 50 feet of water supply well #1 and #2.

During the investigation, the investigator observed that both water wells #1 and #2 were within 15 feet of the adjoining property line which has goats on the property. According to 30 TAC 290.41(c)(1)(D) Livestock in pastures shall not be allowed within 50 feet of water supply wells.

Recommended Corrective Action: Please submit a compliance plan by August 21, 2017. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, such as photographs, purchase orders, results of analyses, etc., demonstrating what actions were taken.

Track No: 647526 Compliance Due Date: To Be Determined

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

Alleged Violation:

Investigation: 1424189

Comment Date: 07/10/2017

Failure to verify the manual disinfectant residual analyzer once every 90 days using chlorine solutions of known concentration.

During the investigation, the investigator documented that the regulated entity did not have the correct calibration standards for the analyzer that the operator was using and therefore could not properly calibrate the meter. According to 30 TAC 290.46(s)(2)(C)(i) The accuracy of the manual disinfectant residual analyzers shall be verified at least once every 90 days using chlorine solutions of known concentrations.

Recommended Corrective Action: Please submit a compliance plan by August 21, 2017. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, such as photographs, purchase orders, results of analyses, etc., demonstrating what actions were taken.

Track No: 647527 Compliance Due Date: To Be Determined

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

Alleged Violation:

Investigation: 1424189

Comment Date: 07/10/2017

Failure to have a SCBA readily accessible outside the chlorinator room and immediately available to the operator in the event of an emergency.

During the investigation, the investigator observed that the regulated entity did not keep a SCBA either in the vehicle, at the office, or on-site at the plant. The operator stated that they are contracted with 13 facilities and only have one SCBA to which only one operator is actually performed a fit test on the SCBA. According to 30 TAC 290.42(e)(4)(A) When chlorine gas is used, a full-face self-contained breathing apparatus or supplied air respirator that meets Occupational Safety and Health Administration (OSHA) standards for construction and operation, and a small bottle of fresh ammonia solution (or approved equal) for testing for chlorine leakage shall be readily accessible outside the chlorinator room and immediately available to the operator in the event of an emergency.

Recommended Corrective Action: Please submit a compliance plan by August 21, 2017. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, such as photographs, purchase orders, results of analyses, etc., demonstrating what actions were taken.

Track No: 647528 Compliance Due Date: To Be Determined

30 TAC Chapter 290.46(s)(1)

Alleged Violation:

Investigation: 1424189

Comment Date: 07/19/2017

Failure to have well meters calibrated at least once every three years.

During the investigation, the investigator documented that the well meters for wells 1, and 2 had not been calibrated within the last three years. According to 30 TAC 290.46(s)(1) Flow-measuring devices and rate-of-flow controllers shall be calibrated at least once every 12 months, and well meters shall be calibrated at least once every three years.

Recommended Corrective Action: Please submit a compliance plan by August 21, 2017. The plan should include the proposed actions to be taken to correct the alleged violation and a schedule for the completion of the corrections. If this violation has already been corrected, please submit compliance documentation, such as photographs, purchase orders, results of analyses, etc., demonstrating what actions were taken.

COPY



TEXAS WATER SYSTEMS Inc

An Investor Owned Utility

7891 Hwy. 271

Tyler, TX 75708

Phone: 903-597-5788 Fax: 903-526-0076

Ms. Cara C. Fisher
Work Leader, Water Program
Tyler Region 5 Office
2916 Teague Drive
Tyler, Texas 75701

Aug. 17, 2017

Re: Garden Acres Subdivision PWS ID No. 0920031, Investigation No. 1424189 (Letter of July 21, 2017)

Dear Ms. Fisher:

We submit this up dated compliance plan for the Garden Acres system on the tracks at issue:

1. Track # 647523: We will take vessel down for repairs next 120 days
2. Track #647524: We will have the necessary updates added to manual in 60 days
3. Track # 647525: We will make arrangements with adjacent property owner to move fence to appropriate distance within 120 days
4. Track # 647526: New and current standards were ordered and placed into use (copy of PO enclosed)
5. Track # 647527: We actually have 2 units and addressing the issue of more with the options of transit or fixed--because of cost need 120 days to resolve matter
6. Track # 647528: 2ea 1.5 flanged meters have been ordered and will be installed next 30 days- PO enclosed

David L. Odle
TWS Management
Operating Company

TWS Management, Inc.

7891 US Highway 271

Tyler, TX 75708

COPY

Purchase Order

Date	P.O. No.
8/17/2017	M31139

Vendor
UNDERGROUND UTILITY SUPPLY 3815 N.N.E. LOOP 323 TYLER, TX 75708

Ship To
TWS Management, Inc. 7891 US Highway 271 Tyler, TX 75708

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Item	Description	Qty	Rate	Customer	Amount
Paris	1.5" FLANGED METER (REPALE METERS AT GARDEN ACRES)	2	352.06	*TWSI - UTIL...	704.12
Total					\$704.12

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