



Filing Receipt

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Control Number - 54713

Item Number - 43

**DOCKET NO. 473-23-22448.WS
PUC DOCKET NO. 54713**

PETITION BY RATEPAYERS	§	BEFORE THE
APPEALING THE WATER RATES	§	
ESTABLISHED BY WESTWOOD	§	STATE OFFICE OF
SHORES MUNICIPAL UTILITY	§	
DISTRICT	§	ADMINISTRATIVE HEARINGS

**RATEPAYERS RESPONSE TO WESTWOOD SHORES
MUNICIPAL UTILITY DISTRICT'S REQUEST FOR INFORMATION**

DISTRICT'S REQUEST FOR ADMISSION 2-1. Admit that the District was created under article III § 52 or article XVI, § 59 of the Texas Constitution.

RATEPAYERS Admit

DISTRICT'S REQUEST FOR ADMISSION 2-2. Admit that the effective date of the appealed rate change was February 1, 2023.

RATEPAYERS Admit

DISTRICT'S REQUEST FOR ADMISSION 2-3. Admit that the District provided written notice of the hearing to all affected persons in accordance with 16 TAC § 24.101(c)(6):

Deny

DISTRICT'S REQUEST FOR ADMISSION 2-4. Admit that the District's rates are just and reasonable.

Deny - See attachment (attachment is a list of comparable MUD's rate orders, none of which are anywhere near as high as WWS)

DISTRICT'S REQUEST FOR ADMISSION 2-5. Admit that the District's rates are not unreasonably preferential, prejudicial, or discriminatory.

Deny

DISTRICT'S REQUEST FOR ADMISSION 2-6. Admit that the District's rates are sufficient, equitable, and consistent in application to each class of customer.

Deny

DISTRICT'S REQUEST FOR ADMISSION 2-7. Admit that the District's rates meet the requirements of Tex. Water Code § 13.043(j)

Cannot admit or deny.

DISTRICT'S REQUEST FOR ADMISSION 2-8. Admit that the District's Board of Directors used an appropriate methodology to determine just and reasonable rates for the District.

Deny

(There are 2 alternative water systems. The sixty-year-old infrastructure included in the rate design IS NOT used to the provision of service to the Petitioners, and, therefore, the rates based upon the cost of that property and infrastructure is neither reasonable nor necessary for the provision of service to the Petitioners)

DISTRICT'S REQUEST FOR ADMISSION 2-9. Admit that the Commission should allow recovery of the District reasonable expenses incurred in this proceeding.

Deny.

DISTRICT'S REQUEST FOR ADMISSION 2-10. Admit that February 1, 2023 is the appropriate effective date of the rates in this proceeding.

Deny

DISTRICT'S REQUEST FOR ADMISSION 2-11. Admit that the District's rates are based on reasonable and necessary expenses.

Deny

(\$10,000 to \$15,000 in fines are being paid to TCEQ for Non-Compliant water samples or samples which were not submitted.)

DISTRICT'S REQUEST FOR ADMISSION 2-12. Admit that the Commission should dismiss this rate appeal.

Deny

The following files are not convertible:

4.xlsx EXHIBIT RE REQUEST FOR ADMISSION 2-

Please see the ZIP file for this Filing on the PUC Interchange in order to access these files.

Contact centralrecords@puc.texas.gov if you have any questions.



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July 28, 2022

Revised December 6, 2022

Revised December 13, 2022

Revised December 15, 2022

Westwood Shores MUD **RATE STUDY REPORT 2022/2023 DATA**

This report is intended for the Governing Board and Management of the Westwood Shores MUD.

Superior Water Management of Texas LLC conducted the Rate Study from May 2022 through December 2022 using information, data, and guidance supplied by the Westwood Shores MUD (District). The final report was revised after receiving a revised FY 2023 Budget.

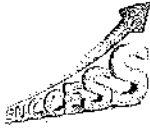
The Scope of Work included the following services (collectively, the "Services"): To conduct of comprehensive "Cost of Service" water and sewer rate study as detailed in the Scope of Work below.

1. SCOPE OF WORK: FY-2022 WATER UTILITY RATE STUDY

The study will include Principles of Water Rate Development, Financial Management, Rate Policies, Rate Design, Capital Budgeting, Financial Forecasting, Revenue Requirements, Allocation Procedures, Classification Procedures, Avoiding and Public Relations.

STUDY GOALS & OBJECTIVES

- Evaluate Financial Policies
- Promote Financial Viability and Sustainability
- Apply Fundamental Methodologies
- Consider Capital Improvement Funding
- Include Projected Changes to Expenses, Connections, etc.
- Design Fair & Equitable Rates
- Recommend Baseline Rate Structures
- Follow The "Keep It Simple Sir" (KISS) Concept



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Excellent Rate Study: The final report shall explicitly include the following elements and analysis:

- Current Rate Structure: Assess the current rate structure's performance as a baseline for comparing recommended changes.
- Equity: Assess the equity of recommended water and sewer rates for all types of property ownership to include multifamily units and other commercial uses
- Supporting Data: Provide data supporting conclusions and observations made for each of the areas above.

2. GUIDANCE, INFORMATION AND DATA: The District provided an adopted FY-2023 budget and other information including but not limited to a meter inventory, water demand data, current rate structure, and audit.

OBJECTIVES OF RATE STUDY



- 1. Revenue Stability***
- 2. Financial Integrity***
- 3. Fair Distribution of Shared Cost***
- 4. Customer Comprehension***
- 5. Administrative Implementation***
- 6. Water Conservation***
- 7. Sustainability***



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Overview – The Process

In providing adequate water service, every water utility must receive sufficient total revenue to ensure proper operation & maintenance (O&M), development, perpetuation of the system, and preservation of the utility's financial integrity. (AWWA M1)



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RATE STUDY PROCESS

- INCLUDE TOTAL REVENUE REQUIREMENT
- SEGREGATE WATER VS. SEWER COSTS
- DETERMINE FIXED VS. VARIABLE COSTS
- ADD DEBT SERVICE REQUIREMENTS
- SUBTRACT OTHER REVENUE ITEMS
- ENTER GALLONS, CONNECTIONS, ETC.
- CALCULATE RATES

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VALUE OF WATER SERVICE



Pennies Per Gallon ???

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TAP WATER DELIVERS

- PUBLIC HEALTH PROTECTION
- SUPPORT FOR THE ECONOMY/JOBS
- FIRE SUPPRESSION
- QUALITY OF LIFE
- FUN

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WHAT DOES A GALLON COST?



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COST OF SERVICE

- CABLE
- TELEPHONE
- ELECTRIC
- GAS (PROPANE)
- Other



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3. RATE STUDY RESULTS:

A preliminary "first draft" copy of the Rate Study was provided for District review and comment on July 18, 2022. Revisions were made after receipt of the approved FY 2023 budget as well as additional review of the preliminary report. A final report was submitted on July 28, 2022 for review and discussion during the Board meeting scheduled for Monday, August 1st.

A revised FY 2023 Budget was received on November 15, 2022 and subsequent adjustments to the rate study model were made to reflect the changes to the budget as well as the related rate calculations. The revised report was completed on December 6, 2022.

A subsequent video conference was conducted on December 12, 2022 which resulted in a revision to the Rate Study Report to include the rates adopted by the Board on October 17, 2022. The revisions were made on December 13, 2022.

The "Options Snapshot" table below shows how the calculated (budget based) rates compare to the existing rates using the current rate structure including the "Availability Fee" (base rate, minimum bill), and the "Variable Rate" (gallage rate or cost per 1000 gallons of water use). The Recommended Rates show includes the FY 2023 Adopted Budget plus the annual depreciation expense (from the Audit) along with a recommended rate structure.

The "Difference" column shows the increase to the minimum bill while the gallons across from 3,000 to 20,000 shows the total bill including water, sewer, and the TCEQ fee.

TABLE 1 – OPTIONS SNAPSHOT

UTILITY: WESTWOOD SHORES MUD			RATE COMPARISONS TABLE (5/8-3/4 Inch Meter)						
OPTIONS SNAPSHOT	Gallons Billed		3000	4000	6000	8000	10000	12000	14000
	Availability Fee	Difference							
Current Rates Structure	\$90.45	NA	\$117.59	\$127.13	\$136.68	\$156.78	\$177.89	\$211.05	\$234.17
Calculated Rates Without Deprecation	\$140.48	\$50.03	\$167.62	\$177.16	\$186.71	\$206.81	\$227.92	\$261.08	\$284.20
Recommended Rates (Includes DEP)	\$189.70	\$99.25	\$195.73	\$197.74	\$200.75	\$206.78	\$214.82	\$226.88	\$238.94

Important Note: The "Option Snapshot" table shows the rates using the FY-2023 Budget revised. The cost of the 3000 gallons has been removed from the "Calculated Rates Structure" to reflect the Zero (0) gallons approved by the Board during the October meeting. Zero (0) gallons is also not included with the "Recommended Rate". It is not known if the cost of the current 3000 gallons was ever calculated and included in the former rate structure minimum bill.



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A comprehensive detailed breakdown of each scenario is provided in Table 2 below.

TABLE 2 – RATE COMPARISON DETAIL

UTILITY: WESTWOOD SHORES MUD		RATE COMPARISONS TABLE (5/8 Inch Meter)							
Current Rates 10/17/2022	Availability Fee		3000	4000	5000	7000	9000	12000	14000
NOTES:	WATER	Per 1000	\$9.00	\$9.50	\$9.50	\$10.00	\$10.50	\$11.00	\$11.50
Water Incls 0 Gals	\$60.00		\$87.00	\$96.50	\$106.00	\$126.00	\$147.00	\$180.00	\$203.00
Groundwater District Fee	\$0.00								
NOTES:	SEWER	Per 1000							
Flat Rate	\$30.00		\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Garbage & Recycling Serv.	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$90.00		\$117.00	\$126.50	\$136.00	\$156.00	\$177.00	\$210.00	\$233.00
TCEQ Fee	\$0.45		\$0.59	\$0.63	\$0.68	\$0.78	\$0.89	\$1.05	\$1.17
Total Bill	\$90.45		\$117.59	\$127.13	\$136.68	\$156.78	\$177.89	\$211.05	\$234.17
	COST PER GALLON		\$0.04	\$0.03	\$0.03	\$0.02	\$0.02	\$0.02	\$0.02

NOTES: AVERAGE GALLONS USAGE IS 3000 GALLONS PER MONTH

Calculated Rates	Availability Fee		3000	4000	5000	7000	9000	12000	14000
NOTES:	WATER	Per 1000	\$9.00	\$9.50	\$9.50	\$10.00	\$10.50	\$11.00	\$11.50
Water Incls 0 Gals	\$70.36		\$97.36	\$106.86	\$116.36	\$136.36	\$157.36	\$190.36	\$213.36
Groundwater District Fee	\$0.00								
NOTES:	SEWER	Per 1000							
Flat Rate	\$69.42		\$69.42	\$69.42	\$69.42	\$69.42	\$69.42	\$69.42	\$69.42
Garbage & Recycling Serv.	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$139.78		\$166.78	\$176.28	\$185.78	\$205.78	\$226.78	\$259.78	\$282.78
TCEQ Fee	\$0.70		\$0.83	\$0.88	\$0.93	\$1.03	\$1.13	\$1.30	\$1.41
Total Bill	\$140.48		\$167.62	\$177.16	\$186.71	\$206.81	\$227.92	\$261.08	\$284.20
Percentage Increase	55%		43%	39%	37%	32%	28%	24%	21%
Dollar Increase	\$50.03		\$50.03	\$50.03	\$50.03	\$50.03	\$50.03	\$50.03	\$50.03
AVG COST PER DAY OVER 30 DAYS	\$1.67		\$1.67	\$1.67	\$1.67	\$1.67	\$1.67	\$1.67	\$1.67
	COST PER GALLON		\$0.06	\$0.04	\$0.04	\$0.03	\$0.03	\$0.02	\$0.02

RECOMMENDATION

		RATE COMPARISONS TABLE (5/8 & 3/4 Inch Meter)							
Recommended Rates	Availability Fee		3000	4000	5000	7000	9000	12000	14000
NOTES: Includes CIP & No AM	WATER	Per 1000	\$1.00	\$1.00	\$1.50	\$1.50	\$2.00	\$2.00	\$3.00
Water Incls 0 Gals	\$107.17		\$110.17	\$111.17	\$112.67	\$115.67	\$119.67	\$125.67	\$131.67
Groundwater District Fee	\$0.00								
NOTES:	SEWER	Per 1000	\$1.00	\$1.00	\$1.50	\$1.50	\$2.00	\$2.00	\$3.00
Sewer Incls 0 Gals	\$81.58		\$84.58	\$85.58	\$87.08	\$90.08	\$94.08	\$100.08	\$106.08
Garbage & Recycling Serv.	\$0.00		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal	\$188.76		\$194.76	\$196.76	\$199.76	\$205.76	\$213.76	\$225.76	\$237.76
TCEQ Fee	\$0.94		\$0.97	\$0.98	\$1.00	\$1.03	\$1.07	\$1.13	\$1.19
Total Bill	\$189.70		\$195.73	\$197.74	\$200.75	\$206.78	\$214.82	\$226.88	\$238.94
Percentage Increase	110%		88%	80%	47%	32%	21%	8%	2%
Dollar Increase	\$99.25		\$78.14	\$70.61	\$64.07	\$50.00	\$36.94	\$15.83	\$4.79
AVG COST PER DAY OVER 30 DAYS	\$3.31		\$2.60	\$2.35	\$2.14	\$1.67	\$1.23	\$0.53	\$0.16
	COST PER GALLON		\$0.07	\$0.05	\$0.04	\$0.03	\$0.02	\$0.02	\$0.02



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TABLE 3 – METER INVENTORY

METER INVENTORY						
INSERT DATA:						
NO OF 5/8" CUST.=	99%	744	5/8", 3/4"	EQUIV.	1	744.00
NO OF 1" CUST.=	0%	3	1"	EQUIV.	2.5	7.50
NO OF 1-1/2" CUST.=	0%	0	1-1/2"	EQUIV.	5	0.00
NO OF 2" CUST.=	1%	5	2"	EQUIV.	8	40.00
NO OF 2-1/2" CUST.=	0%	0	2-1/2"	EQUIV.	12	0.00
NO OF 3" CUST.=	0%	1	3"	EQUIV.	15	15.00
NO OF 4" CUST.=	0%	0	4"	EQUIV.	25	0.00
NO OF 6" CUST.=	0%	1	6"	EQUIV.	50	50.00
NO OF 8" CUST.=	0%	0	8"	EQUIV.	80	0.00
NO OF 10" CUST.=	0%	0	10"	EQUIV.	115	0.00
	100%	754				857
ESFC Per Water District Financial Management Guide				TCEQ publication RG-080		



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TABLE 4A – WATER UTILITY BUDGET-FY 2023 Revised

WATER RECOMMENDATION			FY2023 WATER REVENUE REQUIREMENT & RATE DESIGN				
			All Rights Reserved - Superior Water Management of Texas LLC ©				
UTILITY: Westwood Shores MUD							
REVENUE REQUIREMENT		"FAIR SHARE" RATE ANALYSIS		Superior Water Management of Texas LLC			
				Expense Item	%	Fixed	Variable
Expense							
6-6100 - Water Purchase - TRW	\$289,500.00	WATER		\$289,500.00	100	\$289,500.00	\$0.00
6-6135 - Water Plant	\$43,800.00	WATER		\$43,800.00	100	\$43,800.00	\$0.00
6-6136 - Water Distribution Lines	\$67,000.00	WATER		\$67,000.00	100	\$67,000.00	\$0.00
6-6142 - Water Plant Chemicals	\$8,000.00	WATER		\$8,000.00	100	\$8,000.00	\$0.00
6-6144 - Water Plant Labs	\$13,500.00	WATER		\$13,500.00	100	\$13,500.00	\$0.00
6-6145 - Meters & Equipment	\$20,000.00	BOTH		\$10,000.00	70	\$7,000.00	\$3,000.00
6-6235 - Sewer Plant	\$35,000.00	SEWER		\$0.00	100	\$0.00	\$0.00
6-6234 - Sewer Sludge Removal	\$10,000.00	SEWER		\$0.00	100	\$0.00	\$0.00
6-6236 - Sewer Collection Lines	\$15,500.00	SEWER		\$0.00	100	\$0.00	\$0.00
6-6242 - Sewer Plant Chemicals	\$16,900.00	SEWER		\$0.00	70	\$0.00	\$0.00
6-6244 - Sewer Plant Labs	\$2,000.00	SEWER		\$0.00	100	\$0.00	\$0.00
6-6259 - Wastewater Plant RAS	\$50,000.00	SEWER		\$0.00	100	\$0.00	\$0.00
6-6260 - Lift Stations	\$50,000.00	SEWER		\$0.00	100	\$0.00	\$0.00
6-6285 - Marina Village Repairs	\$3,500.00	BOTH		\$1,750.00	100	\$1,750.00	\$0.00
6-6286 - Roads	\$1,000.00	BOTH		\$500.00	100	\$500.00	\$0.00
6-6310 - Director Fees	\$14,000.00	BOTH		\$7,000.00	100	\$7,000.00	\$0.00
6-6311 - Administration & Payroll	\$135,000.00	BOTH		\$67,500.00	100	\$67,500.00	\$0.00
6-6312 - Simple IRA	\$8,000.00	BOTH		\$4,000.00	100	\$4,000.00	\$0.00
6-6313 - Employee Ins / Workers Comp	\$23,000.00	BOTH		\$11,500.00	100	\$11,500.00	\$0.00
6-6320 - Legal Fees	\$80,000.00	BOTH		\$40,000.00	100	\$40,000.00	\$0.00
6-6321 - Auditing Fees	\$20,000.00	BOTH		\$10,000.00	100	\$10,000.00	\$0.00
6-6322 - Engineering Fees	\$50,000.00	BOTH		\$25,000.00	100	\$25,000.00	\$0.00
6-6323 - Operators Fee	\$264,000.00	BOTH		\$132,000.00	100	\$132,000.00	\$0.00
6-6325 - Election Expense	\$10,000.00	BOTH		\$5,000.00	100	\$5,000.00	\$0.00
6-6326 - Assessment / Permit Fee	\$10,000.00	BOTH		\$5,000.00	100	\$5,000.00	\$0.00
6-6333 - Bookkeeping	\$34,000.00	BOTH		\$17,000.00	100	\$17,000.00	\$0.00
6-6334 - Financial / Bond Agent	\$3,000.00	BOTH		\$1,500.00	100	\$1,500.00	\$0.00
6-6335 - Security	\$500.00	BOTH		\$250.00	100	\$250.00	\$0.00
6-6338 - Legal Notices & Other Publication	\$600.00	BOTH		\$300.00	100	\$300.00	\$0.00
6-6340 - Office Expenses / Supplies	\$7,500.00	BOTH		\$3,750.00	70	\$2,625.00	\$1,125.00
6-6344 - Office Equipment	\$500.00	BOTH		\$250.00	100	\$250.00	\$0.00
6-6349 - Office Equipment Leasing	\$7,000.00	BOTH		\$3,500.00	100	\$3,500.00	\$0.00
6-6350 - Postage	\$5,000.00	BOTH		\$2,500.00	70	\$1,750.00	\$750.00
6-6351 - Telephone	\$10,000.00	BOTH		\$5,000.00	100	\$5,000.00	\$0.00
6-6352 - Utilities	\$47,000.00	BOTH		\$23,500.00	70	\$16,450.00	\$7,050.00
6-6353 - Insurance & Surety Bond Premium	\$18,000.00	BOTH		\$9,000.00	100	\$9,000.00	\$0.00
6-6357 - Vehicle & Equipment Payments	\$58,000.00	BOTH		\$29,000.00	100	\$29,000.00	\$0.00
6-6359 - Software - Upgrade/Support	\$12,500.00	BOTH		\$6,250.00	100	\$6,250.00	\$0.00
6-6360 - Conferences / Dues	\$1,000.00	BOTH		\$500.00	100	\$500.00	\$0.00
6-6361 - Travel Expenses	\$3,000.00	BOTH		\$1,500.00	100	\$1,500.00	\$0.00
6-6394 - Trinity VFD Expenses	\$10,250.00	BOTH		\$5,125.00	100	\$5,125.00	\$0.00
6-6399 - Garbage	\$2,200.00	BOTH		\$1,100.00	100	\$1,100.00	\$0.00
6-6560 - Payroll Expenses	\$30,000.00	BOTH		\$15,000.00	100	\$15,000.00	\$0.00
6-6600 - Tap Connection	\$50,000.00	BOTH		\$25,000.00	100	\$25,000.00	\$0.00
6-6700 - Shop Expenses	\$43,650.00	BOTH		\$21,825.00	100	\$21,825.00	\$0.00
6-6800 - Fuel	\$12,000.00	BOTH		\$6,000.00	70	\$4,200.00	\$1,800.00
6-7395 - Miscellaneous Expense	\$1,000.00	BOTH		\$500.00	100	\$500.00	\$0.00
6-7396 - Bank Charges & Fees	\$100.00	BOTH		\$50.00	100	\$50.00	\$0.00
6-9000 - Capital Outlay	\$50,000.00	BOTH		\$25,000.00	100	\$25,000.00	\$0.00
		BOTH		\$0.00	100	\$0.00	\$0.00
DEPRECIATION (Audit PAGE 19) = 16%	\$306,294.00	BOTH		\$153,147.00	100	\$153,147.00	\$0.00
TOTAL EXPENSE	\$1,952,794.00						
				\$1,097,597.00		\$1,083,872.00	\$13,725.00
					97%		4%
FROM AUDIT PAGE -20 NOTE -3		PRINC. & INTEREST	\$531,546.00	\$265,773.00		\$256,712.56	\$9,380.22
		LESS OTHER REVENUE-TAX	\$322,155.00	-\$161,077.50		-\$155,586.22	-\$5,685.09
		LESS OTHER REVENUE	\$78,900.00	-\$39,450.00		-\$38,105.11	-\$1,392.35
		LESS Marina Village REVENUE	\$33,150.00	-\$33,150.00		\$0.00	\$0.00
		LESS GARBAGE REVENUE	\$0.00	\$0.00		\$0.00	\$0.00
		TOTAL		\$ 1,129,692.50		\$ 1,146,893.22	\$ 16,027.78



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TABLE 4B – WATER UTILITY RATES-FY 2023

RATE CALCULATION & DESIGN																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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TABLE 4C – SEWER UTILITY BUDGET-FY 2023

SEWER RECOMMENDATION			FY2023 WATER REVENUE REQUIREMENT & RATE DESIGN				
			All Rights Reserved - Superior Water Management of Texas LLC ©				
UTILITY: Westwood Shores MUD			© Superior Water Management of Texas LLC				
REVENUE REQUIREMENT		"FAIR SHARE" RATE ANALYSIS					
				Expense Item	%	Fixed	Variable
Expense							
6-6100 - Water Purchase - TRW	\$289,500.00	WATER		\$0.00	100	\$0.00	\$0.00
6-6135 - Water Plant	\$43,800.00	WATER		\$0.00	100	\$0.00	\$0.00
6-6136 - Water Distribution Lines	\$67,000.00	WATER		\$0.00	100	\$0.00	\$0.00
6-6142 - Water Plant Chemicals	\$8,000.00	WATER		\$0.00	100	\$0.00	\$0.00
6-6144 - Water Plant Labs	\$13,500.00	WATER		\$0.00	100	\$0.00	\$0.00
6-6145 - Meters & Equipment	\$20,000.00	BOTH		\$10,000.00	70	\$7,000.00	\$3,000.00
6-6235 - Sewer Plant	\$35,000.00	SEWER		\$35,000.00	100	\$35,000.00	\$0.00
6-6234 - Sewer Sludge Removal	\$10,000.00	SEWER		\$10,000.00	100	\$10,000.00	\$0.00
6-6236 - Sewer Collection Lines	\$15,500.00	SEWER		\$15,500.00	100	\$15,500.00	\$0.00
6-6242 - Sewer Plant Chemicals	\$16,900.00	SEWER		\$16,900.00	70	\$11,830.00	\$5,070.00
6-6244 - Sewer Plant Labs	\$2,000.00	SEWER		\$2,000.00	100	\$2,000.00	\$0.00
6-6259 - Wastewater Plant RAS	\$50,000.00	SEWER		\$50,000.00	100	\$50,000.00	\$0.00
6-6260 - Lift Stations	\$50,000.00	SEWER		\$50,000.00	100	\$50,000.00	\$0.00
6-6285 - Marina Village Repairs	\$3,500.00	BOTH		\$1,750.00	100	\$1,750.00	\$0.00
6-6286 - Roads	\$1,000.00	BOTH		\$500.00	100	\$500.00	\$0.00
6-6310 - Director Fees	\$14,000.00	BOTH		\$7,000.00	100	\$7,000.00	\$0.00
6-6311 - Administration & Payroll	\$135,000.00	BOTH		\$67,500.00	100	\$67,500.00	\$0.00
6-6312 - Simple IRA	\$8,000.00	BOTH		\$4,000.00	100	\$4,000.00	\$0.00
6-6313 - Employee Ins / Workers Comp	\$23,000.00	BOTH		\$11,500.00	100	\$11,500.00	\$0.00
6-6320 - Legal Fees	\$80,000.00	BOTH		\$40,000.00	100	\$40,000.00	\$0.00
6-6321 - Auditing Fees	\$20,000.00	BOTH		\$10,000.00	100	\$10,000.00	\$0.00
6-6322 - Engineering Fees	\$50,000.00	BOTH		\$25,000.00	100	\$25,000.00	\$0.00
6-6323 - Operators Fee	\$264,000.00	BOTH		\$132,000.00	100	\$132,000.00	\$0.00
6-6325 - Election Expense	\$10,000.00	BOTH		\$5,000.00	100	\$5,000.00	\$0.00
6-6326 - Assessment / Permit Fee	\$10,000.00	BOTH		\$5,000.00	100	\$5,000.00	\$0.00
6-6333 - Bookkeeping	\$34,000.00	BOTH		\$17,000.00	100	\$17,000.00	\$0.00
6-6334 - Financial / Bond Agent	\$3,000.00	BOTH		\$1,500.00	100	\$1,500.00	\$0.00
6-6335 - Security	\$500.00	BOTH		\$250.00	100	\$250.00	\$0.00
6-6338 - Legal Notices & Other Publication	\$600.00	BOTH		\$300.00	100	\$300.00	\$0.00
6-6340 - Office Expenses / Supplies	\$7,500.00	BOTH		\$3,750.00	70	\$2,625.00	\$1,125.00
6-6344 - Office Equipment	\$500.00	BOTH		\$250.00	100	\$250.00	\$0.00
6-6349 - Office Equipment Leasing	\$7,000.00	BOTH		\$3,500.00	100	\$3,500.00	\$0.00
6-6350 - Postage	\$5,000.00	BOTH		\$2,500.00	70	\$1,750.00	\$750.00
6-6351 - Telephone	\$10,000.00	BOTH		\$5,000.00	100	\$5,000.00	\$0.00
6-6352 - Utilities	\$47,000.00	BOTH		\$23,500.00	70	\$16,450.00	\$7,050.00
6-6353 - Insurance & Surety Bond Premium	\$18,000.00	BOTH		\$9,000.00	100	\$9,000.00	\$0.00
6-6357 - Vehicle & Equipment Payments	\$58,000.00	BOTH		\$29,000.00	100	\$29,000.00	\$0.00
6-6359 - Software - Upgrade/Support	\$12,500.00	BOTH		\$6,250.00	100	\$6,250.00	\$0.00
6-6360 - Conferences / Dues	\$1,000.00	BOTH		\$500.00	100	\$500.00	\$0.00
6-6361 - Travel Expenses	\$3,000.00	BOTH		\$1,500.00	100	\$1,500.00	\$0.00
6-6394 - Trinity VFD Expenses	\$10,250.00	BOTH		\$5,125.00	100	\$5,125.00	\$0.00
6-6399 - Garbage	\$2,200.00	BOTH		\$1,100.00	100	\$1,100.00	\$0.00
6-6560 - Payroll Expenses	\$30,000.00	BOTH		\$15,000.00	100	\$15,000.00	\$0.00
6-6600 - Tap Connection	\$50,000.00	BOTH		\$25,000.00	100	\$25,000.00	\$0.00
6-6700 - Shop Expenses	\$43,650.00	BOTH		\$21,825.00	100	\$21,825.00	\$0.00
6-6800 - Fuel	\$12,000.00	BOTH		\$6,000.00	70	\$4,200.00	\$1,800.00
6-7395 - Miscellaneous Expense	\$1,000.00	BOTH		\$500.00	100	\$500.00	\$0.00
6-7396 - Bank Charges & Fees	\$100.00	BOTH		\$50.00	100	\$50.00	\$0.00
6-9000 - Capital Outlay	\$50,000.00	BOTH		\$25,000.00	100	\$25,000.00	\$0.00
		BOTH		\$0.00	100	\$0.00	\$0.00
DEPRECIATION (Audit PAGE 19) = 16%	\$306,294.00	BOTH		\$153,147.00	100	\$153,147.00	\$0.00
TOTAL EXPENSE				\$855,197.00		\$836,402.00	\$18,795.00
SUB-TOTAL				\$855,197.00		\$836,402.00	\$18,795.00
% OF TOTAL (FIXED + VARIABLE)					97%		4%
FROM AUDIT PAGE -20 NOTE -3							
PRINC & INTEREST			\$531,546.00	\$265,773.00		\$266,712.56	\$9,380.22
LESS OTHER REVENUE-TAX			\$322,155.00	-\$161,077.50		-\$155,586.22	-\$5,685.09
LESS OTHER REVENUE			\$78,900.00	-\$39,450.00		-\$38,105.11	-\$1,392.35
LESS Marina Village REVENUE			\$53,800.00	-\$53,800.00		\$0.00	\$0.00
LESS GARBAGE REVENUE			\$0.00	\$0.00		\$0.00	\$0.00
TOTAL				\$ 866,642.50		\$ 899,423.22	\$ 21,097.78



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TABLE 4D – SEWER UTILITY RATES-FY 2023

RATE CALCULATION & DESIGN																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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SUPERIOR MANAGEMENT

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3. OBSERVATIONS, FINDINGS, AND RECOMMENDATIONS:

A. Revenue Risk: This principle seeks to minimize the risk of revenue reduction due to a reduction in water demand. The more of the monthly revenue that is included in the minimum bill the less risk there is to cover fixed costs. Fixed costs are the budgetary costs that do not change (or change very little) from month to month; year to year. Therefore, the fixed cost should be covered by the monthly revenue as generated by the Base Rate to insure "Revenue Stability".

- As proposed, the percentage of the water/sewer revenue generated by the District's Base Rate/Minimum Bill is 97% and the percentage generated by the Variable Rate (per 1000 gallons) is 3%.

B. Financial Integrity: The ability to meet both day-to-day operational expenses as well as unexpected and unbudgeted costs. This includes capital improvements, emergency repairs or improvements, debt service, etc.

C. Sustainability: The ability to become a "self-sustaining" entity without the need for any outside financial assistance in meeting both current and future needs.

This element requires the implementation of an "Asset Management Plan".

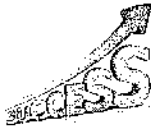
Application of Base Rate by Equivalent Meter Size (ESFC)

METER INVENTORY						
INSERT DATA:						
NO OF 5/8" CUST.=	99%	744	5/8", 3/4"	EQUIV.	1	744.00
NO OF 1" CUST.=	0%	3	1"	EQUIV.	2.5	7.50
NO OF 1-1/2" CUST.=	0%	0	1-1/2"	EQUIV.	5	0.00
NO OF 2" CUST.=	1%	5	2"	EQUIV.	8	40.00
NO OF 2-1/2" CUST.=	0%	0	2-1/2"	EQUIV.	12	0.00
NO OF 3" CUST.=	0%	1	3"	EQUIV.	15	15.00
NO OF 4" CUST.=	0%	0	4"	EQUIV.	25	0.00
NO OF 6" CUST.=	0%	1	6"	EQUIV.	50	50.00
NO OF 8" CUST.=	0%	0	8"	EQUIV.	80	0.00
NO OF 10" CUST.=	0%	0	10"	EQUIV.	115	0.00
	100%	754				857

ESFC Per Water District Financial Management Guide

TCEQ publication RG-080

It is recommended that the District abandoned "Land Use" rates and implement equivalent rates



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Application of "Fair Share" Rate Structure with removal of 3000 gallons included

The District currently includes 3000 gallons with the minimum bill. However, it is not known if the cost of the 3000 gallons were ever included in any previous rate setting exercises. **Therefore, it is recommended that the 3000 gallons be removed from the base rate/minimum bill to distribute the cost of providing service more fairly and to be consistent with today's rate setting practices and principles.**

For instance, if 3000 gallons are included and the cost added to the base rate, then anyone who may use less than 3000 gallons are being billed for gallons that they did not use or benefit from.

Therefore, we recommend that a rate including zero (0) gallons be adopted and each customer pay their fair share of the fixed costs via the base rate and then pay for each 1000 gallons they use each month.

As well as charging rates based on Meter Size "Water Use" and "Capacity Reserved" and not based on land use (commercial, residential, industrial, etc.)

Additionally, all customers should be charged the same rates unless there is a "cost-based justification" for the difference in rates including In District and Out of District customers.

I am happy to discuss the rate study findings and recommendations in detail at your convenience. Thank you for the opportunity to be of service!

Superior Water Management of Texas LLC

By: 

Phillip Givens, Managing Principal



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Additional Source Documents and Information

FY 2023 Adopted Budget Revised

	FYE 2023 New Approved Budget
Income	
6-4100 - Water Revenue	507,500
6-4120 - Connection Fees	5,000
6-4200 - Sewer Revenue	191,000
6-4202 - Inspection Fees	5,000
6-4330 - Delinquency	18,850
6-4340 - Transfer / Reconnection Fees	250
6-4500 - Standby Fees	0
6-4600 - Tap Connection Fees	50,000
6-5304 - Trinity VFD	10,250
6-5380 - Miscellaneous Income	1,000
6-5391 - Interest	1,000
6-5396 - Marina Village Water	33,150
6-5397 - Marina Village Sewer	53,800
6-5398 - Maintenance Tax Collections	322,155
Total Income	1,196,755
Expense	
6-6100 - Water Purchase - TRW	289,500
6-6135 - Water Plant	43,800
6-6136 - Water Distribution Lines	67,000
6-6142 - Water Plant Chemicals	8,000
6-6144 - Water Plant Labs	13,500
6-6145 - Meters & Equipment	20,000
6-6235 - Sewer Plant	35,000
6-6234 - Sewer Sludge Removal	10,000
6-6236 - Sewer Collection Lines	15,500
6-6242 - Sewer Plant Chemicals	16,900
6-6244 - Sewer Plant Labs	2,000
6-6259 - Wastewater Plant RAS	50,000
6-6260 - Lift Stations	50,000
6-6285 - Marina Village Repairs	3,500
6-6286 - Roads	1,000
6-6310 - Director Fees	14,000
6-6311 - Administration & Payroll	135,000
6-6312 - Simple IRA	8,000
6-6313 - Employee Ins / Workers Comp	23,000
6-6320 - Legal Fees	80,000
6-6321 - Auditing Fees	20,000
6-6322 - Engineering Fees	50,000
6-6323 - Operators Fee	264,000
6-6325 - Election Expense	10,000
6-6326 - Assessment / Permit Fee	10,000
6-6333 - Bookkeeping	34,000
6-6334 - Financial / Bond Agent	3,000
6-6335 - Security	500
6-6338 - Legal Notices & Other Publication	500
6-6340 - Office Expenses / Supplies	7,500
6-6344 - Office Equipment	500
6-6349 - Office Equipment Leasing	7,000
6-6350 - Postage	5,000
6-6351 - Telephone	10,000
6-6352 - Utilities	47,000
6-6353 - Insurance & Surety Bond Premium	18,000
6-6357 - Vehicle & Equipment Payments	58,000
6-6359 - Software - Upgrade/Support	12,500
6-6360 - Conferences / Dues	1,000
6-6361 - Travel Expenses	3,000
6-6394 - Trinity VFD Expenses	10,250
6-6399 - Garbage	2,200
6-6560 - Payroll Expenses	30,000
6-6600 - Tap Connection	50,000
6-6700 - Shop Expenses	43,650
6-6800 - Fuel	12,000
6-7395 - Miscellaneous Expense	1,000
6-7396 - Bank Charges & Fees	100
6-9000 - Capital Outlay	50,000
Total Expense	1,646,500
Net Income	-449,745



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FY 2023 Adopted Budget

Westwood Shores MUD		FYE 2023 Approved
Income		
6-4100 · Water Revenue		507,500
6-4120 · Connection Fees		5,000
6-4200 · Sewer Revenue		191,000
6-4202 · Inspection Fees		5,000
6-4330 · Delinquency		16,650
6-4340 · Transfer / Reconnection Fees		250
6-4500 · Standby Fees		45,240
6-4800 · Tap Connection Fees		50,000
6-5304 · Trinity VFD		10,250
6-5380 · Miscellaneous Income		1,000
6-5391 · Interest		1,000
6-5396 · Marina Village Water		33,150
6-5397 · Marina Village Sewer		53,800
6-5398 · Maintenance Tax Collections		485,000
Total Income		1,404,840
Expense		
6-6100 · Water Purchase - TRW		289,500
6-6135 · Water Plant		43,800
6-6136 · Water Distribution Lines		67,000
6-6142 · Water Plant Chemicals		8,000
6-6144 · Water Plant Labs		13,500
6-6145 · Meters & Equipment		20,000
6-6235 · Sewer Plant		35,000
6-6234 · Sewer Sludge Removal		10,000
6-6236 · Sewer Collection Lines		15,500
6-6242 · Sewer Plant Chemicals		16,900
6-6244 · Sewer Plant Labs		2,000
6-6259 · Wastewater Plant RAS		50,000
6-6260 · Lift Stations		50,000
6-6285 · Marina Village Repairs		3,500
6-6286 · Roads		1,000
6-6310 · Director Fees		14,000
6-6311 · Administration & Payroll		135,000
6-6312 · Simple IRA		8,000
6-6313 · Employee Ins / Workers Comp		23,000
6-6320 · Legal Fees		80,000
6-6321 · Auditing Fees		20,000
6-6322 · Engineering Fees		50,000
6-6325 · Operators Fee		264,000
6-6326 · Election Expense		10,000
6-6326 · Assessment / Permit Fee		10,000
6-6333 · Bookkeeping		34,000
6-6334 · Financial / Bond Agent		3,000
6-6335 · Security		500
6-6338 · Legal Notices & Other Publication		600
6-6340 · Office Expenses / Supplies		7,500
6-6344 · Office Equipment		7,000
6-6349 · Office Equipment Leasing		5,000
6-6350 · Postage		5,000
6-6351 · Telephone		10,000
6-6352 · Utilities		47,000
6-6353 · Insurance & Surety Bond Premium		18,000
6-6359 · Software - Upgrade/Support		12,500
6-6360 · Conferences / Dues		1,000
6-6361 · Travel Expenses		3,000
6-6394 · Trinity VFD Expenses		10,250
6-6399 · Garbage		2,200
6-6560 · Payroll Expenses		30,000
6-6600 · Tap Connection		50,000
6-6700 · Shop Expenses		43,650
6-6800 · Fuel		12,000
6-7395 · Miscellaneous Expense		1,000
6-7396 · Bank Charges & Fees		100
6-9000 · Capital Outlay		50,000
Total Expense		1,588,500
Net Income		-183,660

Other Revenue
\$124,140



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CURRENT RATES



Westwood Shores M.U.D

75 Cottonwood
Trinity, TX 75862

October 17, 2022

Valued Customers,

We have recently had a professional Rate Study provided by Superior Management, which recommended a rate increase, necessary to maintain infrastructure and supply service. The new rates were approved by the MUD Board at the 10/17/2022 meeting and will take effect immediately. We did not make this decision lightly and understand that it may cause some inconvenience.

We appreciate your business and hope that you will continue to support us in the future. If you have any questions or concerns, please do not hesitate to contact us. 936-594-3411 or customerservice@westwoodshoresmud.com

New Amended Water/Sewer Rates

WATER Meters	Water Monthly	Sewer Monthly
CONNECTION SIZE	MINIMUM BILL	
5/8", 3/4"	\$60.00	\$30.00
1"	\$65.00	\$30.00
2"	\$105.00	\$30.00
3"	\$155.00	\$30.00
6"	\$670.00	\$30.00

INCREASING BLOCK RATES

0 gallons - 3,000 gallons	\$9.00 per 1,000 gallons
3,000 gallons - 5,000 gallons	\$9.50 per 1,000 gallons
5,000 gallons - 7,000 gallons	\$10.00 per 1,000 gallons
7,000 gallons - 9,000 gallons	\$10.50 per 1,000 gallons
9,000 gallons - 12,000 gallons	\$11.00 per 1,000 gallons
12,000 gallons - 15,000 gallons	\$11.50 per 1,000 gallons
15,000 gallons - 20,000 gallons	\$12.00 per 1,000 gallons
Over 20,000 gallons	\$12.50 per 1,000 gallons

All water tap charges will be at meter size rate above

All sewer taps or connections will be charged at \$30.00 per connection



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PRIOR RATES

RESIDENTIAL MONTHLY WATER/SEWER RATES

	\$30.00 (minimum monthly charge per connection) for 0-1,000 Gallons of Water Usage
1,000 TO 3,000 Gallons Water	\$45.00 (minimum monthly charge per connection)
Sewer Rates	\$20.00 (minimum monthly charge per connection)
TOTAL MONTHLY RESIDENTIAL WATER/SEWER RATES	\$65.00 (MINIMUM MONTHLY CHARGE PER CONNECTION)

MINIMUM MONTHLY WATER USAGE CHARGE OVER 3,000 GALLONS

3,000 TO 20,000 Gallons	\$9.50 per 1,000 gallons usage
Over 20,000 Gallons	\$10.00 per 1,000 gallons usage

COMMERCIAL MONTHLY WATER/SEWER RATES

0 - 3,000 Gallons Water	\$49.00 (minimum monthly charge per connection)
Sewer Rates	\$24.00 (minimum monthly charge per connection)

Phone: 936-594-3411 Fax: 936-594-0408
www.westwoodshoresmud.com WWSMUD Office

Page 6

Amended Rate Order, January 20, 2022

TOTAL MONTHLY COMMERCIAL WATER/SEWER RATES	\$73.00 (MINIMUM MONTHLY CHARGE PER CONNECTION)
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METER INVENTORY

For the meter size, we need the section in green completed for each "active" meter size.

METER INVENTORY						
INSERT DATA:						
NO OF 5/8" CUST.=		744	5/8", 3/4"	EQUIV.	1	
NO OF 1" CUST.=		3	1"	EQUIV.	2.5	
NO OF 1-1/2" CUST.=			1-1/2"	EQUIV.	5	
NO OF 2" CUST.=		5	2"	EQUIV.	8	
NO OF 2-1/2" CUST.=			2-1/2"	EQUIV.	12	
NO OF 3" CUST.=		1	3"	EQUIV.	15	
NO OF 4" CUST.=			4"	EQUIV.	25	
NO OF 6" CUST.=		1	6"	EQUIV.	50	
NO OF 8" CUST.=			8"	EQUIV.	80	
NO OF 10" CUST.=			10"	EQUIV.	115	
		754				
ESFC Per Water District Financial Management Guide			TCEQ publication RG-080			

From: Phillip Givens <phillipgivens@superiormanagementtexas.com>
Sent: Wednesday, July 6, 2022 2:02 PM
To: Tricia Elliott <tricia@westwoodshoresmud.com>
Subject: Re: Rate Study Agreement

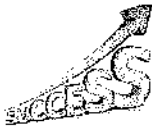
GALLONS BILLED DATA

WESTWOOD SHORES MUD Consumption History - Summary

Sort Order: Customer No.
From 1/1/2021 Through 12/31/2021

Limited to : Cycle 1 - CYCLE 1

Service	Units	Revenue	IRB Code	Actual	Adjusted	Billed	Change
SEWER	gal	Commercial	SEW02	681,894.00	0.00	681,894.00	8,662.95
Total SEWER - gal				681,894.00	0.00	681,894.00	8,662.95
WATER	gal	Commercial	CWAT01	681,894.00	0.00	681,894.00	11,867.90
		Residential	CWAT01	25.00	0.00	25.00	30.00
		Industrial	WAT01	28,368.00	0.00	28,368.00	584.19
		Residential	WAT01	27,384,030.00	55,495.00	27,439,525.00	454,985.04
Total WATER - gal				28,094,317.00	55,495.00	28,149,812.00	467,467.12



SUPERIOR MANAGEMENT

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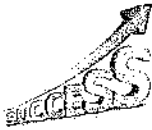
Website: www.superiormanagementtexas.com

DEPRECIATION (FROM AUDIT)

A summary of changes in capital assets for the year ended June 30, 2021, is as follows:

	BALANCE 06/30/2020	ADDITIONS	DELETIONS/ PLACED IN SERVICE	BALANCE 06/30/2021
Capital Assets, Not Being Depreciated:				
Land easements and rights-of-way	\$ 21 571	\$ -	\$ -	\$ 21 571
Construction in progress	242 339	63 000	-	305 339
TOTAL NOT BEING DEPRECIATED	263 910	63 000	-	326 910
Capital Assets, Being Depreciated:				
Roads	52 742	-	-	52 742
Furniture and equipment	293 323	109 076	(82 062)	317 337
Rolling stock	178 595	-	-	178 595
Buildings and improvements	312 988	-	-	312 988
Water system	3 932 931	-	-	3 932 931
Wastewater system	3 366 259	-	-	3 366 259
Distribution lines and connections	4 785 249	-	-	4 785 249
TOTAL BEING DEPRECIATED	12 922 087	109 076	(82 062)	12 946 101
Less Accumulated Depreciation:				
Roads	(46 730)	(587)	-	(46 317)
Furniture and equipment	(195 876)	(7 749)	10 176	(193 449)
Rolling stock	(91 396)	(17 820)	-	(109 216)
Buildings and improvements	(97 478)	(8 498)	-	(105 976)
Water system	(1 984 630)	(165 163)	-	(2 149 793)
Wastewater system	(1 437 216)	(104 946)	-	(1 542 162)
Distribution lines and connections	(4 782 789)	(1 531)	-	(4 784 320)
TOTAL ACCUMULATED DEPRECIATION	(8 636 115)	(306 294)	10 0176	(8 932 233)
TOTAL BEING DEPRECIATED, NET	4 285 972	(200 218)	(71 886)	4 013 868
TOTAL CAPITAL ASSETS, NET	\$ 4 549 882	\$ (137 218)	\$ (71 886)	\$ 4 340 778

Depreciation expense of \$306,294 was charged to governmental funds as of June 30, 2021.



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DEBT SERVICE REQUIREMENTS – FY2023 = \$531,546.00

WESTWOOD SHORES MUNICIPAL UTILITY DISTRICT NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

NOTE 3 - DETAILED NOTES ON ALL FUNDS - CONTINUED

LIABILITIES

Long-term Debt:

Long-term debt activity for the year ended June 30, 2021, was as follows:

	BALANCE 06/30/2020	ADDITIONS	REDUCTIONS	BALANCE 06/30/2021	DUE WITHIN ONE YEAR
2010B Bonds	\$ 1,230,000		\$ (105,000)	\$ 1,125,000	\$ 105,000
2017 Bonds	1,395,000		(125,000)	\$ 1,270,000	125,000
2020A Bonds		1,560,000	(70,000)	1,490,000	70,000
2020B Bonds		1,400,000	(65,000)	1,335,000	65,000
Capital Leases	71,725	40,814	(27,885)	84,654	28,504
TOTAL LONG-TERM DEBT	\$ 2,696,725	\$ 3,000,814	\$ (392,885)	\$ 5,304,654	\$ 244,280

The annual debt service requirements to maturity for long-term debt are as follows:

YEAR ENDING JUNE 30	BONDS		CAPITAL LEASES	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2022	\$ 365,000	\$ 94,656	\$ 28,504	\$ 2,491
2023	385,000	88,551	55,150	1,845
2024	390,000	81,832	-	-
2025	395,000	74,822	-	-
2026	405,000	67,339	-	-
Thereafter	3,280,000	308,758	-	-
TOTAL	\$ 4,820,000	\$ 715,978	\$ 84,654	\$ 4,336

At year end, the District had \$31,741 available in the debt service fund to service long-term debt.

Bonds payable at June 30, 2021, are comprised of the following:

Unlimited Tax Bonds, Series 2010A and 2010B. In May, 2010, the District issued \$2,040,000 in unlimited tax bonds, through the Texas Water Development Board. Proceeds of the bonds were to be used for major improvements to the District's wastewater treatment system. The project was completed as of May 1, 2013. The bonds were issued as follows:

Series 2010A. \$215,000 of serial bonds which were fully paid off, and removed from the District's books as of June 30, 2014.

Series 2010B. Issued through the Clean Water State Revolving Fund, \$1,825,000 of serial bonds bearing interest at rates of 0.40% to 3.20% and maturing from 2011 to 2030. The bonds are redeemable in whole or in part, beginning on May 1, 2011, and on any accrued interest date thereafter as provided by the bond order.

The Series 2010B bonds are secured by the District's ad valorem taxes and require annual payments of principal on May 1, and semi-annual payments of interest on May 1 and November 1, at varying amounts. The bond resolution requires cash from the original issue that is remaining after the completion of the construction project to be transferred to the debt service fund for payment of principal and interest. The bonds have been recorded in the debt service fund.

Unlimited Tax Refunding Bonds, Series 2017. The District issued \$1,635,000 of Unlimited Tax Refunding Bonds, through the Texas Water Development Board. The net proceeds were used to advance refund a portion of the Unlimited Tax and Revenue Bonds Series 2007, bearing interest at 2.39% and maturing in 2030.

The Series 2017 bonds are secured by the District's ad valorem taxes and require annual payments of principal on May 1, and semi-annual payments of interest on May 1 and November 1, at varying amounts.

Unlimited Tax Bonds, Series 2020A and 2020B. The District issued \$2,960,000 in unlimited tax bonds, through the Texas Water Development Board. Proceeds of the bonds will be used for major improvements to the District's water and wastewater treatment system. The project is still under construction. The bonds were issued as follows:

Series 2020A. \$1,550,000 of serial bonds issued bearing interest rates of 0.110% to 1.68% and maturing in 2040.

Series 2020B. \$1,400,000 of serial bonds issued bearing interest rates of 0.16% to 1.73% and maturing in 2040.

12-16-23 – Moved in, water service was already connected as the builder had not closed the account. Water was brown and foul smelling.

I did not timely go and establish an account for myself.

12-27-23 A lady came to my door and told me that I needed to pay a \$300 deposit and establish an account because the builder would be closing his account. This is the first time I was told of a \$300 deposit. I have good credit, so this was unexpected.

12-28-23 My water was shut off

12-29-23 I went and established an account and paid the \$300 deposit. They told me there would be no reconnection fee. And there wasn't. **I was not charged a reconnection fee.**

This is how the \$300 deposit is broken down:

NOTE: A deposit of \$300 is required prior to service being connected. \$200 deposit will be returned when the resident moves from the district service address. Connect fee of \$50 and Customer Service Inspection fee of \$50 are **non-refundable**.

Here are the fees that had already been paid by the builder:

BUILDER FEES			
SHORT WATER/SEWER TAP FEES	AMOUNT	LONG WATER/SEWER TAP FEES	AMOUNT
*Up to 1" Water Tap Including Meter & Box	\$1,375.00	*Up to 1" Water Tap Including Meter & Box	\$2,450.00
**Sewer Pre- Construction Inspection	\$20.00	**Sewer Pre- Construction Inspection	\$20.00
**Plumbing Inspection Permit	\$25.00	**Plumbing Inspection Permit	\$25.00
Customer Service Inspection	\$50.00	Customer Service Inspection	\$50.00
Administrative Fee	\$150.00	Administrative Fee	\$150.00

I questioned them about the connection fee, considering water was already connected when I moved in.

I asked for documentation of the inspection I was being charged for. No one had been to my home to do the alleged inspection.

My questions went unacknowledged until recently.

They could provide no documentation of this "inspection". **They credited me \$50 for the inspection fee.**

They did not credit me for the \$50 connection fee. The reason being, is that they are now charging me \$50 for the RE-connection. (Over 2 months later)

***These actions are tantamount to MUD's acknowledging that these fees are fabricated**

***My service was illegally disconnected without the required proper notice**

Executive Summary – Enforcement Matter – Case No. 63729
Westwood Shores Municipal Utility District
RN101175560
Docket No. 2023-0338-PWS-E

Order Type:

Findings Agreed Order

Findings Order Justification:

Three repeated enforcement actions (or two orders with nuisance violations) over the prior five year period for the same violation(s).

Media:

PWS

Small Business:

No

Location(s) Where Violation(s) Occurred:

Westwood Shores MUD, 75 Cottonwood Road near Trinity, Trinity County

Type of Operation:

Public water supply

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: July 21, 2023

Comments Received: No

Penalty Information

Total Penalty Assessed: \$2,975

Total Paid to General Revenue: \$2,975

Total Due to General Revenue: \$0

Payment Plan: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Unclassified

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: January 2021

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: February 20, 2023 through March 3, 2023

Date(s) of NOE(s): March 3, 2023

Violation Information

Failed to comply with the maximum contaminant level of 0.080 milligrams per liter for total trihalomethanes based on the locational running average [30 TEX. ADMIN. CODE § 290.115(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].

Executive Summary – Enforcement Matter – Case No. 63729
Westwood Shores Municipal Utility District
RN101175560
Docket No. 2023-0338-PWS-E

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

The Order will require the Respondent to:

- a. Within 365 days, return to compliance with the maximum contaminant level for total trihalomethanes based on the locational running annual average; and
- b. Within 380 days, submit written certification to demonstrate compliance with a.

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Kaisie Hubschmitt, Enforcement Division,
Enforcement Team 5, MC 219, (512) 239-1482; Michael Parrish, Enforcement Division,
MC 219, (512) 239-2548

Respondent: Joan Gallagher, President, Westwood Shores Municipal Utility District, 75
Cottonwood Road, Trinity, Texas 75862

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES Assigned 6-Mar-2023
PCW 9-Mar-2023 Screening 9-Mar-2023 EPA Due 30-Jun-2023

RESPONDENT/FACILITY INFORMATION

Respondent Westwood Shores Municipal Utility District
Reg. Ent. Ref. No. RN101175560
Facility/Site Region 10-Beaumont Major/Minor Source Minor

CASE INFORMATION

Enf./Case ID No. 63729 No. of Violations 1
Docket No. 2023-0338-PWS-E Order Type Findings
Media Program(s) Public Water Supply Government/Non-Profit Yes
Multi-Media Enf. Coordinator Kaisie Hubschmitt
EC's Team Enforcement Team 5
Admin. Penalty \$ Limit Minimum \$50 Maximum \$5,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 \$2,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 19.0% Adjustment Subtotals 2, 3, & 7 \$475

Notes Enhancement for three NOVs with same/similar violations and two NOVs with dissimilar violations.

Culpability No 0.0% Enhancement Subtotal 4 \$0

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments Subtotal 5 \$0

Economic Benefit 0.0% Enhancement* Subtotal 6 \$0

Total EB Amounts \$688
Estimated Cost of Compliance \$5,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal \$2,975

OTHER FACTORS AS JUSTICE MAY REQUIRE 0.0% Adjustment \$0

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount \$2,975

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty \$2,975

DEFERRAL 0.0% Reduction Adjustment \$0

Reduces the Final Assessed Penalty by the indicated percentage.

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY \$2,975

Screening Date 9-Mar-2023

Docket No. 2023-0338-PWS-E

PCW

Respondent Westwood Shores Municipal Utility District

Policy Revision 5 (January 28, 2021)

Case ID No. 63729

PCW Revision February 11, 2021

Reg. Ent. Reference No. RN101175560

Media Public Water Supply

Enf. Coordinator Kaisie Hubschmitt

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	3	15%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgments or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 19%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for three NOVs with same/similar violations and two NOVs with dissimilar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 19%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 19%

Screening Date	9-Mar-2023	Docket No.	2023-0338-PWS-E	PCW
Respondent	Westwood Shores Municipal Utility District	Policy Revision 5 (January 28, 2021)		
Case ID No.	63729	PCW Revision February 11, 2021		
Reg. Ent. Reference No.	RN101175560			
Media	Public Water Supply			
Enf. Coordinator	Kaisie Hubschmitt			
Violation Number	1			
Rule Cite(s)	30 Tex. Admin. Code § 290.115(f)(1) and Tex. Health & Safety Code § 341.0315(c)			
Violation Description	<p>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 average. Specifically, the locational running annual average concentrations of TTHM for Stage 2 Disinfection Byproducts ("DBP2") at Site 1 were 0.102 mg/L for the third quarter of 2022, 0.106 mg/L for the fourth quarter of 2022, and 0.102 mg/L for the first quarter of 2023, and at Site 2 were 0.087 mg/L for the third quarter of 2022, 0.095 mg/L for the fourth quarter of 2022, and 0.100 mg/L for the first quarter of 2023.</p>			
		Base Penalty	\$5,000	
>> Environmental, Property and Human Health Matrix				
OR	Release	Harm		
		Major Moderate Minor		
	Actual	x		
	Potential		Percent	25.0%
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
			Percent	0.0%
Matrix Notes	Exceeding the MCL for TTHM caused persons served by the Facility to be exposed to a significant amount of contaminants which did not exceed levels protective of human health.			
		Adjustment	\$3,750	
			\$1,250	
Violation Events				
Number of Violation Events		2	273	Number of violation days
	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual	x		
	single event			
		Violation Base Penalty		
		\$2,500		
Two annual events are recommended (one for each site).				
Good Faith Efforts to Comply		0.0%	Reduction	\$0
	Extraordinary		Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer	
	Ordinary			
	N/A	x		
Notes	The Respondent does not meet the good faith criteria for this violation.			
		Violation Subtotal	\$2,500	
Economic Benefit (EB) for this violation		Statutory Limit Test		
Estimated EB Amount		\$688	Violation Final Penalty Total	\$2,975
		This violation Final Assessed Penalty (adjusted for limits)		
		\$2,975		

Economic Benefit Worksheet

Respondent Westwood Shores Municipal Utility District
Case ID No. 63729
Reg. Ent. Reference No. RN101175560
Media Public Water Supply
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$5,000	30-Sep-2022	16-Sep-2024	1.96	\$33	\$655	\$688
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The other (as needed) cost includes the estimated cost to investigate, identify, and implement the necessary corrective actions to return to compliance with the MCL for TTHM, calculated from the last day of the first quarter of noncompliance to the estimated date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$688



Compliance History Report

Compliance History Report for CN600623631, RN101175560, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or Owner/Operator: CN600623631, Westwood Shores Municipal Utility District
Classification: SATISFACTORY
Rating: 1.67

Regulated Entity: RN101175560, WESTWOOD SHORES MUD
Classification: UNCLASSIFIED
Rating: -----

Complexity Points: 0
Repeat Violator: NO

CH Group: 14 - Other

Location: 75 Cottonwood Road near Trinity, Trinity County, Texas

TCEQ Region: REGION 10 - BEAUMONT

ID Number(s):
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION
2280016

Compliance History Period: September 01, 2017 to August 31, 2022
Rating Year: 2022
Rating Date: 09/01/2022

Date Compliance History Report Prepared: May 16, 2023

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: May 16, 2018 to May 16, 2023

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.
Name: Kaisie Hubschmitt
Phone: (512) 239-1482

Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO

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

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

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

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

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

- 1 Date: 08/31/2022 (1880558)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.115(f)(1)
Description: TTHM LRAA MCL 3Q2022 - During the 3rd quarter of 2022 the system violated the maximum contaminant level for trihalomethanes with a LRAA of 0.102 mg/L at 73 Cotton Wood, Trinity (DBP2-01) and with a LRAA of 0.087 mg/L at Guard Shack ENT: 100 Westwood E, Trinity (DBP2-02). ETT Point Value = 5
- 2 Date: 12/15/2022 (1880558)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.115(f)(1)

Description: TTHM LRAA MCL 4Q2022 – During the 4th quarter of 2022 the system violated the maximum contaminant level for trihalomethanes with a LRAA of 0.106 mg/L at 73 Cotton Wood, Trinity (DBP2-01) and with a LRAA of 0.095 mg/L at Guard Shack ENT: 100 Westwood E, Trinity (DBP2-02). ETT Point Value = 5

- 3 Date: 01/17/2023 (1868046)
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(l)
- Description: Failure by Westwood Shores MUD to flush all dead-end flush valves on a monthly basis.
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(3)(B)(ix)
- Description: Failure by Westwood Shores MUD to maintain a complete record of chloramine effectiveness sampling monitoring results.
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)
- Description: Failure by Westwood Shores MUD to perform maintenance and housekeeping practices to ensure the good working condition and general appearance of the system's facilities and equipment.
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.42(e)(5)
- Description: Failure by Westwood Shores MUD to house hypochlorination solution containers and chemical pumps in a secure enclosure to protect them from adverse weather conditions.
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(2)
- Description: Failure by Westwood Shores MUD to have operational records available for review upon request.
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.42(j)
- Description: Failure by Westwood Shores MUD to provide ANSI/NSF certification of chemicals.
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(n)(2)
- Description: Failure by Westwood Shores MUD to have a complete distribution map.
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 290, SubChapter D 290.41(c)(3)(O)
- Description: Failure by Westwood Shores MUD to protect all wells with an intruder-resistant fence or locked, ventilated well house.
- 4 Date: 02/15/2023 (1880558)
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 290, SubChapter F 290.115(f)(1)
- Description: TTHM LRAA MCL 1Q2023 – During the 1st quarter of 2023 the system violated the maximum contaminant level for trihalomethanes with a LRAA of 0.102 mg/L at 73 Cotton Wood, Trinity (DBP2-01) and with a LRAA of 0.100 mg/L at Guard Shack ENT: 100 Westwood E, Trinity (DBP2-02). ETT Point Value = 5
- 5 Date: 04/21/2023 (1881674)
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(2)
- Description: Failure by Westwood Shores MUD to have operating records available to the executive director upon request.

F. Environmental audits:

N/A

G. Type of environmental management systems (EMSs):

N/A

H. Voluntary on-site compliance assessment dates:

N/A

I. Participation in a voluntary pollution reduction program:

N/A

J. Early compliance:

N/A

Sites Outside of Texas:

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
WESTWOOD SHORES MUNICIPAL
UTILITY DISTRICT
RN101175560

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

AGREED ORDER DOCKET NO. 2023-0338-PWS-E

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Westwood Shores Municipal Utility District (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 presented this Order to the Commission.

The Respondent understands that they have certain procedural rights at certain points in the enforcement process, including the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated 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. The duties and responsibilities imposed by this Order are binding upon the Respondent.

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

I. FINDINGS OF FACT

1. The Respondent owns and operates a public water supply located at 75 Cottonwood Road near Trinity, Trinity County, Texas (the "Facility"). The Facility provides water for human consumption, has approximately 911 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(71).
2. During a record review for the Facility conducted on February 20, 2023 through March 3, 2023, an investigator documented that the locational running annual average concentrations of total trihalomethanes ("TTHM") for Stage 2 Disinfection Byproducts ("DBP2") at Site 1 were 0.102 milligrams per liter ("mg/L") for the third quarter of 2022, 0.106 mg/L for the fourth quarter of 2022, and 0.102 mg/L for the first quarter of 2023, and at Site 2 were 0.087 mg/L for the third quarter of 2022, 0.095 mg/L for the fourth quarter of 2022, and 0.100 mg/L for the first quarter of 2023.

II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE Ch. 341 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2, the Respondent failed to comply with the maximum contaminant level ("MCL") of 0.080 mg/L for TTHM, based on the locational running average, in violation of 30 TEX. ADMIN. CODE § 290.115(f)(1) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
3. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049(a), the TCEQ has the authority to assess an administrative penalty against the Respondent for violations of state statutes within the TCEQ's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
4. An administrative penalty in the amount of \$2,975 is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049(b). The Respondent paid the \$2,975 penalty.

III. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 4 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Westwood Shores Municipal Utility District, Docket No. 2023-0338-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 365 days after the effective date of this 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.
 - b. Within 380 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 No. 2.a. 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:

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

with a copy to:

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

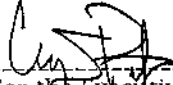
3. All relief not expressly granted in this Order is denied.
4. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced 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 Enforcement Division at the address listed above.
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 in this Order.
7. 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.
8. 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.
9. 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.
 10. 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



For the Executive Director

Date

7/26/2023

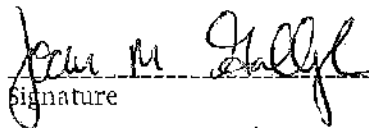
Date

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 OAG 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 OAG 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

Dec 19, 2023

Date

Joan M. Gallegher

Name (Printed or typed)

President

Title

Authorized Representative of

Westwood Shores Municipal Utility District

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

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