



## **Filing Receipt**

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**Item Number - 9**

**DOCKET NO. 58098**

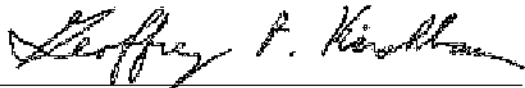
<b>APPLICATION OF T&amp;W WATER</b>	<b>§</b>	<b>PUBLIC UTILITY COMMISSION</b>
<b>SERVICE COMPANY DBA BLUE</b>	<b>§</b>	
<b>TOPAZ UTILITIES AND INLINE</b>	<b>§</b>	<b>OF TEXAS</b>
<b>UTILITIES, LLC FOR SALE,</b>	<b>§</b>	
<b>TRANSFER, OR MERGER OF</b>	<b>§</b>	
<b>FACILITIES AND CERTIFICATE</b>	<b>§</b>	
<b>RIGHTS IN HARRIS COUNTY</b>	<b>§</b>	

**APPLICANTS' RESPONSE TO COMMISSION STAFF'S  
FIRST REQUEST FOR INFORMATION**

To: Commission Staff, by and through its attorney of record, Anthony Kanalas, Public Utility Commission of Texas, 1701 N. Congress Ave., Austin, Texas 78711.

T&W Water Service Company dba Blue Topaz Utilities (T&W) serves the following Response to Commission Staff's First Request for Information to T&W Water Service Company dba Blue Topaz Utilities and Inline Utilities, LLC (collectively, Applicants). Questions Nos. Staff 1-1 through Staff No. 1-9. T&W stipulates that the following responses to RFIs may be treated by all parties as if the answer was filed under oath.

Respectfully submitted,

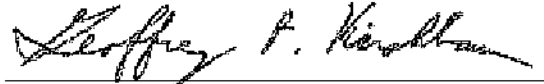
By: 

Geoffrey P. Kirshbaum  
State Bar No. 24029665  
TERRILL & WALDROP  
810 W. 10<sup>th</sup> Street  
Austin, Texas 78701  
(512) 474-9100  
(512) 474-9888 (fax)  
gkirshbaum@terrillwaldrop.com

**ATTORNEYS FOR T&W WATER SERVICE  
COMPANY**

### CERTIFICATE OF SERVICE

I hereby CERTIFY that, unless otherwise ordered by the presiding officer, notice of the filing of this document was provided to all parties of record via electronic mail on June 30, 2025, in accordance with the Orders Suspending Rules issued in Project No. 50664.

A handwritten signature in black ink, reading "Geoffrey P. Kirshbaum". The signature is written in a cursive, flowing style. The first name "Geoffrey" is written with a large, stylized 'G'. The last name "Kirshbaum" is written with a large, stylized 'K' and a long, sweeping tail that extends to the right.

Geoffrey P. Kirshbaum

## **Capital Improvement Plan (expanded from Question 10 of the application)**

**Staff 1-1** If the infrastructure is not already in place or if existing infrastructure needs repairs and improvements to provide continuous and adequate service to the requested area, a capital improvement plan, including a budget and an estimated timeline for construction of all facilities necessary to provide full service to the requested area, keyed to a map showing where such facilities will be located to provide service is required. Please provide the following for improvements to be installed or contemplated for installation by the applicant:

Provide supplemental data referencing Attachment 1 and 10 provided in the application to ensure each category below is adequately addressed:

- A. an itemized list of the capital improvements or repairs;
- B. a budget or costs allocated for each capital improvement or repair;
- C. an estimated timeline for construction of all facilities to provide full service to the requested area;
- D. a keyed map showing where facilities will be located to provide service; and
- E. a description of the sources of funding for all facilities.

**RESPONSE:** See RFI 1-1 Capital Improvements – Inline Utilities – CONFIDENTIAL attached to this response.

Maps showing current Inline water and wastewater system facilities were included in the engineering report filed with the FMV reports at T&W 002163 and T&W 002233. See Attachment 12 to the Application. The Parties do not have a map showing the location of the planned improvements included in Capital Improvements – Inline Utilities. Detailed information as to the location of those planned system improvements is not yet available and some items are not capable of being mapped.

Capital for funding the construction of the facilities will be provided by Company. See Attachment-9 Surety Bond and Affidavit to the Application.

Prepared by: Deanna Degeyter, General Manager – T&W Water Service Company

Sponsored by: Deanna Degeyter, General Manager – T&W Water Service Company

## **RESPONSES TO RFIS**

### **Texas Commission on Environmental Quality (TCEQ)**

**Staff 1-2** Please see question 22. B of the application and confirm that the wastewater transfer permit request has been submitted to the TCEQ. Proof of submittal of the transfer request to the TCEQ must be filed in the record prior to the order approving the sale to go forward in this docket.

**RESPONSE:** The wastewater transfer permit request has not yet been submitted to TCEQ. However, the Applicants plan to prepare and file the wastewater transfer permit request with TCEQ prior to closing on the transfer.

**Prepared by:** Deanna Degeyter, General Manager – T&W Water Service Company

**Sponsored by:** Deanna Degeyter, General Manager – T&W Water Service Company

## **RESPONSES TO RFIS**

**Staff 1-3** Please point to the location in the record or provide the TCEQ comprehensive compliance investigation for the Cottage Gardens Public Water System, (PWS) ID No. 1013271, dated July 11, 2023.

**RESPONSE:** See attached document RFI 1-3 Agreed Order.

Prepared by: Deanna Degeyter, General Manager – T&W Water Service Company

Sponsored by: Deanna Degeyter, General Manager – T&W Water Service Company

## **RESPONSES TO RFIS**

**Staff 1-4** Please point to the location in the record or provide the TCEQ comprehensive compliance investigation for the Inline Utilities Wastewater Treatment Plant (WWTP) under discharge permit no. WQ0013942001 dated January 7, 2020.

**RESPONSE:** See attached document RFI 1-4 TCEQ Investigation.

Prepared by: Deanna Degeyter, General Manager – T&W Water Service Company

Sponsored by: Deanna Degeyter, General Manager – T&W Water Service Company

## **RESPONSES TO RFIS**

### **Fair Market Value**

Please provide the following:

**Staff 1-5**      Invoices from Steven McDonald for services performed and proof of payment,

**RESPONSE:**      See the attached –Proof of Payment Documentation - CONFIDENTIAL  
and RFI 1-5 Raftelis Invoice - CONFIDENTIAL.

Prepared by:      Deanna Degeyter, General Manager – T&W Water Service Company

Sponsored by:      Deanna Degeyter, General Manager – T&W Water Service Company

## **RESPONSES TO RFIS**

**Staff 1-6**      The executed service agreement with the engineering firm,

**RESPONSE:**      See attached document RFI 1-6 Water Engineers FMV Agreement -  
CONFIDENTIAL.

Prepared by:      Deanna Degeyter, General Manager – T&W Water Service Company

Sponsored by:      Deanna Degeyter, General Manager – T&W Water Service Company

## **RESPONSES TO RFIS**

**Staff 1-7**      Proof of payments to the engineering firm,

**RESPONSE:**      See the attached Proof of Payment Documentation - CONFIDENTIAL. The engineers were paid by the FMV Consultants and the FMV consultants passed the charge through to the buyer. Please refer to the agreements with the FMV consultants.

Prepared by:      Deanna Degeyter, General Manager – T&W Water Service Company

Sponsored by:      Deanna Degeyter, General Manager – T&W Water Service Company

## **RESPONSES TO RFIS**

**Staff 1-8** Exhibit A for the service agreements with Kyle R. Schroder and Joseph E. Batis, and

**RESPONSE:** Please see the attached document RFI 1-8 Exhibit A Texas Values – CONFIDENTIAL and RFI 1-8 Exhibit A Utility Valuation Experts – CONFIDENTIAL.

Prepared by: Deanna Degeyter, General Manager – T&W Water Service Company

Sponsored by: Deanna Degeyter, General Manager – T&W Water Service Company

## **RESPONSES TO RFIS**

**Staff 1-9**      Proof of payments to each of the appraisers.

**RESPONSE:**      See the attached Proof of Payment Documentation – CONFIDENTIAL.

Prepared by:      Deanna Degeyter, General Manager – T&W Water Service Company

Sponsored by:      Deanna Degeyter, General Manager – T&W Water Service Company

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
INLINE UTILITIES, LLC  
RN102975737

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

## AGREED ORDER DOCKET NO. 2021-0332-PWS-E

### I. JURISDICTION AND STIPULATIONS

On FEB 01 2022, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Inline Utilities, LLC (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341 and TEX. WATER CODE ch. 5. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates a public water supply located at 10027 1/2 Sweet Nectar Lane near Tomball, Harris County, Texas (the "Facility"). The Facility provides water for human consumption, has approximately 349 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. 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 § 341.031 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 341, TEX. WATER CODE ch. 5, 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 \$100 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$80 of the penalty and \$20 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 Executive Director recognizes that on March 22, 2021, the Respondent submitted a drawing of the ground storage tank ("GST").

## II. ALLEGATIONS

1. During a record review conducted on January 12, 2021, an investigator documented that the Respondent:
  - a. Failed to maintain at the public water system accurate and up-to-date detailed as-built plans or record drawings and specifications for each treatment plant, pump station, and storage tank until the Facility is decommissioned, in violation of 30 TEX. ADMIN. CODE § 290.46(n)(1). Specifically, a drawing of the GST was not provided.
  - b. Failed to keep on file copies of the well completion data as defined in 30 TEX. ADMIN. CODE § 290.41(c)(3)(A) for as long as the well remains in service, in violation of 30 TEX. ADMIN. CODE § 290.46(n)(3). Specifically, a 36-hour pump test for Well No. 2 was not provided, and a Driller's log, a cementing certificate, a legible copy of the recorded deed or deeds for all real property within 150 feet of the well, a legible copy of the sanitary control easement(s), and a legible copy of a United States Geological Survey ("USGS") 7.5-minute topographic quadrangle showing the accurate well location for Well Nos. 1 and 2 were not provided.
2. During a record review conducted on March 5, 2021, an investigator documented that the Respondent:
  - a. Failed to pay Public Health Service fees and/or any associated late fees for TCEQ Financial Administration Account No. 91013271 for Fiscal Year 2021, in violation of 30 TEX. ADMIN. CODE § 290.51(a)(6) and TEX. WATER CODE § 5.702.
  - b. Failed to pay regulatory assessment fees for the TCEQ Public Utility Account regarding Certificate of Convenience and Necessity No. 12946 for calendar year

2020, in violation of 30 TEX. ADMIN. CODE § 291.76 and TEX. WATER CODE § 5.702.

### 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 No. 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: Inline Utilities, LLC, Docket No. 2021-0332-PWS-E" to:

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

2. The Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Order:
    - i. Submit payment for all outstanding fees, interest, and penalties for TCEQ Financial Administration Account No. 91013271. The payment shall be sent with the notation "Inline Utilities, LLC, Financial Administration Account No. 91013271" to the address listed in Ordering Provision No. 1; and
    - ii. Submit payment for all outstanding regulatory assessment fees for the TCEQ Public Utility Account concerning Certificate of Convenience and Necessity No. 12946 for calendar year 2020. The payment, along with the associated Revenue and Regulatory Assessment Reports, shall be sent to the address listed in Ordering Provision No. 1.
  - b. Within 90 days after the effective date of this Order, keep on file copies of well completion data for the well as defined in 30 TEX. ADMIN. CODE § 290.41(c)(3)(A), including but not limited to the results of a 36-hour pump test for Well No. 2, and a Driller's log, a cementing certificate, a legible copy of the recorded deed or deeds for all real property within 150 feet of the well, a legible copy of the sanitary control easement(s), and a legible copy of a USGS 7.5-minute topographic quadrangle showing the accurate well location for Well Nos. 1 and 2, in accordance with 30 TEX. ADMIN. CODE § 290.46.

- c. Within 105 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.b. 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  
Houston Regional Office  
Texas Commission on Environmental Quality  
5425 Polk Street, Suite H  
Houston, Texas 77023-1452

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

*Susan M. Javenski*

Date

February 1, 2022

For the Executive Director

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

*Michael P. Mantz*

Name (Printed or typed)

Authorized Representative of  
Inline Utilities, LLC

Date

07/08/21

*President*

Title

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

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



## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

June 16, 2020

Mr. Michael Martz  
President  
Inline Development  
21755 Interstate Highway (IH)-45 North, Building 11  
Spring, Texas 77388-3621  
Email: Billing.inlineutilities@gmail.com

Re: Complaint Investigation at:  
Inline Development sewer collection system located at the 10000 Block of Berrypatch Lane, Tomball (Harris County), Texas 77375  
Regulated Entity No.: RN102916988, TCEQ Additional ID No.: WQ0013942001, Investigation No.: 1623217

Dear Mr. Martz:

On January 7, 2020, Mr. Dustin Roberts and Ms. Miranda Jordan of the Texas Commission on Environmental Quality (TCEQ) Houston Region Office conducted an investigation of the above-referenced facility to evaluate compliance with applicable water quality requirements. No violations are being alleged as a result of the investigation; however, please see the Additional Issue.

The TCEQ appreciates your assistance in this matter and your compliance efforts to ensure protection of the State's environment. If you or members of your staff have any questions regarding these matters, please feel free to contact Mr. Dustin Roberts in the Houston Region Office at 713-767-3631.

Sincerely,

A handwritten signature in black ink that reads "Kim Rhodes".

Kimberly Rhodes  
Team Leader  
Water Quality  
Houston Region Office

KAR/DR/tj

Enclosure: Summary of Investigation Findings

cc: Mr. Darren Shaw, Operations Superintendent, Aucoin and Associates, Inc., 8765 Spring Cypress Road, Suite 173, Texas 77379-3194, Darren.2824@gmail.com

## Summary of Investigation Findings

**INLINE DEVELOPMENT**

10100 BOUDREAUX RD  
TOMBALL, HARRIS COUNTY, TX 77375

**Investigation #****1623217****Investigation Date: 01/07/2020**

**Additional ID(s):** WQ0013942001  
TX0117633

No Violations Associated to this Investigation

### ADDITIONAL ISSUES

**Description**

Item 1

**Additional Comments**

The collection system must be maintained in a manner that minimizes or prevents any discharge which has a reasonable likelihood of adversely affecting human health or the environment. Specifically, an accumulation of solids partially obstructing flow was observed in the manhole on Sweet Blossom Lane, between Checkerberry Park Lane and Cinnaberry Lane during the complaint investigation conducted on January 7, 2020. Additionally, no sanitary sewer overflow (SSO) non-compliance notifications were sent to the TCEQ Houston Region Office for the SSOs observed and reported by the complainant (reportedly occurring on October 18, 2019 and on December 7, 2019 through December 10, 2019). Please be advised that the non-compliance reporting requirements (Monitoring and Reporting Requirements No. 7.a and No. 7.b.i) outlined in the facility's Texas Pollutant Discharge Elimination System (TPDES) permit (No. WQ0013942001), must be followed as required.