

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NUMBER: 2004-0900-PWS-E TCEQ ID NO: RN101213411 ENF ID: 16644
RESPONDENT NAME: TEXAS H2O, INC. DBA CANYON CREEK ADDITION

ORDER TYPE:

<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> EMERGENCY ORDER	

CASE TYPE:

<input type="checkbox"/> AGRICULTURE	<input type="checkbox"/> AIR	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE	<input type="checkbox"/> MUNICIPAL SOLID WASTE
<input type="checkbox"/> OCCUPATIONAL CERTIFICATION	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input checked="" type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> RADIOACTIVE WASTE
<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL	<input type="checkbox"/> USED OIL
<input type="checkbox"/> USED OIL FILTER	<input type="checkbox"/> WATER QUALITY		

SITE WHERE VIOLATION(S) OCCURRED: 2406 Christine Drive, Granbury, Hood County

TYPE OF OPERATION: Public Water System

SMALL BUSINESS: Yes No

OTHER SIGNIFICANT MATTERS: There are no previous complaints. There is no record of additional pending enforcement actions regarding this facility.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on January 15, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney: Mr. Justin Lannen, MC R-4, (817) 588-5927; Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873

TCEQ SEP Coordinator: Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223

TCEQ Enforcement Coordinator: Mr. Jorge Ibarra, Enforcement Division, Section II, MC R-4, (817) 588-5890

TCEQ Regional Contact: Mr. Sid Slocum, DFW Regional Office, MC R-4, (817) 588-5901

Respondent: Mr. Jess Lewellyn, President, Texas H2O, Inc. dba Canyon Creek Addition, P.O. Box 613, Mansfield, Texas 76063-0613

Respondent's Attorney: Not represented by counsel.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
 2007 APR 17 PM 4: 21
 CHIEF CLERK'S OFFICE

RESPONDENT'S NAME: TEXAS H2O, INC. DBA CANYON CREEK ADDITION
DOCKET NO.: 2004-0900-PWS-E

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date(s) of Investigation(s) Relating to this Case: February 5, 2004</p> <p>Date(s) of NOV(s)/NOE(s) Relating to this Case: April 16, 2004 (NOE)</p> <p>Background Facts:</p> <p>The Litigation Division filed the EDPRP on October 13, 2005. The Respondent filed its Answer and Request for Hearing on November 7, 2005. After extended settlement negotiations, the Respondent entered into an Agreed Order on April 21, 2006.</p> <p>The Respondent in this case does not owe any other penalties according to the Administrative Penalty Database Report.</p> <p>PWS:</p> <ol style="list-style-type: none"> Failed to maintain the Facility in a manner so as to prevent conditions that might cause the contamination of the water system, specifically, Service Pump No. 1 was leaking and the ground storage tank had a large inward sloping hole [30 TEX. ADMIN. CODE § 290.46(m)]. Failed to have a sanitary control easement covering land within 150 feet of Well. No. 1 and Well. No. 2 [30 TEX. ADMIN. CODE § 290.41(c)(1)(F)]. Failed to maintain Customer Service Inspection reports [30 TEX. ADMIN. CODE § 290.46(f)(3)(E)]. Failed to collect the required number of monthly bacteriological samples [30 TEX. ADMIN. CODE § 290.109(c)(2)(A) and TEX. HEALTH & SAFETY CODE § 341.033(d)]. Failed to meet the TCEQ's "Minimum Water System Capacity Requirements", specifically, the Facility produces 121.3 gallons of water per minute of well production but is required to have 223.8 gallons of water per minute of well production [30 TEX. ADMIN. CODE § 290.45(b)(1)(D)(i) and TEX. HEALTH & SAFETY CODE § 341.0315(c)]. 	<p>Total Assessed: \$4,480</p> <p>Total Deferred: \$0 <input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$2,240</p> <p>Total Paid to General Revenue: \$2,240</p> <p>The Respondent has paid \$2,240 of the administrative penalty. The remaining amount of \$2,240 will be offset upon completion of a Supplemental Environmental Project (SEP).</p> <p>Site Compliance History Classification: N/A</p> <p>Person Compliance History Classification: <input type="checkbox"/> High <input checked="" type="checkbox"/> Avg. <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Facility:</p> <ol style="list-style-type: none"> Repaired Service Pump No. 1 by March 1, 2004. Replaced the ground storage tank that had a hole in its roof with a 125,000 gallon replacement tank by January 24, 2005. Obtained a sanitary easement exception for Wells Nos. 1 and 2 on March 22, 2005. Began performing customer service inspections on October 28, 2004. Began taking the required number of bacteriological samples at the Facility in March 2004. Removed the section of exposed waterline that crossed an intermittent stream on Creek Drive near Lot 439 by January 24, 2005. Added topsoil to the exposed waterline located to the south of Lot 187, off of Caroline Court by January 24, 2005. Began employing only properly licensed water works operators at the Facility by January 24, 2005. Submitted a planning report explaining how Texas H2O would provide the expected service demands within the boundaries of its certificated area on January 24, 2005.

RESPONDENT'S NAME: TEXAS H2O, INC. DBA CANYON CREEK ADDITION
DOCKET NO.: 2004-0900-PWS-E

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>6. Failed to maintain the watertight pipe encasement and to provide shut-off valves on each side of a pipe that was crossing the channel of an intermittent stream near Lot 439 on Creek Drive [30 TEX. ADMIN. CODE § 290.44(f)(2)].</p> <p>7. Failed to ensure that the top of a waterline, located near Lot 187 off of Caroline Court, was located below the frost line and no less than 24 inches below ground surface [30 TEX. ADMIN. CODE § 290.44(a)(4)].</p> <p>8. Failed to obtain the guidance and approval of a licensed water works operator prior to repairing production, treatment, storage, pressure maintenance, or distribution facilities and being placed into service [30 TEX. ADMIN. CODE § 290.46(e)(2)(A) and TEX. HEALTH & SAFETY CODE § 341.033(a)].</p> <p>9. Failed to submit to the Executive Director a planning report that clearly explained how the Facility would provide the expected service demands within the boundaries of its certificated area [30 TEX. ADMIN. CODE § 291.93(3) and TEX. WATER CODE § 13.139(d)].</p>		<p>Ordering Provisions:</p> <p>1. The Respondent shall make a statewide Supplemental Environmental Project (SEP) contribution of \$2,240 to the Texas Association of Resource Conservation and Development Areas, Inc.</p> <p>2. The Respondent shall undertake the following technical requirements:</p> <p>a. Within 90 days, equip the Facility to meet the 223.8 gallons per minute well production.</p> <p>b. Within 120 days, submit written certification of compliance and include detailed supporting documentation to demonstrate compliance with Ordering Provision No. 2.a.</p>



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision May 17, 2004

DATES

PCW Screening Priority Due EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent
 Reg. Ent. Ref. No.
 Additional ID No(s)
 Facility/Site Region Major/Minor Source

CASE INFORMATION

Enf./Case ID No. No. of Violations
 Docket No. Order Type
 Case Priority Enf. Coordinator
 Media Program(s) EC's Team
 Multi-Media
 Admin. Penalty \$ Limit Minimum Maximum

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History Subtotals 2, 3, & 7

Notes

Culpability Subtotal 4

Notes

Good Faith Effort to Comply Subtotal 5

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="checkbox"/>	(mark with a small x)

Notes

Economic Benefit Subtotal 6

Total EB Amounts *Capped at the Total EB \$ Amount
 Approx. Cost of Compliance

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL Reduction Adjustment

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

PAYABLE PENALTY

Screening Date	23-Jun-2004	Docket No.	2004-0900-PWS-E	PCW
Respondent	Texas H2O, Inc. dba Canyon Creek Addition	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	16644	<i>PCW Revision May 17, 2004</i>		
Reg. Ent. Reference No.	RN101213411			
Additional ID No(s).	Public Water System Registration No. 1110070			
Media [Statute]	Public Water Supply			
Enf. Coordinator	Joseph Daley			
Site Address	2406 Christine Drive, Granbury, Hood County			

Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOV's with same or similar violations as those in the current enforcement action (<i>number of NOV's meeting criteria</i>)	2	10%
	Other written NOV's	1	2%
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 judgements 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 (number of events)	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</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%
<i>Please Enter Yes or No</i>			
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) 12%

>> **Repeat Violator (Subtotal 3)**

N/A **Adjustment Percentage (Subtotal 3)** 0%

>> **Compliance History Person Classification (Subtotal 7)**

Average Performer **Adjustment Percentage (Subtotal 7)** 0%

>> **Compliance History Summary**

Compliance History Notes The respondent received NOV's with same or similar violations on March 22, 2002 and January 16, 2001. The respondent also received an NOV with other violations on July 15, 1999.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 12%

Screening Date	23-Jun-2004	Docket No.	2004-0900-PWS-E	PCW
Respondent	Texas H2O, Inc. dba Canyon Creek Addition			<i>Policy Revision 2 (September 2002)</i>
Case ID No.	16644			<i>PCW Revision May 17, 2004</i>
Reg. Ent. Reference No.	RN101213411			
Additional ID No(s).	Public Water System Registration No. 1110070			
Media [Statute]	Public Water Supply			
Enf. Coordinator	Joseph Daley			
Violation Number	<input type="text" value="1"/>			
Primary Rule Cite(s)	<input type="text" value="30 Texas Admin. Code § 290.46(m)"/>			
Secondary Rule Cite(s)	<input type="text"/>			
Violation Description	Failure to maintain the system in a manner so as to prevent conditions that might cause the contamination of the water system, as documented during the inspection on February 5, 2004. Specifically Service Pump No. 1 was leaking and water was observed puddling on the floor below the leak. It was also noted the ground storage tank had a large inward sloping hole in the roof, which was located in the center of the storage tank.			

Base Penalty

>> **Environmental, Property and Human Health Matrix**

	Harm			
	Major	Moderate	Minor	
Release				
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Potential	X	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="25%"/>

>> **Programmatic Matrix**

	Major	Moderate	Minor	
Falsification	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text"/>

Matrix Notes

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

	daily	<input type="text"/>
	monthly	<input type="text"/>
<i>mark only one</i>	quarterly	X
<i>use a small x</i>	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

Violation Base Penalty

Three quarterly events are recommended from the date of inspection, February 5, 2004, to the 60 day settlement deadline, October 23, 2004, to make the penalty commensurate with the situation.

Economic Benefit (EB) for this violation Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Additional ID No(s). Public Water System Registration No. 1110070
 Media [Statute] 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	Onetime Costs	EB Amount
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Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction	\$1,500	05-Feb-2004	01-Dec-2005	1.8	\$9	\$182	\$191
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: The delayed cost includes the estimated amount required to maintain a watertight condition on service pumps and to prevent the degradation of the ground storage tank, calculated for the time frame from the date of the inspection to the estimated date of compliance.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance **\$1,500** TOTAL **\$191**

Screening Date	23-Jun-2004	Docket No.	2004-0900-PWS-E	PCW
Respondent	Texas H2O, Inc. dba Canyon Creek Addition	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	16644	<i>PCW Revision May 17, 2004</i>		
Reg. Ent. Reference No.	RN101213411			
Additional ID No(s).	Public Water System Registration No. 1110070			
Media [Statute]	Public Water Supply			
Enf. Coordinator	Joseph Daley			
Violation Number	<input type="text" value="2"/>			
Primary Rule Cite(s)	<input type="text" value="30 Texas Admin. Code § 290.41(c)(1)(F)"/>			
Secondary Rule Cite(s)	<input type="text"/>			
Violation Description	<input type="text" value="Failure to have a sanitary control easement covering land within 150 feet of the Well No. 1 (G1110070A) and Well No. 2 (G1110070B), as documented during the inspection on February 5, 2004."/>			
Base Penalty				<input type="text" value="\$1,000"/>

>> **Environmental, Property and Human Health Matrix**

		Harm			
	Release	Major	Moderate	Minor	
OR	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="5%"/>
	Potential	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	

>> **Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent <input type="text"/>
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

Matrix Notes

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

<i>mark only one use a small x</i>	<i>daily</i>	<input type="text"/>
	<i>monthly</i>	<input type="text"/>
	<i>quarterly</i>	<input checked="" type="checkbox"/>
	<i>semiannual</i>	<input type="text"/>
	<i>annual</i>	<input type="text"/>
	<i>single event</i>	<input type="text"/>

Violation Base Penalty

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Additional ID No(s). Public Water System Registration No. 1110070
 Media [Statute] Public Water Supply
 Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$1,000	05-Feb-2004	01-Dec-2005	1.8	\$91	n/a	\$91

Notes for DELAYED costs: The delayed cost includes the estimated amount required to have a sanitary control easement covering land within 150 feet of the wells, calculated from the date of noncompliance to the estimated date of compliance.

Item Description	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance TOTAL

Screening Date	23-Jun-2004	Docket No.	2004-0900-PWS-E	PCW
Respondent	Texas H2O, Inc. dba Canyon Creek Addition			<i>Policy Revision 2 (September 2002)</i>
Case ID No.	16644			<i>PCW Revision May 17, 2004</i>
Reg. Ent. Reference No.	RN101213411			
Additional ID No(s).	Public Water System Registration No. 1110070			
Media [Statute]	Public Water Supply			
Enf. Coordinator	Joseph Daley			
Violation Number	<input type="text" value="3"/>			
Primary Rule Cite(s)	<input type="text" value="30 Texas Admin. Code § 290.46(f)(3)(E)"/>			
Secondary Rule Cite(s)	<input type="text"/>			
Violation Description	<input type="text" value="Failure to maintain customer service inspection forms, as documented during the inspection on February 5, 2004."/>			
		Base Penalty	<input type="text" value="\$1,000"/>	

>> **Environmental, Property and Human Health Matrix**

		Harm			
	Release	Major	Moderate	Minor	
OR	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

		Falsification	Major	Moderate	Minor	
		<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="10%"/>
Matrix Notes	<input type="text" value="100% of the rule requirement was not met."/>					

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

<i>mark only one use a small x</i>	<i>daily</i>	<input type="text"/>
	<i>monthly</i>	<input type="text"/>
	<i>quarterly</i>	<input checked="" type="checkbox"/>
	<i>semiannual</i>	<input type="text"/>
	<i>annual</i>	<input type="text"/>
	<i>single event</i>	<input type="text"/>

Violation Base Penalty

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$957"/>	Violation Final Penalty Total <input type="text" value="\$336"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$336"/>	

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Additional ID No(s). Public Water System Registration No. 1110070
 Media [Statute] Public Water Supply
 Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost No commas or \$	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0
Notes for DELAYED costs							

Item Description	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal		0.0	\$0	\$0	\$0
Personnel		0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling	\$500 05-Feb-2004 01-Dec-2005	1.8	\$46	\$911	\$957
Supplies/equipment		0.0	\$0	\$0	\$0
Financial Assurance [2]		0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]		0.0	\$0	\$0	\$0
Other (as needed)		0.0	\$0	\$0	\$0
Notes for AVOIDED costs The avoided cost includes the estimated amount required to maintain the customer service inspection forms, calculated from the date of noncompliance to the estimated date of compliance.					

Approx. Cost of Compliance

TOTAL

Screening Date	23-Jun-2004	Docket No.	2004-0900-PWS-E	PCW
Respondent	Texas H2O, Inc. dba Canyon Creek Addition			<i>Policy Revision 2 (September 2002)</i>
Case ID No.	16644			<i>PCW Revision May 17, 2004</i>
Reg. Ent. Reference No.	RN101213411			
Additional ID No(s)	Public Water System Registration No. 1110070			
Media [Statute]	Public Water Supply			
Enf. Coordinator	Joseph Daley			
Violation Number	<input type="text" value="4"/>			
Primary Rule Cite(s)	<input type="text" value="30 Texas Admin. Code § 290.109(c)(2)(A)"/>			
Secondary Rule Cite(s)	<input type="text" value="Tex. Health & Safety Code § 341.033(d)"/>			
Violation Description	<input type="text" value="Failure to collect the required number of monthly bacteriological samples, as documented during an investigation conducted on February 5, 2004. Specifically only one monthly bacteriological sample was being taken when two bacteriological samples should have been taken and submitted."/>			
	Base Penalty	<input type="text" value="\$1,000"/>		

>> **Environmental, Property and Human Health Matrix**

		Harm			
	Release	Major	Moderate	Minor	
OR	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="25%"/>
	Potential	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

>> **Programmatic Matrix**

		Falsification	Major	Moderate	Minor	
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text"/>
Matrix Notes	<input type="text" value="Human health or the environment could be exposed to significant amounts of pollutants which could exceed levels that are protective of human health or environmental receptors as a result of the violation."/>					
	Adjustment	<input type="text" value="-750"/>				

Base Penalty Subtotal

Violation Events

Number of Violation Events

mark only one use a small x	daily	<input type="text"/>	Violation Base Penalty <input type="text" value="\$250"/>
	monthly	<input type="text"/>	
	quarterly	<input checked="" type="checkbox"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text"/>	

One quarterly event is recommended from the date of inspection, February 5, 2004, to the date of compliance, March 22, 2004, to make the penalty commensurate with the violation.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$66"/>	Violation Final Penalty Total <input type="text" value="\$280"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$280"/>	

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Additional ID No(s). Public Water System Registration No. 1110070
 Media [Statute] Public Water Supply
 Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost No commas or \$	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	------------------------------	---------------	------------	-----	----------------	---------------	-----------

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling	\$500	05-Feb-2004	22-Mar-2004	0.1	\$3	\$63	\$66
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount required to collect two monthly bacteriological samples, calculated from the date of noncompliance to the date of compliance.

Approx. Cost of Compliance

TOTAL

Screening Date 23-Jun-2004

Docket No. 2004-0900-PWS-E

PCW

Respondent Texas H2O, Inc. dba Canyon Creek Addition

Policy Revision 2 (September 2002)

Case ID No. 16644

PCW Revision May 17, 2004

Reg. Ent. Reference No. RN101213411

Additional ID No(s). Public Water System Registration No. 1110070

Media [Statute] Public Water Supply

Enf. Coordinator Joseph Daley

Violation Number

Primary Rule Cite(s)

Secondary Rule Cite(s)

Violation Description
 Failed to meet the agency's "Minimum Water System Capacity Requirements", as documented during an inspection conducted on February 5, 2004. Specifically the water system produces 121.3 gallons of water per minute of well production and is required to have 198 gallons of water per minute of well production, based on 0.6 gallon per minute per connection and 330 connections.

Base Penalty

>> **Environmental, Property and Human Health Matrix**

		Harm			
Release		Major	Moderate	Minor	
OR	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="25%"/>
	Potential	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

>> **Programmatic Matrix**

		Falsification	Major	Moderate	Minor	
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text"/>

Matrix Notes
 Human health or the environment will or could be exposed to pollutants which would exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

<i>mark only one use a small x</i>	<i>daily</i>	<input type="text"/>
	<i>monthly</i>	<input type="text"/>
	<i>quarterly</i>	<input checked="" type="checkbox"/>
	<i>semiannual</i>	<input type="text"/>
	<i>annual</i>	<input type="text"/>
	<i>single event</i>	<input type="text"/>

Violation Base Penalty

Three quarterly events are recommended from the date of inspection, February 5, 2004, to the 60 day settlement deadline, October 23, 2004, to make the penalty commensurate with the violation.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Additional ID No(s). Public Water System Registration No. 1110070
 Media [Statute] Public Water Supply
 Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment	\$2,000	05-Feb-2004	01-Dec-2005	1.8	\$12	\$243	\$255
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: The delayed cost includes the estimated cost of meeting the agency's "Minimum Water System Capacity Requirements", calculated from the date of the inspection to the estimated date of compliance.

Item Description	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance **TOTAL**

Screening Date 23-Jun-2004

Docket No. 2004-0900-PWS-E

PCW

Respondent Texas H2O, Inc. dba Canyon Creek Addition

Policy Revision 2 (September 2002)

Case ID No. 16644

PCW Revision May 17, 2004

Reg. Ent. Reference No. RN101213411

Additional ID No(s). Public Water System Registration No. 1110070

Media [Statute] Public Water Supply

Enf. Coordinator Joseph Daley

Violation Number

Primary Rule Cite(s)

Secondary Rule Cite(s)

Violation Description
 Failure to maintain the watertight pipe encasement and to provide shut-off valves on each side of a pipe crossing the channel of an intermittent stream near Lot 439 on Creek Drive, as documented during the inspection on February 5, 2004. Specifically the outer casing surrounding the waterline had been cut away to apparently fix a leak, but the cut away had not been replaced and the waterline remained exposed.

Base Penalty

>> **Environmental, Property and Human Health Matrix**

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="25%"/>
Potential	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>				

Matrix Notes
 Human health or the environment will or could be exposed to pollutants which would exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

<i>mark only one use a small x</i>	daily	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input checked="" type="checkbox"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

Violation Base Penalty

Three quarterly events are recommended from the date of inspection, February 5, 2004, to the 60 day settlement deadline, October 23, 2004, to make the penalty commensurate with the violation.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Additional ID No(s). Public Water System Registration No. 1110070
 Media [Statute] Public Water Supply
 Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction	\$500	05-Feb-2004	01-Dec-2005	1.8	\$3	\$61	\$64
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: The delayed cost includes the estimated cost of maintaining a watertight pipe encasement and to provide shut-off valves on each side of a pipe crossing a channel of an intermittent stream, calculated for the time frame from the date of the inspection to the estimated date of compliance.

Avoided Costs		ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)					
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance TOTAL

Screening Date 23-Jun-2004	Docket No. 2004-0900-PWS-E	PCW
Respondent Texas H2O, Inc. dba Canyon Creek Addition	<i>Policy Revision 2 (September 2002)</i>	
Case ID No. 16644	<i>PCW Revision May 17, 2004</i>	
Reg. Ent. Reference No. RN101213411		
Additional ID No(s). Public Water System Registration No. 1110070		
Media [Statute] Public Water Supply		
Enf. Coordinator Joseph Daley		
Violation Number <input type="text" value="7"/>		
Primary Rule Cite(s)	<input type="text" value="30 Texas Admin. Code § 290.44(a)(4)"/>	
Secondary Rule Cite(s)	<input type="text"/>	
Violation Description	<input type="text" value="Failure to ensure the top of a waterline, located near Lot 187 off of Caroline Court, was located below the frost line and no less than 24 inches below ground surface, as documented during an inspection conducted on February 5, 2004."/>	
Base Penalty		<input type="text" value="\$1,000"/>

>> **Environmental, Property and Human Health Matrix**

		Harm			
	Release	Major	Moderate	Minor	
OR	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="25%"/>
	Potential	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

>> **Programmatic Matrix**

		Falsification	Major	Moderate	Minor	
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text"/>

Matrix Notes

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

		daily	<input type="text"/>
		monthly	<input type="text"/>
<i>mark only one use a small x</i>		quarterly	<input checked="" type="checkbox"/>
		semiannual	<input type="text"/>
		annual	<input type="text"/>
		single event	<input type="text"/>

Violation Base Penalty

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$128"/>	Violation Final Penalty Total <input type="text" value="\$840"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$840"/>	

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Additional ID No(s). Public Water System Registration No. 1110070
 Media [Statute] Public Water Supply
 Violation No. 7

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction	\$1,000	05-Feb-2004	01-Dec-2005	1.8	\$6	\$121	\$128
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: The delayed cost includes the estimated amount required to ensure the top of a waterline is located below the frost line and no less than 24 inches below ground surface, calculated from the date of noncompliance to the estimated date of compliance.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

TOTAL

Screening Date 23-Jun-2004	Docket No. 2004-0900-PWS-E	PCW	
Respondent Texas H2O, Inc. dba Canyon Creek Addition	<i>Policy Revision 2 (September 2002)</i>		
Case ID No. 16644	<i>PCW Revision May 17, 2004</i>		
Reg. Ent. Reference No. RN101213411			
Additional ID No(s). Public Water System Registration No. 1110070			
Media [Statute] Public Water Supply			
Enf. Coordinator Joseph Daley			
Violation Number	8		
Primary Rule Cite(s)	30 Texas Admin. Code § 290.46(e)(2)(A)		
Secondary Rule Cite(s)	Tex. Health & Safety Code § 341.033(a)		
Violation Description	Failure to have the guidance and approval of a licensed water works operator prior to repairing production, treatment, storage, pressure maintenance, or distribution facilities and being placed into service, as documented during an inspection conducted on February 5, 2004. Specifically some of the repairs to the system are not being supervised or conducted by individuals who are certified water works operators.		
Base Penalty		\$1,000	
>> Environmental, Property and Human Health Matrix			
Harm			
Release	Major	Moderate	Minor
Actual	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Potential	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			Percent <input type="text" value="25%"/>
>> Programmatic Matrix			
Falsification			
Major	Moderate	Minor	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Percent <input type="text"/>
Matrix Notes	Human health or the environment will or could be exposed to pollutants which would exceed levels that are protective of human health or environmental receptors as a result of the violation.		
Adjustment			-\$750
Base Penalty Subtotal			\$250
Violation Events			
Number of Violation Events			<input type="text" value="1"/>
<i>mark only one use a small x</i>	daily	<input type="checkbox"/>	
	monthly	<input type="checkbox"/>	
	quarterly	<input type="checkbox"/>	
	semiannual	<input type="checkbox"/>	
	annual	<input type="checkbox"/>	
	single event	<input checked="" type="checkbox"/>	
			Violation Base Penalty <input type="text" value="\$250"/>
One single event is recommended, based on the investigation conducted on February 5, 2004.			
Economic Benefit (EB) for this violation		Statutory Limit Test	
Estimated EB Amount	<input type="text" value="\$957"/>	Violation Final Penalty Total	<input type="text" value="\$280"/>
This violation Final Assessed Penalty (adjusted for limits)			<input type="text" value="\$280"/>

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Additional ID No(s). Public Water System Registration No. 1110070
 Media [Statute] Public Water Supply
 Violation No. 8

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0
Notes for DELAYED costs							

Avoided Costs		ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)					
Disposal				0.0	\$0	\$0	\$0
Personnel	\$500	05-Feb-2004	01-Dec-2005	1.8	\$46	\$911	\$957
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Notes for AVOIDED costs The avoided cost includes the estimated amount required to ensure that certified water works operators are supervising or conducting repairs to the system, calculated from the date of noncompliance to the estimated date of compliance.							

Approx. Cost of Compliance **TOTAL**



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision May 19, 2005

DATES	Assigned	24-May-2005		
	PCW	07-Oct-2005	Screening	23-Jun-2004
			EPA Due	

RESPONDENT/FACILITY INFORMATION	
Respondent	Texas H2O, Inc. dba Canyon Creek Addition
Reg. Ent. Ref. No.	RN101213411
Facility/Site Region	4-Dallas/Fort Worth
Major/Minor Source	Minor Source

CASE INFORMATION			
Enf./Case ID No.	16644	No. of Violations	1
Docket No.	2004-0900-PWS-E	Order Type	1660
Media Program(s)	Public Water Utilities	Enf. Coordinator	Joseph Daley
Multi-Media		EC's Team	Enforcement Team 8
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$500

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$50
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	12% Enhancement	Subtotals 2, 3, & 7	\$6
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Notes: The respondent received NOVs with same or similar violations on March 22, 2002 and January 16, 2001. The respondent also received an NOV with other violations on July 15, 1999.

Culpability	No	0% Enhancement	Subtotal 4	\$0
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Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply	0% Reduction	Subtotal 5	\$0
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	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with a small x)

Notes: The respondent is not yet in compliance.

Economic Benefit	0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$91	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$1,000	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$56
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OTHER FACTORS AS JUSTICE MAY REQUIRE		Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes:

Final Penalty Amount	\$56
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$56
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DEFERRAL		Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicted percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: No deferral is offered with non-expedited cases.

PAYABLE PENALTY	\$56
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Screening Date 23-Jun-2004	Docket No. 2004-0900-PWS-E	PCW
Respondent Texas H2O, Inc. dba Canyon Creek Addition		<i>Policy Revision 2 (September 2002)</i>
Case ID No. 16644		<i>PCW Revision May 19, 2005</i>
Reg. Ent. Reference No. RN101213411		
Media [Statute] Public Water Utilities		
Enf. Coordinator Joseph Daley		

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action <i>(number of NOVs meeting criteria)</i>	2	10%
	Other written NOVs	1	2%
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 judgements 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 (number of events)	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)</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%
<i>Please Enter Yes or No</i>			
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) 12%

>> Repeat Violator (Subtotal 3)

No **Adjustment Percentage (Subtotal 3) 0%**

>> Compliance History Person Classification (Subtotal 7)

Average Performer **Adjustment Percentage (Subtotal 7) 0%**

>> Compliance History Summary

Compliance History Notes The respondent received NOVs with same or similar violations on March 22, 2002 and January 16, 2001. The respondent also received an NOV with other violations on July 15, 1999.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 12%

Screening Date 23-Jun-2004 **Docket No.** 2004-0900-PWS-E

PCW

Respondent Texas H2O, Inc. dba Canyon Creek Addition

Policy Revision 2 (September 2002)

Case ID No. 16644

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN101213411

Media [Statute] Public Water Utilities

Enf. Coordinator Joseph Daley

Violation Number 1

Primary Rule Cite(s) 30 Texas Admin. Code § 291.93(3)

Secondary Rule Cite(s) Tex. Water Code § 13.139(d)

Violation Description

Failure to submit to the Executive Director a planning report that clearly explains how the retail public utility will provide the expected service demands within the boundaries of its certificated area, as documented during the inspection on February 5, 2004. Specifically the system is currently at 99.4% pressure storage capacity and 88.8% ground storage capacity, which exceeds the 85% capacity requirement.

Base Penalty \$500

>> **Environmental, Property and Human Health Matrix**

		Harm			Percent
Release		Major	Moderate	Minor	
OR	Actual				
	Potential				

>> **Programmatic Matrix**

		Major	Moderate	Minor	Percent
	Falsification	X			

Matrix Notes 100% of the rule requirement was not met.

Adjustment -\$450

Base Penalty Subtotal \$50

Violation Events

Number of Violation Events 1

mark only one use a small x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$50

One single event is recommended, based on the investigation conducted on February 5, 2004.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$91

Violation Final Penalty Total \$56

This violation Final Assessed Penalty (adjusted for limits) \$56

Economic Benefit Worksheet

Respondent Texas H2O, Inc. dba Canyon Creek Addition
 Case ID No. 16644
 Reg. Ent. Reference No. RN101213411
 Media [Statute] Public Water Utilities
 Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost No commas or \$	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$1,000	05-Feb-2004	01-Dec-2005	1.8	\$91	n/a	\$91

Notes for DELAYED costs: The delayed cost includes the estimated amount required to submit a planning report that clearly explains how the retail public utility will provide the expected service demands within the boundaries of its certificated area, calculated from the date of noncompliance to the estimated date of compliance.

Item Description	ANNUALIZE [1] avoided costs before entering Item (except for one-time avoided costs)						
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance **\$1,000** **TOTAL** **\$91**

Compliance History

Customer/Respondent/Owner-Operator: CN600656201 Texas H2O, Inc. Classification: AVERAGE Rating: 1.000
Regulated Entity: RN101213411 CANYON CREEK ADDITION Classification: N/A Site Rating: N/A
ID Number(s): PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1110070
WATER LICENSING LICENSE 1110070

Location: 2406 CHRISTINE DR, GRANBURY, TX, 76048
TCEQ Region: REGION 04 - DFW METROPLEX
Date Compliance History Prepared: June 23, 2004
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: June 22, 1999 to June 22, 2004

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Joseph Daley Phone: 239-3308

Site Compliance History Components

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 of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

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

09/12/2003 (150234)
03/13/2002
11/27/2000
06/25/1999

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

Date: March 22, 2002

Self Report? NO

Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.45

Description:

Failure to meet the Agency's "Minimum Water System Capacity Requirements".

Self Report? NO

Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.41(c)(1)(F)

Description:

Failure to make available sanitary control easements for each well at the time of inspection.

Self Report? NO

Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.46(m)

Description:

Failure to initiate a maintenance program to ensure the reliability and general appearance of all regulated facilities.

Date: January 16, 2001

Self Report? NO

Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.45(b)(1)(C)(i)

Description:

Failure to meet the Agency's "Minimum Water System Capacity Requirements".

Date: July 15, 1999

Self Report? NO

Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.42(e)(2)

Description:

Failure to disinfect ground water prior to distribution.

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
TEXAS H2O, INC. DBA CANYON
CREEK ADDITION;
RN101213411**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2004-0900-PWS-E**

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Texas H2O, Inc. dba Canyon Creek Addition ("Texas H2O") under the authority of TEX. HEALTH & SAFETY CODE ch. 341, TEX. WATER CODE ch. 13, and 30 TEX. ADMIN. CODE chs. 290 and 291. The Executive Director of the TCEQ, represented by the Litigation Division, and Texas H2O appear before the Commission and together stipulate that:

1. Texas H2O owns and operates a retail public water system located at 2406 Christine Drive, Granbury, Hood County, Texas (the "Facility") that has approximately 373 service connections and serves at least 25 people per day for at least 60 days per year.
2. This Agreed Order is entered into pursuant to TEX. HEALTH & SAFETY CODE § 341.049 and TEX. WATER CODE § 13.4151. The Commission has jurisdiction of this matter pursuant to TEX. HEALTH & SAFETY CODE § 341.031 and TEX. WATER CODE § 13.041 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 341, TEX. WATER CODE ch. 13, and TCEQ rules.
3. The Commission and Texas H2O agree that the Commission has jurisdiction to enter this Agreed Order, and that Texas H2O is subject to the Commission's jurisdiction.
4. Texas H2O received notice of the violations alleged in Section II ("Allegations") on or about April 21, 2004.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Texas H2O of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of four thousand four hundred eighty dollars (\$4,480.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Texas H2O has paid two thousand two hundred forty dollars (\$2,240.00) of the administrative penalty. The remaining two thousand two hundred forty dollars (\$2,240.00) of the administrative penalty shall be conditionally offset by Texas H2O's completion of a Supplemental Environmental Project.
7. 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.
8. The Executive Director of the TCEQ and Texas H2O have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that Texas H2O has implemented the following corrective measures at the Facility:
 - a. Repaired Service Pump No. 1 by March 1, 2004;
 - b. Replaced the ground storage tank that had a hole in its roof with a 125,000 gallon replacement tank by January 24, 2005;
 - c. Obtained a sanitary easement exception for Wells Nos. 1 and 2 on March 22, 2005;
 - d. Began performing customer service inspections on October 28, 2004;
 - e. Began taking the required number of bacteriological samples at the Facility in March 2004;
 - f. Removed the section of exposed waterline that crossed an intermittent stream on Creek Drive near Lot 439 by January 24, 2005;
 - g. Added topsoil to the exposed waterline located to the south of Lot 187, off of Caroline Court by January 24, 2005
 - h. Began employing only properly licensed water works operators at the Facility by January 24, 2005; and
 - i. Submitted a planning report explaining how Texas H2O would provide the expected service demands within the boundaries of its certificated area on January 24, 2005;

10. 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 Texas H2O has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

Texas H2O, as owner and operator of the Facility, is alleged to have violated:

1. 30 TEX. ADMIN. CODE § 290.46(m) by failing to maintain the Facility in a manner so as to prevent conditions that might cause the contamination of the water system, as documented on February 5, 2004. Specifically, Service Pump No. 1 was leaking and water was observed puddling on the floor below the leak. It was also noted that the ground storage tank had a large inward sloping hole in the roof, which was located in the center of the storage tank.
2. 30 TEX. ADMIN. CODE § 290.41(c)(1)(F) by failing to have a sanitary control easement covering land within 150 feet of Well. No. 1 (G1110070A) and Well. No. 2 (G1110070B), as documented on February 5, 2004.
3. 30 TEX. ADMIN. CODE § 290.46(f)(3)(E) by failing to maintain Customer Service Inspection reports, as documented on February 5, 2004.
4. 30 TEX. ADMIN. CODE § 290.109(c)(2)(A) and TEX. HEALTH & SAFETY CODE § 341.033(d) by failing to collect the required number of monthly bacteriological samples, as documented on February 5, 2004. Specifically, for twelve months preceding the investigation, only one monthly bacteriological sample was taken and submitted when two bacteriological samples should have been taken and submitted.
5. 30 TEX. ADMIN. CODE § 290.45(b)(1)(D)(i) and TEX. HEALTH & SAFETY CODE § 341.0315(c) by failing to meet the TCEQ's "Minimum Water System Capacity Requirements", as documented on February 5, 2004. Specifically, the Facility produces 121.3 gallons of water per minute of well production but is required to have 223.8 gallons of water per minute of well production, based on 0.6 gallons per minute per connection and 373 connections.

6. 30 TEX. ADMIN. CODE § 290.44(f)(2) by failing to maintain the watertight pipe encasement and to provide shut-off valves on each side of a pipe that was crossing the channel of an intermittent stream near Lot 439 on Creek Drive, as documented on February 5, 2004. Specifically, a portion of the outer casing surrounding the waterline had been cut away, but the cut-away had not been replaced and the waterline remained exposed.
7. 30 TEX. ADMIN. CODE § 290.44(a)(4) by failing to ensure that the top of a waterline, located near Lot 187 off of Caroline Court, was located below the frost line and no less than 24 inches below ground surface, as documented on February 5, 2004.
8. 30 TEX. ADMIN. CODE § 290.46(e)(2)(A) and TEX. HEALTH & SAFETY CODE § 341.033(a) by failing to obtain the guidance and approval of a licensed water works operator prior to repairing production, treatment, storage, pressure maintenance, or distribution facilities and being placed into service, as documented on February 5, 2004. Specifically, some of the repairs to the Facility were not being supervised or conducted by individuals who were certified water works operators.
9. 30 TEX. ADMIN. CODE § 291.93(3) and TEX. WATER CODE § 13.139(d) by failing to submit to the Executive Director a planning report that clearly explained how the Facility would provide the expected service demands within the boundaries of its certificated area, as documented on February 5, 2004. Specifically, the system was at 99.4% pressure storage capacity and 88.8% ground storage capacity, which exceeded the 85% capacity requirement.

III. DENIALS

Texas H2O generally denies each allegation in Section II (“Allegations”).

IV. ORDER

1. It is, therefore, ordered by the TCEQ that Texas H2O pay administrative penalties as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Texas H2O’s compliance with all the terms and conditions set forth in this Agreed Order resolve only those matters described here. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be sent with the notation “Re: Texas H2O, Inc. dba Canyon Creek Addition; Docket No. 2004-0900-PWS-E”; Enforcement ID No. 16644, to:

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

2. Texas H2O shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. Two thousand two hundred forty dollars (\$2,240.00) of the assessed administrative penalty shall be offset with the condition that Texas H2O implement the SEP defined in Attachment A, incorporated herein by reference. Texas H2O's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.
3. Texas H2O shall undertake the following technical requirements:
 - a. Within 90 days after the effective date of this Agreed Order, Texas H2O shall equip the Facility to meet the 223.8 gallons per minute well production, as required by 30 TEX. ADMIN. CODE § 290.45(b)(1)(D)(i);
 - b. Within 120 days after the effective date of the Commission Order, Texas H2O shall submit written certification of compliance as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a.

The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

- c. Texas H2O shall submit copies of documentation necessary to demonstrate compliance with Ordering Provision No. 3.a., to:

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

and

Sid Slocum, Water Section Manager
Dallas/Fort Worth Regional Office MC-R-4
Texas Commission on Environmental Quality
2309 Gravel Drive
Fort Worth, Texas 76118

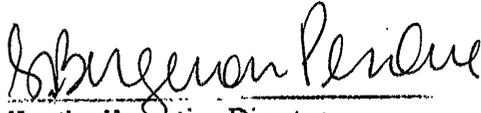
4. The provisions of this Agreed Order shall apply to and be binding upon Texas H2O. Texas H2O is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Texas H2O shall be made in writing to the Executive Director. Extensions are not effective until Texas H2O receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Texas H2O in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of the TEX. WATER CODE or the TEX. HEALTH & SAFETY CODE.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Order to Texas H2O, or three days after the date on which the Commission mails notice of the Order to Texas H2O, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

Texas H2O, Inc. dba Canyon Creek Addition
DOCKET NO. 2004-0900-PWS-E
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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

1/16/07

Date

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

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

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- 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 against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.


Signature

11/15/06
Date

J.W. LEWELLYN, JR.
Name (Printed or typed)
Authorized representative of
Texas H2O, Inc. dba Canyon Creek Addition

CEO
Title

Attachment A
Docket Number: 2004-0900-PWS-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Texas H2O, Inc. dba Canyon Creek Addition
Penalty Amount: Four thousand four hundred eighty dollars (\$4,480)
SEP Offset Amount: Two thousand two hundred forty dollars (\$2,240.00)
Type of SEP: Pre-Approved
Location of SEP: Hood County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for Respondent to perform a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ, specifically, to the Texas Association of Resource Conservation and Development Areas, Inc. for its Cleanup of Illegal Trash Dumps Project in Hood County. The contribution will be used in accordance with the *Supplemental Environmental Project Agreement between Texas Association of Resource Conservation and Development Areas, Inc. and the Texas Commission on Environmental Quality*. The contribution will be used to help rid communities of the dangers and health threats associated with non-regulated trash dumps which contaminate air and water, and harbor disease-carrying animals and insects.

Respondent shall perform this project in accordance with all federal, state and local environmental laws and regulations. Respondent shall use the SEP Offset Amount only for the direct cost of implementing the project and no portion shall be spent on administrative costs.

Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by cleaning up illegal trash dumps in Hood County, thus reducing air and water contamination. The removal of debris will also mitigate the public health threats posed by illegal dump sites by reducing animal and insect disease vectors.

C. Minimum Expenditure

Respondent shall spend at least the SEP Offset Amount to complete the project described above and comply with all other provisions of this Attachment A.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent shall make the required contribution to Texas Association of Resource Conservation and Development Areas, Inc. The contribution, with a copy of the Agreed Order, will be mailed to:

Texas Association of RC&D Areas, Inc.
Attention: NRCS Coordinator
c/o Leon-Bosque RC&D Council
1716 Briarcrest Drive, Suite 510
Bryan, Texas 77802-2700

3. Reporting

A. Progress Reports

Concurrent with the payment of the SEP contribution, Texas H2O, Inc. dba Canyon Creek Addition shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the contribution to Texas Association of Resource Conservation and Development Areas, Inc. A copy of the check and transmittal letter will be mailed to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Section 3 above, the TCEQ staff may require immediate payment of all or part of the SEP Offset Amount.

With the payment, Respondent shall include the docket number of this Agreed Order and a note that it is for reimbursement of an SEP. The payment for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas H2O, Inc. dba Canyon Creek Addition
Agreed Order Docket No. 2004-0900-PWS-E Attachment A

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program. Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for Respondent under any other orders negotiated with the TCEQ or any other agency of the state or federal government.