

## EXECUTIVE SUMMARY - ENFORCEMENT MATTER

Page 1 of 3

DOCKET NO.: 2006-1595-MLM-E TCEQ ID: RN102694130 and RN102691995 CASE NO.: 31120

RESPONDENT NAME: Lonzo Gale dba Lass Utility Service Company

### 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 checked="" 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	<input checked="" type="checkbox"/> PUBLIC WATER UTILITIES	

**SITE WHERE VIOLATION(S) OCCURRED:** Hamilton Estates Water System, at the corner of Hoppe Road and Webb Road, Harris County and Tara Park Water System, 21873 Tara Park Drive, Waller County

**TYPE OF OPERATION:** Public water supply systems

**SMALL BUSINESS:**  Yes  No

**OTHER SIGNIFICANT MATTERS:** There are no complaints. There is no record of additional pending enforcement actions regarding these facility locations.

**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 March 28, 2007. No comments were received.

### CONTACTS AND MAILING LIST:

**TCEQ Attorney/SEP Coordinator:** None

**TCEQ Enforcement Coordinator:** Ms. Amy Martin, Enforcement Division, Enforcement Section I, MC 169, (512) 239-2540; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

**Respondent:** Mr. Lonzo Gale, Owner, Lass Utility Service Company, P.O. Box 314, Magnolia, Texas 77353

**Respondent's Attorney:** Not represented by counsel on this enforcement matter

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b> <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p><b>Date of Complaint Relating to this Case:</b> None</p> <p><b>Dates of Investigations Relating to this Case:</b> June 22, July 20, and September 18, 2006</p> <p><b>Dates of NOEs Relating to this Case:</b> August 18, and August 29, 2006 (NOE)</p> <p><b>Background Facts:</b> These were routine investigations. Eight violations were documented.</p> <p><b>WATER</b></p> <p>1) Failed to submit planning reports to the Executive Director for the Hamilton Estates and Tara Park Water Systems that clearly explain how each retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certified area when the system has reached 85% of its capacity [30 TEX. ADMIN. CODE § 291.93(3) and TEX. WATER CODE § 13.139(d)].</p> <p>2) Failed to provide a well capacity of 1.5 gallons per minute ("gpm") per connection at the Hamilton Estates and Tara Park Water Systems [30 TEX. ADMIN. CODE § 290.45(b)(1)(A)(i) and TEX. HEALTH &amp; SAFETY CODE § 341.0315(c)].</p> <p>3) Failed to meet the TCEQ "Minimum Water System Capacity Requirements" for adequate pressure tank capacity of 50 gallons per connection at the Tara Park Water System [30 TEX. ADMIN. CODE § 290.45(b)(1)(A)(ii) and TEX. HEALTH &amp; SAFETY CODE § 341.0315(c)].</p> <p>4) Failed to provide a sanitary control easement covering land within 150 feet of the well or executive approval for an authorized substitute at the Tara Park Water System [30 TEX. ADMIN. CODE § 290.41(c)(1)(F)].</p>	<p><b>Total Assessed:</b> \$1,446</p> <p><b>Total Deferred:</b> \$289  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$1,157</p> <p><b>Site Compliance History Classification:</b> <input type="checkbox"/> High <input type="checkbox"/> Avg. <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification:</b> <input type="checkbox"/> High <input type="checkbox"/> Avg. <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Ordering Provisions:</b></p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order:</p> <ul style="list-style-type: none"> <li>i. Submit administratively and technically complete reports to the Commission's Executive Director addressing the 85% capacity planning requirement for the Hamilton Estates and Tara Park Water Systems;</li> <li>ii. Create and begin maintaining an operations manual for the Tara Park Water System;</li> <li>iii. Create and begin maintaining an up-to-date chemical and microbiological monitoring plan for the distribution system of the Tara Park Water System;</li> <li>iv. Perform the annual inspection of the pressure tank at the Tara Park Water System; and</li> <li>v. Pay all outstanding PHS fees, including any associated penalties and interest.</li> </ul> <p>b. Within 45 days after the effective date of this Agreed Order, submit written documentation that certifies compliance with Ordering Provisions a.i. through a.v.</p> <p>c. Within 90 days after the effective date of this Agreed Order, secure a sanitary easement covering all property within 150 feet of the well locations at the Tara Park Water System, or obtain an exception to the easement requirement approved by the Commission.</p> <p>d. Within 105 days after the effective date of this Agreed Order, submit written documentation that certifies compliance with Ordering Provision c.</p>

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>5) Failed to compile and maintain a thorough plant operations manual for operator review and reference at the Tara Park Water System [30 TEX. ADMIN. CODE § 290.42(l)].</p> <p>6) Failed to develop and maintain an up-to-date chemical and microbiological monitoring plan at the Tara Park Water System [30 TEX. ADMIN. CODE § 290.121(a)].</p> <p>7) Failed to conduct an annual inspection of the pressure tank at the Tara Park Water System [30 TEX. ADMIN. CODE § 290.46(m)(1)(B)].</p> <p>8) Failed to pay outstanding Public Health Service ("PHS") fees and associated late fees for TCEQ Account Nos. 91012916 and 92370016 for Fiscal Years 2002 through 2006 and TCEQ Account No. 91011551 for Fiscal Years 2003 through 2005 [30 TEX. ADMIN. CODE § 290.51(a)(3), TEX. HEALTH &amp; SAFETY CODE § 341.041, and TEX. WATER CODE § 5.702].</p>		<p>e. Within 180 days after the effective date of this Agreed Order:</p> <ul style="list-style-type: none"> <li>i. Provide a well capacity of 1.5 gpm per connection at the Hamilton Estates and Tara Park Water Systems; and</li> <li>ii. Provide a pressure tank capacity of 50 gallons per connection at the Tara Park Water System.</li> </ul> <p>f. Within 195 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions e.i. and ii.</p>

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Policy Revision 2 (September 2002)

# Penalty Calculation Worksheet (PCW)

PCW Revision May 19, 2005

<b>DATES</b>	Assigned	22-Aug-2006		
	PCW	12-Sep-2006	Screening	11-Sep-2006
			EPA Due	

<b>RESPONDENT/FACILITY INFORMATION</b>	
Respondent	Lonzo Gale dba Lass Utility Service Company (Tara Park Water System)
Reg. Ent. Ref. No.	RN102691995
Facility/Site Region	12-Houston
Major/Minor Source	Minor Source

<b>CASE INFORMATION</b>			
Enf./Case ID No.	31120	No. of Violations	5
Docket No.	2006-1595-MLM-E	Order Type	1660
Media Program(s)	Public Water Supply	Enf. Coordinator	Amy Martin
Multi-Media		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$50	Maximum	\$1,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	Subtotal 1	\$1,100
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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.

<b>Compliance History</b>	12% Enhancement	Subtotals 2, 3, & 7	\$132
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Notes: Enhancement due to two prior Notices of Violation ("NOV's") for violations that are same or similar and one NOV that is not same or similar.

<b>Culpability</b>	No	0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

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

Notes: The Respondent does not meet the good faith criteria.

<b>Economic Benefit</b>	0% Enhancement	Subtotal 6	\$0
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Total EB Amounts	\$900	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$10,800	

<b>SUM OF SUBTOTALS 1-7</b>	Final Subtotal	\$1,232
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	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:

<b>Final Penalty Amount</b>	\$1,232
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<b>STATUTORY LIMIT ADJUSTMENT</b>	Final Assessed Penalty	\$1,232
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<b>DEFERRAL</b>	20% Reduction	Adjustment	-\$246
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$986
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<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Tara Paember 2002)
<b>Case ID No.</b>	31120			PCW Revision May 19, 2005
<b>Reg. Ent. Reference No.</b>	RN102691995			
<b>Media [Statute]</b>	Public Water Supply			
<b>Enf. Coordinator</b>	Amy Martin			

**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)**

N/A

**Adjustment Percentage (Subtotal 3) 0%**

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

N/A

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

>> **Compliance History Summary**

**Compliance History Notes** Enhancement due to two prior Notices of Violation ("NOV's") for violations that are same or similar and one NOV that is not same or similar.

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

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Tara Palamber 2002)
<b>Case ID No.</b>	31120			PCW Revision May 19, 2005
<b>Reg. Ent. Reference No.</b>	RN102691995			
<b>Media [Statute]</b>	Public Water Supply			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	1			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 290.45(b)(1)(A)(ii)			
<b>Secondary Rule Cite(s)</b>	Tex. Health & Safety Code § 341.0315(c)			
<b>Violation Description</b>	Failure to meet the TCEQ "Minimum Water System Capacity Requirements" for adequate pressure tank capacity of 50 gallons per connection. Specifically, the pressure storage capacity is 918 gallons instead of the required 2100 gallons for the 42 connections, a 56.3% deficiency.			
<b>Base Penalty</b>				\$1,000

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

<b>Harm</b>				
<b>Release</b>	Major	Moderate	Minor	
Actual				<b>Percent</b> 25%
Potential	X			

>> **Programmatic Matrix**

<b>Falsification</b>	Major	Moderate	Minor	
				<b>Percent</b>

**Matrix Notes** Without sufficient capacity, customers of the water supply could experience water shortages and the system's ability to provide a safe and adequate supply of water to the customers could be impaired.

**Adjustment** -\$750

**Base Penalty Subtotal** \$250

**Violation Events**

**Number of Violation Events** 2

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

**Violation Base Penalty** \$500

Two monthly events are recommended based on documentation of the violation from the July 20, 2006 investigation to the September 11, 2006 screening date.

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

**Estimated EB Amount** \$297

**Violation Final Penalty Total** \$560

**This violation Final Assessed Penalty (adjusted for limits)** \$560

### Economic Benefit Worksheet

Respondent: Lonzo Gale dba Lass Utility Service Company (Tara Park Water Sy)  
 Case ID No. 31120  
 Reg. Ent. Reference No. RN102691995  
 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				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)	\$5,000	20-Jul-2006	27-Sep-2007	1.2	\$297	n/a	\$297

Notes for DELAYED costs: Estimated cost to provide the minimum pressure tank capacity of 50 gallons per connection. The Date Required is the initial investigation date. The Final Date is 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 \$5,000

**TOTAL** \$297

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Tara Palamber 2002)
<b>Case ID No.</b>	31120	PCW Revision May 19, 2005		
<b>Reg. Ent. Reference No.</b>	RN102691995			
<b>Media [Statute]</b>	Public Water Supply			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	2			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 290.45(b)(1)(A)(i)			
<b>Secondary Rule Cite(s)</b>	Tex. Health & Safety Code § 341.0315(c)			
<b>Violation Description</b>	Failure to provide a well capacity of 1.5 gallons per minute ("gpm") per connection. Specifically, the well capacity is 36 gpm instead of the required 63 gpm for the 42 connections, a 42.9% deficiency.			
<b>Base Penalty</b>	\$1,000			

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

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential		X		

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent

**Matrix Notes**  
 Without sufficient capacity, customers of the water supply could experience water shortages and the system's ability to provide a safe and adequate supply of water to the customers could be impaired.

**Adjustment** - \$900

**Base Penalty Subtotal** \$100

**Violation Events**

Number of Violation Events

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

**Violation Base Penalty** \$100

One quarterly event is recommended from the investigation date of July 20, 2006 to the screening date of September 11, 2006.

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

Estimated EB Amount \$416

**Violation Final Penalty Total** \$112

**This violation Final Assessed Penalty (adjusted for limits)** \$112

### Economic Benefit Worksheet

Respondent: Lonzo Gale dba Lass Utility Service Company (Tara Park Water Sy)  
 Case ID No. 31120  
 Reg. Ent. Reference No. RN102691995  
 Media [Statute] Public Water Supply  
 Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs							
Equipment	\$5,000	20-Jul-2006	27-Sep-2007	1.2	\$20	\$396	\$416
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: Estimated cost to provide a minimum pressure tank capacity of 1.5 gpm per connection. The Date Required is the date of the investigation. The Final Date is 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 \$5,000 TOTAL \$416

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Tara Palamber 2002)
<b>Case ID No.</b>	31120			PCW Revision May 19, 2005
<b>Reg. Ent. Reference No.</b>	RN102691995			
<b>Media [Statute]</b>	Public Water Supply			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	3			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 290.41(c)(1)(F)			
<b>Secondary Rule Cite(s)</b>				
<b>Violation Description</b>	Failure to obtain a sanitary control easement.			
		<b>Base Penalty</b>	\$1,000	

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

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				5%
Potential			X	

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent

Matrix Notes: Without a sanitary control easement for the well, contaminants could enter the well and customers of the water supply could be exposed to an insignificant amount of contaminants that does not exceed levels protective of human health.

Adjustment -\$950

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.

**Economic Benefit (EB) for this violation**

**Statutory Limit Test**

Estimated EB Amount \$12

Violation Final Penalty Total \$56

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

### Economic Benefit Worksheet

Respondent: Lonzo Gale dba Lass Utility Service Company (Tara Park Water Sy)  
 Case ID No. 31120  
 Reg. Ent. Reference No. RN102691995  
 Media [Statute] Public Water Supply  
 Violation No. 3

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				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)	\$250	20-Jul-2006	29-Jun-2007	0.9	\$12	n/a	\$12

Notes for DELAYED costs: Estimated cost of obtaining a sanitary control easement or exception. The Date Required is the date of investigation. The Final Date is 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 \$250 TOTAL \$12

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Tara Paember 2002)
<b>Case ID No.</b>	31120			PCW Revision May 19, 2005
<b>Reg. Ent. Reference No.</b>	RN102691995			
<b>Media [Statute]</b>	Public Water Supply			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	4			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code §§ 290.42(l) and 290.121(a)			
<b>Secondary Rule Cite(s)</b>				
<b>Violation Description</b>	Failure to develop and maintain a plant operations manual and an up-to-date chemical and microbiological monitoring plan.			
	<b>Base Penalty</b>	\$1,000		

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

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				
	Potential				

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
	X			10%

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

Adjustment: -\$900

Base Penalty Subtotal: \$100

**Violation Events**

Number of Violation Events: 2

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

Violation Base Penalty: \$200

Two single events are recommended.

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

Estimated EB Amount: \$17

Violation Final Penalty Total: \$224

This violation Final Assessed Penalty (adjusted for limits): \$224

### Economic Benefit Worksheet

Respondent: Lonzo Gale dba Lass Utility Service Company (Tara Park Water Sy  
 Case ID No. 31120  
 Reg. Ent. Reference No. RN102691995  
 Media [Statute] Public Water Supply  
 Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item	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				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)	\$400	20-Jun-2006	30-Apr-2007	0.9	\$17	n/a	\$17

Notes for DELAYED costs: Estimated cost to prepare a plant operations manual and a monitoring plan. The Date Required is the investigation date. The Final Date is 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 **\$400** TOTAL **\$17**

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Tara Paember 2002)
<b>Case ID No.</b>	31120			PCW Revision May 19, 2005
<b>Reg. Ent. Reference No.</b>	RN102691995			
<b>Media [Statute]</b>	Public Water Supply			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	5			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 290.46(m)(1)(B)			
<b>Secondary Rule Cite(s)</b>				
<b>Violation Description</b>	Failure to conduct an annual inspection of the pressure tank.			
<b>Base Penalty</b>	\$1,000			

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

OR	<b>Harm</b>				Percent
	<b>Release</b>	Major	Moderate	Minor	
	Actual				
	Potential	X			25%

>> **Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
<b>Matrix Notes</b>	Failure to inspect the pressure tank could result in non-detection of a tank defect causing loss of tank integrity. In turn, this could expose human health to significant amounts of pollutants which would exceed levels that are protective of human health.				

**Adjustment** - \$750

**Base Penalty Subtotal** \$250

**Violation Events**

Number of Violation Events

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

**Violation Base Penalty** \$250

One annual event is recommended.

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
Estimated EB Amount <input type="text" value="\$158"/>	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: Lonzo Gale dba Lass Utility Service Company (Tara Park Water System)  
 Case ID No: 31120  
 Reg. Ent. Reference No: RN102691995  
 Media [Statute]: Public Water Supply  
 Violation No: 5

Percent Interest	Years of Depreciation
5.0	15

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

Description No commas or \$

**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	\$150	20-Jul-2005	20-Jul-2006	1.0	\$8	\$150	\$158
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 amount to conduct an annual inspection on the pressure tank, calculated for the year prior to the July 20, 2006 investigation.

Approx. Cost of Compliance \$150

**TOTAL** \$158



Policy Revision 2 (September 2002)

# Penalty Calculation Worksheet (PCW)

PCW Revision May 19, 2005

<b>DATES</b>	Assigned	22-Aug-2006		
	PCW	12-Sep-2006	Screening	11-Sep-2006
			EPA Due	

<b>RESPONDENT/FACILITY INFORMATION</b>	
Respondent	Lonzo Gale dba Lass Utility Service Company (Tara Park Water System)
Reg. Ent. Ref. No.	RN102691995
Facility/Site Region	12-Houston
Major/Minor Source	Minor Source

<b>CASE INFORMATION</b>			
Enf./Case ID No.	31120	No. of Violations	1
Docket No.	2006-1595-MLM-E	Order Type	1660
Media Program(s)	Public Water Utilities	Enf. Coordinator	Amy Martin
Multi-Media		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$500

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$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.

<b>Compliance History</b>	12% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$6
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Notes: Enhancement due to two prior Notices of Violation ("NOV's") for violations that are same or similar and one NOV that is not same or similar.

<b>Culpability</b>	No	0% Enhancement	<b>Subtotal 4</b>	\$0
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Notes: The Respondent does not meet the culpability criteria.

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

Notes: The Respondent does not meet the good faith criteria.

<b>Economic Benefit</b>	0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$8	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$200	

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

Notes:

<b>Final Penalty Amount</b>	\$56
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$56
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<b>DEFERRAL</b>	20% Reduction	<b>Adjustment</b>	-\$11
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Reduces the Final Assessed Penalty by the indicted percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$45
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<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Tara Pamber 2002)
<b>Case ID No.</b>	31120			PCW Revision May 19, 2005
<b>Reg. Ent. Reference No.</b>	RN102691995			
<b>Media [Statute]</b>	Public Water Utilities			
<b>Enf. Coordinator</b>	Amy Martin			

### 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 (number of NOVs meeting criteria)	2	10%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	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 (number of judgements or consent decrees meeting criteria)	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 (number of counts)	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 (number of audits for which notices were)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
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)

N/A  **Adjustment Percentage (Subtotal 7) 0%**

>> Compliance History Summary

**Compliance History Notes** Enhancement due to two prior Notices of Violation ("NOV's") for violations that are same or similar and one NOV that is not same or similar.

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

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Tara Palomber 2002)
<b>Case ID No.</b>	31120	PCW Revision May 19, 2005		
<b>Reg. Ent. Reference No.</b>	RN102691995			
<b>Media [Statute]</b>	Public Water Utilities			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	1			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 291.93(3)			
<b>Secondary Rule Cite(s)</b>	Tex. Water Code § 13.139(d)			
<b>Violation Description</b>	Failure to submit a planning report to the executive director that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area when the system has reached 85% of its capacity. Specifically, the facility is at 293% well capacity and 250% pressure tank capacity.			
<b>Base Penalty</b>	\$500			

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

OR	<b>Harm</b>				Percent
	<b>Release</b>	Major	Moderate	Minor	
	Actual				
	Potential				

>> **Programmatic Matrix**

	Falsification	Major	Moderate	Minor	Percent
		X			10%

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.

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
Estimated EB Amount: \$8	Violation Final Penalty Total: \$56
<b>This violation Final Assessed Penalty (adjusted for limits): \$56</b>	

### Economic Benefit Worksheet

Respondent: Lonzo Gale dba Lass Utility Service Company (Tara Park Water Sy)  
 Case ID No: 31120  
 Reg. Ent. Reference No: RN102691995  
 Media [Statute]: Public Water Utilities  
 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				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)	\$200	20-Jul-2006	30-Apr-2007	0.8	\$8	n/a	\$8

Notes for DELAYED costs: Estimated cost to prepare a report that addresses capacity issues. The Date Required is the initial investigation date. The Final Date is 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 \$200 **TOTAL** \$8

## Compliance History

Customer/Respondent/Owner-Operator: CN601575251 LONZO GALE DBA LASS UTILITY SERVICE COMPANY Classification: Rating: \_\_\_\_\_

Regulated Entity: RN102691995 TARA PARK WATER SYSTEM Classification: Site Rating: \_\_\_\_\_  
SYSTEM

ID Number(s): PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 2370016  
WATER LICENSING LICENSE 2370016

Location: 21873 TARA PARK DRIVE, WALLER COUNTY

TCEQ Region: REGION 12 – HOUSTON

Date Compliance History Prepared: September 18, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 18, 2001 to September 18, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Amy Martin Phone: 512-239-2540

### 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?   | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)?  | <u>N/A</u> |
| 5. When did the change(s) in ownership occur?  | <u>N/A</u> |

### 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.)
- 1 08/29/2006 (270609)
  - 2 07/26/2004 (152189)
  - 3 09/06/2005 (418638)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
- Date: 07/27/2004 (152189)
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(ii)
- Description: Failure to provide a pressure tank capacity of 50 gallons per connection. The entity provides a 918 gallon pressure tank. The entity is required to provide 2250 gallons of pressure tank capacity.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(I)  
Description: Failure to provide a well capacity of 1.5 gallons per minute per connection. The entity provides 36 gallons per minute per connection of well production capacity. The entity is required to provide 63 gallons per minute per connection of well production capacity.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 291, SubChapter F 291.93(3)  
Description: Failure, by a retail public utility with a CCN which has reached 85% of its well production and pressure tank capacity to submit a planning report explaining how the utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 290, SubChapter D 290.41(c)(1)(F)  
Description: Failure to make available a sanitary control easement, exceptions, or an approved substitute for the well at the time of inspection.

Date: 09/01/2005 (418638) Classification: Moderate  
Self Report? NO  
Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(ii)  
Description: Failure to provide a pressure tank capacity of 50 gallons per connection. The entity provides a 918 gallon pressure tank. The entity is required to provide 2250 gallons of pressure tank capacity.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(I)  
Description: Failure to provide a well capacity of 1.5 gallons per minute per connection. The entity provides 36 gallons per minute per connection of well production capacity. The entity is required to provide 63 gallons per minute per connection of well production capacity.

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 290, SubChapter D 290.41(c)(1)(F)  
Description: Failure to make available a sanitary control easement, exceptions, or an approved substitute for the well at the time of inspection.

Date: 08/30/2005 (418638) Classification: Moderate  
Self Report? NO  
Citation: 30 TAC Chapter 291, SubChapter F 291.93(3)  
Description: Failure, by a retail public utility with a CCN which has reached 85% of its well production and pressure tank capacity to submit a planning report explaining how the utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area.

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



**Penalty Calculation Worksheet (PCW)**

Policy Revision 2 (September 2002)

PCW Revision May 19, 2005

<b>DATES</b>	Assigned	22-Aug-2006		
	PCW	12-Sep-2006	Screening	11-Sep-2006
			EPA Due	

<b>RESPONDENT/FACILITY INFORMATION</b>	
Respondent	Lonzo Gale dba Lass Utility Service Company (Hamilton Estates Water System)
Reg. Ent. Ref. No.	RN102694130
Facility/Site Region	12-Houston
Major/Minor Source	Minor Source

<b>CASE INFORMATION</b>			
Enf./Case ID No.	31120	No. of Violations	2
Docket No.	2006-1595-MLM-E	Order Type	1660
Media Program(s)	Public Water Supply	Enf. Coordinator	Amy Martin
Multi-Media		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$50	Maximum	\$1,000

**Penalty Calculation Section**

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$100
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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.

<b>Compliance History</b>	5% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	\$5
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Notes: Enhancement due to one prior Notice of Violation ("NOV") for violations that are same or similar.

<b>Culpability</b>	No	0% Enhancement	<b>Subtotal 4</b>	\$0
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Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply</b>	0% Reduction	<b>Subtotal 5</b>	\$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 does not meet the good faith criteria.

<b>Economic Benefit</b>	0% Enhancement*	<b>Subtotal 6</b>	\$0
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Total EB Amounts	\$93	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$5,000	

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$105
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes:

<b>Final Penalty Amount</b>	\$105
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$105
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<b>DEFERRAL</b>	20% Reduction	<b>Adjustment</b>	-\$21
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$84
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<b>Screening Date</b> 11-Sep-2006	<b>Docket No.</b> 2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b> Lonzo Gale dba Lass Utility Service Company	(Hamilton Estate number 2002)	
<b>Case ID No.</b> 31120	PCW Revision May 19, 2005	
<b>Reg. Ent. Reference No.</b> RN102694130		
<b>Media [Statute]</b> Public Water Supply		
<b>Enf. Coordinator</b> Amy Martin		

**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>	1	5%
	Other written NOVs	0	0%
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) 5%**

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

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

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

N/A  **Adjustment Percentage (Subtotal 7) 0%**

>> **Compliance History Summary**

**Compliance History Notes** Enhancement due to one prior Notice of Violation ("NOV") for violations that are same or similar.

**Total Adjustment Percentage (Subtotals 2, 3, & 7) 5%**

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company		(Hamilton Estatement 2002)	
<b>Case ID No.</b>	31120		PCW Revision May 19, 2005	
<b>Reg. Ent. Reference No.</b>	RN102694130			
<b>Media [Statute]</b>	Public Water Supply			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	1			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 290.45(b)(1)(A)(i)			
<b>Secondary Rule Cite(s)</b>	Tex. Health & Safety Code § 341.0315(c)			
<b>Violation Description</b>	Failure to provide a well capacity of 1.5 gallons per minute ("gpm") per connection. Specifically, the well capacity is 40 gpm instead of the required 46.5 gpm for the 31 connections, a 14% deficiency.			
<b>Base Penalty</b>	\$1,000			

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

OR	<b>Harm</b>			Percent	
	<b>Release</b>	Major	Moderate		Minor
	Actual				
	Potential		X		
Percent <input type="text" value="10%"/>					

>> **Programmatic Matrix**

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

Matrix Notes: Without sufficient capacity, customers of the water supply could experience water shortages and the system's ability to provide a safe and adequate supply of water to the customers could be impaired.

**Adjustment**

**Base Penalty Subtotal**

**Violation Events**

Number of Violation Events

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

**Violation Base Penalty**

One quarterly event is recommended.

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
<b>Estimated EB Amount</b> <input type="text" value="\$93"/>	<b>Violation Final Penalty Total</b> <input type="text" value="\$105"/>
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$105"/>	

### Economic Benefit Worksheet

Respondent: Lonzo Gale dba Lass Utility Service Company (Hamilton Estates Water S  
 Case ID No: 31120  
 Reg. Ent. Reference No: RN102694130  
 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
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

Delayed Costs							
Equipment	\$5,000	22-Jun-2007	27-Sep-2007	0.3	\$4	\$89	\$93
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: Estimated cost to provide a well capacity of 1.5 gpm per connection. The date required is the investigation date. The final date is the projected 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 \$5,000 **TOTAL** \$93

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Hamilton Estab <sup>ment</sup> 2002)
<b>Case ID No.</b>	31120			PCW Revision May 19, 2005
<b>Reg. Ent. Reference No.</b>	RN102694130			
<b>Media [Statute]</b>	Public Water Supply			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	2			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 290.51(a)(3), Tex. Health & Safety Code § 341.041, and Tex. Water Code § 5.702			
<b>Secondary Rule Cite(s)</b>				
<b>Violation Description</b>	Failed to pay outstanding Public Health Service (PHS) fees and associated late fees for TCEQ Account Nos. 91012916 and 92370016 for Fiscal Years 2002 through 2006 and TCEQ Account No. 91011551 for Fiscal Years 2003 through 2005.			
	<b>Base Penalty</b>	\$1,000		

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

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

>> **Programmatic Matrix**

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

Matrix Notes

**Adjustment**

**Base Penalty Subtotal**

**Violation Events**

Number of Violation Events

mark only one use a small x	daily	<input type="checkbox"/>	<b>Violation Base Penalty</b> <input type="text" value="\$0"/>
	monthly	<input type="checkbox"/>	
	quarterly	<input type="checkbox"/>	
	semiannual	<input type="checkbox"/>	
	annual	<input type="checkbox"/>	
	single event	<input type="checkbox"/>	

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
Estimated EB Amount <input type="text" value="\$0"/>	Violation Final Penalty Total <input type="text" value="\$0"/>
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$0"/>	

### Economic Benefit Worksheet

Respondent: Lonzo Gale dba Lass Utility Service Company (Hamilton Estates Water S  
 Case ID No: 31120  
 Reg. Ent. Reference No: RN102694130  
 Media [Statute]: Public Water Supply  
 Violation No: 2

Percent Interest	Years of Depreciation
5.0	15

Item	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<b>Delayed Costs</b>							
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				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**



Policy Revision 2 (September 2002)

# Penalty Calculation Worksheet (PCW)

PCW Revision May 19, 2005

DATES	Assigned	22-Aug-2006	Screening	11-Sep-2006	EPA Due	
	PCW	12-Sep-2006				

<b>RESPONDENT/FACILITY INFORMATION</b>	
Respondent	Lonzo Gale dba Lass Utility Service Company (Hamilton Estates Water System)
Reg. Ent. Ref. No.	RN102694130
Facility/Site Region	12-Houston
Major/Minor Source	Minor Source

<b>CASE INFORMATION</b>			
Enf./Case ID No.	31120	No. of Violations	1
Docket No.	2006-1595-MLM-E	Order Type	1660
Media Program(s)	Public Water Utilities	Enf. Coordinator	Amy Martin
Multi-Media		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$500

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	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.

<b>Compliance History</b>	5% Enhancement	Subtotals 2, 3, & 7	\$3
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Notes: Enhancement due to one prior Notice of Violation ("NOV") for violations that are same or similar.

<b>Culpability</b>	No	0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

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

Notes: The Respondent does not meet the good faith criteria.

<b>Economic Benefit</b>	0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$9	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$200	

<b>SUM OF SUBTOTALS 1-7</b>	Final Subtotal	\$53
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	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:

<b>Final Penalty Amount</b>	\$53
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<b>STATUTORY LIMIT ADJUSTMENT</b>	Final Assessed Penalty	\$53
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<b>DEFERRAL</b>	20% Reduction	Adjustment	-\$11
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$42
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<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company			(Hamilton Estate <del>ember</del> 2002)
<b>Case ID No.</b>	31120			PCW Revision May 19, 2005
<b>Reg. Ent. Reference No.</b>	RN102694130			
<b>Media [Statute]</b>	Public Water Utilities			
<b>Enf. Coordinator</b>	Amy Martin			

**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>	1	5%
	Other written NOVs	0	0%
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 <i>(number of events)</i>	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which notices were)</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)** 5%

>> Repeat Violator (Subtotal 3)

N/A

**Adjustment Percentage (Subtotal 3)** 0%

>> Compliance History Person Classification (Subtotal 7)

N/A

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

>> Compliance History Summary

**Compliance History Notes**

Enhancement due to one prior Notice of Violation ("NOV") for violations that are same or similar.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 5%

<b>Screening Date</b>	11-Sep-2006	<b>Docket No.</b>	2006-1595-MLM-E	<b>PCW</b>
<b>Respondent</b>	Lonzo Gale dba Lass Utility Service Company		(Hamilton Estab <del>l</del> ishment 2002)	
<b>Case ID No.</b>	31120	PCW Revision May 19, 2005		
<b>Reg. Ent. Reference No.</b>	RN102694130			
<b>Media [Statute]</b>	Public Water Utilities			
<b>Enf. Coordinator</b>	Amy Martin			
<b>Violation Number</b>	1			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 291.93(3)			
<b>Secondary Rule Cite(s)</b>	Tex. Water Code § 13.139(d)			
<b>Violation Description</b>	Failure to submit a planning report to the executive director that clearly explains how the retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certificated area when the system has reached 85% of its capacity. Specifically, the system is at 116% of the required capacity requirement.			
<b>Base Penalty</b>				\$500

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

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				
Potential				

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
	X			10%

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

**Adjustment** -\$450

**Base Penalty Subtotal** \$50

**Violation Events**

Number of Violation Events: 1

daily	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$50

One single event is recommended.

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
Estimated EB Amount \$9	Violation Final Penalty Total \$53
This violation Final Assessed Penalty (adjusted for limits) \$53	

### Economic Benefit Worksheet

Respondent: Lonzo Gale dba Lass Utility Service Company (Hamilton Estates Water Sy)  
 Case ID No. 31120  
 Reg. Ent. Reference No. RN102694130  
 Media [Statute] Public Water Utilities  
 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				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)	\$200	22-Jun-2006	30-Apr-2007	0.9	\$9	n/a	\$9

Notes for DELAYED costs: Estimated cost to prepare a report that addresses capacity issues. The Date Required is the Initial Investigation date. The Final Date is 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**

## Compliance History

Customer/Respondent/Owner-Operator: CN601575251 LONZO GALE DBA LASS UTILITY SERVICE COMPANY Classification: Rating: \_\_\_\_\_

Regulated Entity: RN102694130 HAMILTON ESTATES WATER SYSTEM Classification: Site Rating: \_\_\_\_\_

ID Number(s): PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1012916  
WATER LICENSING LICENSE 1012916

Location: CORNER OF HOPPE RD & WEBB RD, HARRIS COUNTY

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: September 18, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: September 18, 2001 to September 18, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Amy Martin Phone: 512-239-2540

### 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.)
  - 1 08/17/2006 (484003)
  - 2 07/28/2004 (285722)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 08/02/2004 (285722)

Self Report? NO

Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(A)(i)  
5A THC Chapter 341, SubChapter A 341.0315(c)

Description: Failure to provide a well capacity of 1.5 gallons per minute per connection.

Classification: Moderate

Self Report? NO

Citation: 2B TWC Chapter 13, SubChapter A 13.139(d)  
30 TAC Chapter 291, SubChapter F 291.93(3)

Description: Failure, by a retail public utility with a CCN which has reached 85% of its well production to submit a planning report.

Classification: Moderate

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



<b>IN THE MATTER OF AN</b>	<b>§</b>	<b>BEFORE THE</b>
<b>ENFORCEMENT ACTION</b>	<b>§</b>	
<b>CONCERNING</b>	<b>§</b>	
<b>LONZO GALE DBA LASS UTILITY</b>	<b>§</b>	<b>TEXAS COMMISSION ON</b>
<b>SERVICE COMPANY</b>	<b>§</b>	
<b>RN102694130</b>	<b>§</b>	
<b>RN102691995</b>	<b>§</b>	<b>ENVIRONMENTAL QUALITY</b>

## **AGREED ORDER DOCKET NO. 2006-1595-MLM-E**

### **I. JURISDICTION AND STIPULATIONS**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Lonzo Gale dba Lass Utility Service Company ("Mr. Gale") under the authority of TEX. HEALTH & SAFETY CODE ch. 341 and TEX. WATER CODE chs. 5 and 13. The Executive Director of the TCEQ, through the Enforcement Division, and Mr. Gale appear before the Commission and together stipulate that:

1. Mr. Gale owns and operates public water supply ("PWS") systems, which serve at least 25 people per day for at least 60 days per year, located at the following locations in Texas (the "Facilities"):
  - a. Hamilton Estates Water System, at the corner of Hoppe Road and Webb Road, Harris County, Texas, 31 connections, PWS No. 1012916; and
  - b. Tara Park Water System, 21873 Tara Park Drive, Waller County, Texas, 42 connections, PWS No. 2370016.
2. Mr. Gale owns and operates, in Texas and for compensation, equipment or facilities for the transmission, storage, distribution, sale, or provision of potable water to the public or for the resale of potable water to the public for any use. Mr. Gale is not exempt from regulation under TEX. WATER CODE ch. 13 or the rules of the Commission.
3. The Commission and Mr. Gale agree that the Commission has jurisdiction to enter this Agreed Order, and that Mr. Gale is subject to the Commission's jurisdiction.
4. Mr. Gale received notices of the violations alleged in Section II ("Allegations") on August 23 and September 3, 2006.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute



an admission by Mr. Gale of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of One Thousand Four Hundred Forty-Six Dollars (\$1,446) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Mr. Gale has paid One Thousand One Hundred Fifty-Seven Dollars (\$1,157) of the administrative penalty and Two Hundred Eighty-Nine Dollars (\$289) is deferred contingent upon Mr. Gale's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Mr. Gale fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Mr. Gale to pay all or part of the deferred penalty.
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 Mr. Gale have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. 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 Mr. Gale has not complied with one or more of the terms or conditions in this Agreed Order.
10. 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.
11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Facilities, Mr. Gale is alleged to have:

1. Failed to submit planning reports to the Executive Director for the Hamilton Estates and Tara Park Water Systems that clearly explain how each retail public utility will provide the expected service demands to the remaining areas within the boundaries of its certified area when the system has reached 85% of its capacity, in violation of 30 TEX. ADMIN. CODE § 291.93(3) and TEX. WATER CODE § 13.139(d), as documented during investigations conducted on June 22 and July 20, 2006.
2. Failed to provide a well capacity of 1.5 gallons per minute ("gpm") per connection at the Hamilton Estates and Tara Park Water Systems, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(A)(i) and TEX. HEALTH & SAFETY CODE § 341.0315(c), as documented during investigations conducted on June 22 and July 20, 2006.

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3. Failed to meet the TCEQ "Minimum Water System Capacity Requirements" for adequate pressure tank capacity of 50 gallons per connection at the Tara Park Water System, in violation of 30 TEX. ADMIN. CODE § 290.45(b)(1)(A)(ii) and TEX. HEALTH & SAFETY CODE § 341.0315(c), as documented during an investigation conducted on July 20, 2006.
4. Failed to provide a sanitary control easement covering land within 150 feet of the well or executive approval for an authorized substitute at the Tara Park Water System, in violation of 30 TEX. ADMIN. CODE § 290.41(c)(1)(F), as documented during an investigation conducted on July 20, 2006.
5. Failed to compile and maintain a thorough plant operations manual for operator review and reference at the Tara Park Water System, in violation of 30 TEX. ADMIN. CODE § 290.42(l), as documented during an investigation conducted on July 20, 2006.
6. Failed to develop and maintain an up-to-date chemical and microbiological monitoring plan at the Tara Park Water System, in violation of 30 TEX. ADMIN. CODE § 290.121(a), as documented during an investigation conducted on July 20, 2006.
7. Failed to conduct an annual inspection of the pressure tank at the Tara Park Water System, in violation of 30 TEX. ADMIN. CODE § 290.46(m)(1)(B), as documented during an investigation conducted on July 20, 2006.
8. Failed to pay outstanding Public Health Service ("PHS") fees and associated late fees for TCEQ Account Nos. 91012916 and 92370016 for Fiscal Years 2002 through 2006 and TCEQ Account No. 91011551 for Fiscal Years 2003 through 2005, in violation of 30 TEX. ADMIN. CODE § 290.51(a)(3), TEX. HEALTH & SAFETY CODE § 341.041, and TEX. WATER CODE § 5.702, as documented during a record review conducted on September 18, 2006.

### III. DENIALS

Mr. Gale generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Mr. Gale pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Mr. Gale's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Lonzo Gale dba Lass Utility Service Company, Docket No. 2006-1595-MLM-E" to:

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that proper record-keeping is essential for the integrity of the financial system and for the ability to detect and prevent fraud.

Secondly, the document highlights the need for transparency and accountability in all financial operations. It states that clear lines of responsibility and open communication are key to ensuring that all parties involved are aware of their roles and obligations.

Thirdly, the document addresses the issue of risk management. It notes that identifying and assessing potential risks is a critical component of any financial strategy, and that effective risk management practices can help to minimize the impact of any adverse events.

Finally, the document concludes by reiterating the importance of ongoing monitoring and review. It stresses that financial systems are dynamic and constantly evolving, and that regular assessments are necessary to ensure that they remain effective and up-to-date.

In summary, the document provides a comprehensive overview of the key principles and practices that underpin a successful financial system. It serves as a valuable resource for anyone involved in financial management and offers practical guidance on how to implement these principles in a real-world context.

The document also includes a detailed discussion of the various components of a financial system, such as accounting, auditing, and financial reporting. It provides a clear and concise explanation of each of these areas and how they interrelate to form a cohesive whole.

### CONCLUSION

In conclusion, the document emphasizes that a strong financial system is the foundation of a successful organization. It calls for a commitment to high standards of integrity, transparency, and risk management to ensure long-term success and sustainability.

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The document also includes a detailed discussion of the various components of a financial system, such as accounting, auditing, and financial reporting. It provides a clear and concise explanation of each of these areas and how they interrelate to form a cohesive whole.

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

2. It is further ordered that Mr. Gale shall undertake the following technical requirements:

a. Within 30 days after the effective date of this Agreed Order:

i. Submit administratively and technically complete reports to the Commission's Executive Director addressing the 85% capacity planning requirement for the Hamilton Estates and Tara Park Water Systems, in accordance with 30 TEX. ADMIN. CODE § 291.93 to:

Utilities & Districts Section  
Water Supply Division, MC 153  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

ii. Create and begin maintaining an operations manual for the Tara Park Water System, in accordance with 30 TEX. ADMIN. CODE § 290.42;

iii. Create and begin maintaining an up-to-date chemical and microbiological monitoring plan for the distribution system of the Tara Park Water System, in accordance with 30 TEX. ADMIN. CODE § 290.121;

iv. Perform the annual inspection of the pressure tank at the Tara Park Water System, in accordance with 30 TEX. ADMIN. CODE § 290.46;

v. Pay all outstanding PHS fees, including any associated penalties and interest and with the notation "Lonzo Gale dba Lass Utility Service Company - Account Nos. 9101291, 92370016, and 9101155", to:

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

b. Within 45 days after the effective date of this Agreed Order, submit written documentation, as detailed in Ordering Provision 2.f. below, that certifies compliance with Ordering Provisions 2.a.i. through 2.a.v.

1. The first part of the document is a letter from the author to the reader, explaining the purpose of the study and the methods used. The author states that the study was conducted in order to determine the effect of the new teaching method on the students' learning outcomes.

2. The second part of the document is a table showing the results of the study. The table has two columns: 'Group' and 'Score'. The first row shows the 'Control Group' with a score of 75. The second row shows the 'Experimental Group' with a score of 85.

3. The third part of the document is a conclusion. The author concludes that the new teaching method has a positive effect on the students' learning outcomes. The author suggests that the new teaching method should be used in all schools.

4. The fourth part of the document is a list of references. The references are: (1) Smith, J. (2010). The effect of the new teaching method on the students' learning outcomes. (2) Jones, K. (2011). The effect of the new teaching method on the students' learning outcomes.

5. The fifth part of the document is a list of appendices. The appendices are: (1) Appendix A: The new teaching method. (2) Appendix B: The test questions.

6. The sixth part of the document is a list of acknowledgments. The author acknowledges the help of the following people: (1) The principal of the school. (2) The teachers of the school.

7. The seventh part of the document is a list of footnotes. The footnotes are: (1) Footnote 1: The data were collected from the school records. (2) Footnote 2: The data were collected from the school records.

8. The eighth part of the document is a list of glossary. The glossary is: (1) Control Group: A group of students who are not exposed to the new teaching method. (2) Experimental Group: A group of students who are exposed to the new teaching method.

9. The ninth part of the document is a list of index. The index is: (1) Introduction. (2) Table. (3) Conclusion. (4) References. (5) Appendices. (6) Acknowledgments. (7) Footnotes. (8) Glossary. (9) Index.

10. The tenth part of the document is a list of bibliography. The bibliography is: (1) Smith, J. (2010). The effect of the new teaching method on the students' learning outcomes. (2) Jones, K. (2011). The effect of the new teaching method on the students' learning outcomes.

- c. Within 90 days after the effective date of this Agreed Order, secure a sanitary easement covering all property within 150 feet of the well locations at the Tara Park Water System, or obtain an exception to the easement requirement approved by the Commission, in accordance with 30 TEX. ADMIN. CODE § 290.41.
- d. Within 105 days after the effective date of this Agreed Order, submit written documentation, as detailed in Ordering Provision 2.f. below, that certifies compliance with Ordering Provision 2.c.
- e. Within 180 days after the effective date of this Agreed Order:
  - i. Provide a well capacity of 1.5 gpm per connection at the Hamilton Estates and Tara Park Water Systems, in accordance with 30 TEX. ADMIN. CODE § 290.45; and
  - ii. Provide a pressure tank capacity of 50 gallons per connection at the Tara Park Water System, in accordance with 30 TEX. ADMIN. CODE § 290.45.
- f. Within 195 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions 2.e.i. and ii.

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.”

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:

The first step in solving this problem is to determine the present value of the annuity. The present value of an annuity is the sum of the present values of each payment. The present value of a payment of \$1000 made at the end of year  $t$  is  $\frac{1000}{(1 + 0.05)^t}$ . The present value of the annuity is the sum of these present values for  $t = 1, 2, \dots, 10$ .

The present value of the annuity is  $\sum_{t=1}^{10} \frac{1000}{(1 + 0.05)^t}$ . This is a geometric series with first term  $\frac{1000}{1.05}$  and common ratio  $\frac{1}{1.05}$ . The sum of a geometric series is  $\frac{a(1 - r^n)}{1 - r}$ , where  $a$  is the first term,  $r$  is the common ratio, and  $n$  is the number of terms. In this case,  $a = \frac{1000}{1.05}$ ,  $r = \frac{1}{1.05}$ , and  $n = 10$ . The present value of the annuity is  $\frac{1000}{1.05} \frac{1 - (\frac{1}{1.05})^{10}}{1 - \frac{1}{1.05}}$ .

The present value of the annuity is  $\frac{1000}{1.05} \frac{1 - (\frac{1}{1.05})^{10}}{1 - \frac{1}{1.05}}$ . The present value of the annuity is  $\frac{1000}{1.05} \frac{1 - (\frac{1}{1.05})^{10}}{1 - \frac{1}{1.05}}$ . The present value of the annuity is  $\frac{1000}{1.05} \frac{1 - (\frac{1}{1.05})^{10}}{1 - \frac{1}{1.05}}$ .

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### 10.1.1. Example 1

Suppose that you are offered an annuity that pays \$1000 per year for 10 years.

Suppose that you are offered an annuity that pays \$1000 per year for 10 years.

Suppose that you are offered an annuity that pays \$1000 per year for 10 years.

The present value of the annuity is  $\frac{1000}{1.05} \frac{1 - (\frac{1}{1.05})^{10}}{1 - \frac{1}{1.05}}$ .

Water Section Manager  
Houston Regional Office  
Texas Commission on Environmental Quality  
5425 Polk St., Ste. H  
Houston, Texas 77023-1452

3. The provisions of this Agreed Order shall apply to and be binding upon Mr. Gale. Mr. Gale is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. If Mr. Gale fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Mr. Gale's failure to comply is not a violation of this Agreed Order. Mr. Gale shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Mr. Gale shall notify the Executive Director within seven days after he becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
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 Mr. Gale shall be made in writing to the Executive Director. Extensions are not effective until Mr. Gale 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 Mr. Gale in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
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), the effective date is the date of hand-delivery of the Order to Mr. Gale, or three days after the date on which the Commission mails notice of the Order to Mr. Gale, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

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## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

  
\_\_\_\_\_  
For the Executive Director

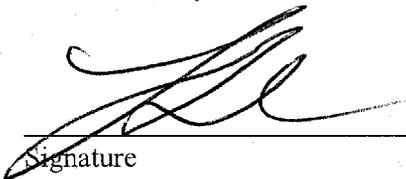
4/18/07  
\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, 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

12-20-06  
\_\_\_\_\_  
Date

Lonzo Gale  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized Representative of  
Lonzo Gale dba Lass Utility Service Company

Owner  
\_\_\_\_\_  
Title

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

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