

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2009-1236-PWS-E **TCEQ ID:** RN102689346 **CASE NO.:** 38077
RESPONDENT NAME: Melrose Water Supply Corporation

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input checked="" type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Melrose WSC, 12542 East State Highway 21, Nacogdoches, Nacogdoches County</p> <p>TYPE OF OPERATION: Public water supply</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: A complaint was received on May 26, 2009, alleging low pressure and poor water quality from the Facility. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: A complaint was received, but the complainant has not expressed a desire to protest this action or to speak at Agenda.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on November 23, 2009. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Epifanio Villarreal, Enforcement Division, Enforcement Team 2, MC R-14, (361) 825-3425; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Carl Dyes, Registered Agent, Melrose Water Supply Corporation, 12542 East State Highway 21, Nacogdoches, Texas 75961 Mr. Edward L. Horn, Board Member, Melrose Water Supply Corporation, 12542 East State Highway 21, Nacogdoches, Texas 75961 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input checked="" type="checkbox"/> Complaint <input 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 of Investigation Relating to this Case: June 1 and 4, 2009</p> <p>Date of NOV/NOE Relating to this Case: July 27, 2009 (NOE)</p> <p>Background Facts: These were complaint investigations.</p> <p>WATER</p> <p>1) Failure to maintain a free chlorine residual of at least 0.2 milligrams per liter ("mg/L") throughout the distribution system at all times [30 TEX. ADMIN. CODE § 290.110(b)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].</p> <p>2) Failure to install a backflow prevention assembly or an air gap at all residences and establishments where an actual or potential contamination hazard exists [30 TEX. ADMIN. CODE § 290.44(h)(1)(A)].</p> <p>3) Failure to properly house the gas chlorine cylinders so that they are protected from adverse weather conditions and vandalism [30 TEX. ADMIN. CODE § 290.42(e)(4)(B)].</p>	<p>Total Assessed: \$3,540</p> <p>Total Deferred: \$708 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$2,832</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input 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> <p>a. On June 4, 2009, the dead-end main on County Road 349 was flushed for approximately ten minutes which raised the free chlorine residual to 0.96 mg/L; and</p> <p>b. On August 13, 2009, provided proper housing for the chlorine cylinders to protect the cylinders from adverse weather conditions and vandalism.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order, install a proper air gap or a reduced pressure principle backflow prevention assembly at the poultry farm located at 3362 County Road 353, Nacogdoches; and</p> <p>b. Within 45 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 Provision a.</p>

Additional ID No(s): 0



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	3-Aug-2009	Screening	3-Aug-2009	EPA Due	
	PCW	3-Aug-2009				

RESPONDENT/FACILITY INFORMATION			
Respondent	Melrose Water Supply Corporation		
Reg. Ent. Ref. No.	RN102689346		
Facility/Site Region	10-Beaumont	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	38077	No. of Violations	3
Docket No.	2009-1236-PWS-E	Order Type	1660
Media Program(s)	Public Water Supply	Government/Non-Profit	Yes
Multi-Media		Enf. Coordinator	Epifanio Villarreal
		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$50	Maximum	\$1,000

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 Total Adjustments **Subtotal 5**

Economic Benefit **Subtotal 6**

Total EB Amounts	\$246	<i>*Capped at the Total EB \$ Amount</i>
Approx. Cost of Compliance	\$2,515	

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

Reduces or enhances the Final Subtotal by the Indicated percentage.

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 3-Aug-2009

Docket No. 2009-1236-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38077

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

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)	1	5%
	Other written NOVs	2	4%
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 submitted)	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) 9%

>> 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

The penalty enhancement is due to one prior Notice of Violation ("NOV") containing violations that are the same as or similar to the violations in the current enforcement action, and two prior dissimilar NOVs.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 9%

Screening Date 3-Aug-2009	Docket No. 2009-1236-PWS-E	PCW	
Respondent Melrose Water Supply Corporation	<i>Policy Revision 2 (September 2002)</i>		
Case ID No. 38077	<i>PCW Revision October 30, 2008</i>		
Reg. Ent. Reference No. RN102689346			
Media [Statute] Public Water Supply			
Enf. Coordinator Epifanio Villarreal			
Violation Number 1			
Rule Cite(s)	30 Tex. Admin. Code § 290.110(b)(4) and Tex. Health & Safety Code § 341.0315(c)		
Violation Description	Failed to maintain a free chlorine residual of at least 0.2 milligrams per liter ("mg/L") throughout the distribution system at all times. Specifically, chlorine residual field tests were conducted on June 1, 2009 and June 4, 2009 at 1066 County Road 349, Nacogdoches and revealed chlorine residuals of 0.06 mg/L and 0.09 mg/L, respectively.		
Base Penalty		\$1,000	
>> Environmental, Property and Human Health Matrix			
Harm			
Release	Major	Moderate	Minor
Actual			
Potential		x	
Percent			25%
>> Programmatic Matrix			
Falsification			
Major	Moderate	Minor	
Percent			0%
Matrix Notes	If the Facility does not maintain proper levels of disinfection, customers could be exposed to significant amounts of contaminants which would not exceed levels that are protective of human health.		
Adjustment		\$750	
		\$250	
Violation Events			
Number of Violation Events		2	Number of violation days
		2	
<i>mark only one with an x</i>	daily		Violation Base Penalty
	weekly		
	monthly		
	quarterly		
	semiannual		
	annual		
	single event	x	
Two single events are recommended (one event per date).			\$500
Good Faith Efforts to Comply		25.0% Reduction	\$125
		Before NOV NOV to EOPRP/Settlement Offer	
Extraordinary			
Ordinary	x		
N/A		(mark with x)	
Notes:	The Respondent achieved compliance on June 4, 2009.		
Violation Subtotal		\$375	
Economic Benefit (EB) for this violation		Statutory Limit Test	
Estimated EB Amount		\$200	Violation Final Penalty Total
			\$420
This violation Final Assessed Penalty (adjusted for limits)			\$420

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38077
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Avoided Costs

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

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$200	1-Jun-2009	4-Jun-2009	0.00	\$0	\$200	\$200
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount for additional maintenance and oversight that could have avoided the violation, calculated for the dates when the violations were documented.

Approx. Cost of Compliance

\$200

TOTAL

\$200

Screening Date 3-Aug-2009	Docket No. 2009-1236-PWS-E	PCW														
Respondent Melrose Water Supply Corporation		<small>Policy Revision 2 (September 2002)</small>														
Case ID No. 38077		<small>PCW Revision October 30, 2008</small>														
Reg. Ent. Reference No. RN102689346																
Media [Statute] Public Water Supply																
Enf. Coordinator Epifanio Villarreal																
Violation Number 2																
Rule Cite(s)	30 Tex. Admin. Code § 290.44(h)(1)(A)															
Violation Description	Failed to install a backflow prevention assembly or an air gap at all residences and establishments where an actual or potential contamination hazard exists. Specifically, at the time of the investigation, it was noted that there was no backflow prevention assembly or air gap installed for the poultry farm located at 3362 Country Road 353, Nacogdoches.															
	Base Penalty	\$1,000														
>> Environmental, Property and Human Health Matrix																
	Harm															
	Release	Major Moderate Minor														
OR	Actual	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>														
Potential	<table border="1" style="width:100%;"><tr><td style="width:33%; text-align: center;">x</td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>	x														
x																
	Percent	50%														
>> Programmatic Matrix																
	Falsification															
	Major Moderate Minor															
	<table border="1" style="width:100%;"><tr><td style="width:33%;"></td><td style="width:33%;"></td><td style="width:33%;"></td></tr></table>															
	Percent	0%														
Matrix Notes	Without a backflow prevention assembly or air gap installed, the water supplied for human consumption could be exposed to significant amounts of contamination which would exceed levels that are protective of human health.															
	Adjustment	\$500														
		\$500														
Violation Events																
	Number of Violation Events 3	Number of violation days 63														
<small>mark only one with an x</small>	<table border="1" style="width:100%;"> <tr><td style="width:30%;">daily</td><td style="width:70%;"></td></tr> <tr><td>weekly</td><td></td></tr> <tr><td>monthly</td><td style="text-align: center;">x</td></tr> <tr><td>quarterly</td><td></td></tr> <tr><td>semiannual</td><td></td></tr> <tr><td>annual</td><td></td></tr> <tr><td>single event</td><td></td></tr> </table>	daily		weekly		monthly	x	quarterly		semiannual		annual		single event		Violation Base Penalty \$1,500
daily																
weekly																
monthly	x															
quarterly																
semiannual																
annual																
single event																
	Three monthly events are recommended from the date of the investigation, June 1, 2009, to the date of screening, August 3, 2009.															
Good Faith Efforts to Comply																
	0.0% Reduction	\$0														
	Before NOV NOV to EDRP/Settlement Offer															
Extraordinary	<table border="1" style="width:100%;"><tr><td style="width:50%;"></td><td style="width:50%;"></td></tr></table>															
Ordinary	<table border="1" style="width:100%;"><tr><td style="width:50%;"></td><td style="width:50%;"></td></tr></table>															
N/A	x (mark with x)															
Notes	The Respondent does not meet the good faith criteria for this violation.															
	Violation Subtotal	\$1,500														
Economic Benefit (EB) for this violation																
	Estimated EB Amount	\$18														
Statutory Limit Test																
	Violation Final Penalty Total	\$1,635														
	This violation Final Assessed Penalty (adjusted for limits)	\$1,635														

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38077
Reg. Ent. Reference No. RN102889346
Media 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	\$315	1-Jun-2009	1-Apr-2010	0.83	\$1	\$17	\$18
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs
 The delayed cost includes the actual amount to install a backflow prevention assembly or air gap, calculated from the date of the investigation to the estimated date of compliance.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance **TOTAL**
\$315 \$18

Screening Date 3-Aug-2009	Docket No. 2009-1236-PWS-E														
Respondent Melrose Water Supply Corporation	PCW <small>Policy Revision 2 (September 2002) PCW Revision October 30, 2008</small>														
Case ID No. 38077															
Reg. Ent. Reference No. RN102689346															
Media [Statute] Public Water Supply															
Enf. Coordinator Epifanio Villarreal															
Violation Number 3															
Rule Cite(s)	30 Tex. Admin. Code § 290.42(e)(4)(B)														
Violation Description	Failed to properly house the gas chlorine cylinders so that they are protected from adverse weather conditions and vandalism. Specifically, at the time of the investigation, it was documented that the gas chlorine cylinders were lying in a horizontal position on the ground outside the office at 12542 East State Highway 21, Nacogdoches.														
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	50%														
>> Programmatic Matrix															
Falsification Major Moderate Minor															
<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>															
Percent	0%														
Matrix Notes	Failure to properly house the chlorine cylinders may expose the cylinders to adverse weather conditions and could allow persons to damage or vandalize the cylinders, exposing Facility employees to significant amounts of contaminants which would exceed levels that are protective of human health.														
Adjustment	\$500														
Violation Events															
Number of Violation Events	3														
Number of violation days	63														
<i>mark only one with an x</i>	<table border="1" style="border-collapse: collapse;"> <tr><td>daily</td><td><input type="checkbox"/></td></tr> <tr><td>weekly</td><td><input type="checkbox"/></td></tr> <tr><td>monthly</td><td><input checked="" type="checkbox"/></td></tr> <tr><td>quarterly</td><td><input type="checkbox"/></td></tr> <tr><td>semiannual</td><td><input type="checkbox"/></td></tr> <tr><td>annual</td><td><input type="checkbox"/></td></tr> <tr><td>single event</td><td><input type="checkbox"/></td></tr> </table>	daily	<input type="checkbox"/>	weekly	<input type="checkbox"/>	monthly	<input checked="" type="checkbox"/>	quarterly	<input type="checkbox"/>	semiannual	<input type="checkbox"/>	annual	<input type="checkbox"/>	single event	<input type="checkbox"/>
daily	<input type="checkbox"/>														
weekly	<input type="checkbox"/>														
monthly	<input checked="" type="checkbox"/>														
quarterly	<input type="checkbox"/>														
semiannual	<input type="checkbox"/>														
annual	<input type="checkbox"/>														
single event	<input type="checkbox"/>														
Violation Base Penalty	\$1,500														
Three monthly events are recommended from the date of the investigation, June 1, 2009, to the date of screening, August 3, 2009.															
Good Faith Efforts to Comply															
10.0% Reduction	\$150														
Before NOV NOV to EDPRP/Settlement Offer															
Extraordinary	<input type="checkbox"/>														
Ordinary	<input checked="" type="checkbox"/>														
N/A	(mark with x)														
Notes	The Respondent achieved compliance on August 13, 2009														
Violation Subtotal	\$1,350														
Economic Benefit (EB) for this violation															
Estimated EB Amount	\$28														
Statutory Limit Test															
Violation Final Penalty Total	\$1,485														
This violation Final Assessed Penalty (adjusted for limits)															
\$1,485															

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38077
Reg. Ent. Reference No. RN102689346
Media 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
No commas or \$							
Delayed Costs							
Equipment				0.00	\$0	\$0	\$0
Buildings	\$2,000	1-Jun-2009	13-Aug-2009	0.20	\$1	\$27	\$28
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs: The delayed cost includes the estimated amount to properly house the chlorine cylinders, calculated from the date of the investigation to the date of compliance.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs:

Approx. Cost of Compliance \$2,000 **TOTAL** \$28

Compliance History Report

Customer/Respondent/Owner-Operator:	CN601358682 Melrose Water Supply Corporation	Classification:	Rating:
Regulated Entity:	RN102688346 MELROSE WSC	Classification:	Site Rating:
ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY REGISTRATION		1740006
Location:	12542 E STATE HIGHWAY 21, NACOGDOCHES, NACOGDOCHES COUNTY, TX		
TCEQ Region:	REGION 10 - BEAUMONT		
Date Compliance History Prepared:	August 03, 2009		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	August 03, 2004 to August 03, 2008		

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

Name: Epi Villarreal Phone: 361-825-3425

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

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, 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	02/09/2007	(531493)
2	04/03/2008	(637613)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date:	02/09/2007	(531493)		
Self Report?	NO		Classification:	Minor
Citation:	30 TAC Chapter 290, SubChapter D 290.46(f)(3)(B)(iii)			
Description:	Failure to record daily chlorine residual tests on water collected from various locations within the distribution system.			
Self Report?	NO		Classification:	Minor
Citation:	30 TAC Chapter 290, SubChapter D 290.46(t)			
Description:	Failure to post a system ownership sign at each of its facilities. At the time of the investigation, no sign was posted at Plant # 11.			
Self Report?	NO		Classification:	Minor
Citation:	30 TAC Chapter 290, SubChapter D 290.46(f)(3)(A)(iv)			
Description:	At the time of the investigation, it was noted that the operator was conducting routine flushing, however, the dates were not documented on the monthly operating reports.			
Self Report?	NO		Classification:	Moderate
Citation:	30 TAC Chapter 290, SubChapter D 290.46(j)(1)			
Description:	Failure to have customer service inspections conducted by a certified individual.			

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(B)
Description: Failure to inspect the interior surface of all pressure tanks with an inspection port every five years.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.42(e)(4)(A)
Description: Failure to have an SCBA readily accessible outside the chlorinator room and immediately available to the operator in the event of an emergency.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(4)
Description: Failure to repair a leak on a valve at Plant No. 7.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.43(d)(3)
Description: Failure to provide pressure tank air injection lines with filters at Plants 2 and 8.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.46(v)
Description: Failure to have all wires in securely mounted conduit at Plants No. 2, 3, 4, 6, and 8.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.41(c)(3)(K)
Description: Failure to install an appropriate casing vent screen on Well No. 1.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)(8)
Description: Failure to maintain the ground storage tank at Plant No. 7.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)(1)
Description: Failure to maintain the roof vent screen on the ground storage tank at Plant No. 11.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.44(h)(1)(A)
Description: Failure to install an appropriate backflow prevention assembly at a car wash connected to the distribution system.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)
Description: Failure to maintain the gas chlorine cylinder scale at Plant No. 3.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.44(h)(1)(B)(i)
Description: Failure to have backflow assemblies tested annually.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(D)(i)
Description: Failure to provide a well capacity of 0.6 gallons per minute per connection at Pressure Plane No. 5.

Date: 06/06/2007 (559709)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.46(q)(1)
Description: Failure to issue a boil water notice in the format specified in 30 TAC 290.47(e) and provide a copy of that notice to the executive director.

Date: 05/13/2008 (657354)

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)
Description: Failure to maintain a facility operated by the water system (storage tank at the Blackjack Booster Station located at 4121 N. FM 95 is overflowing constantly).

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
MELROSE WATER SUPPLY
CORPORATION
RN102689346**

§
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§
§
§
§

**BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2009-1236-PWS-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 Melrose Water Supply Corporation ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a public water supply at 12542 East State Highway 21, Nacogdoches, Nacogdoches County, Texas (the "Facility") that has approximately 1,127 service connections and serves at least 25 people per day for at least 60 days per year.
2. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
3. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about August 1, 2009.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of Three Thousand Five Hundred Forty Dollars (\$3,540) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Two Thousand Eight Hundred Thirty-Two Dollars (\$2,832) of the administrative penalty and Seven Hundred Eight Dollars (\$708) is deferred

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

6. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
7. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
8. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Facility:
 - a. On June 4, 2009, the dead-end main on County Road 349 was flushed for approximately ten minutes which raised the free chlorine residual to 0.96 milligrams per liter ("mg/L"); and
 - b. On August 13, 2009, provided proper housing for the chlorine cylinders to protect the cylinders from adverse weather conditions and vandalism.
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 the Respondent 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 Facility, the Respondent is alleged to have:

1. Failed to maintain a free chlorine residual of at least 0.2 mg/L throughout the distribution system at all times, in violation of 30 TEX. ADMIN. CODE § 290.110(b)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c), as documented during an investigation conducted on June 1 and June 4, 2009.
2. Failed to install a backflow prevention assembly or an air gap at all residences and establishments where an actual or potential contamination hazard exists, in violation of 30 TEX. ADMIN. CODE § 290.44(h)(1)(A), as documented during an investigation conducted on June 1, 2009.

3. Failed to properly house the gas chlorine cylinders so that they are protected from adverse weather conditions and vandalism, in violation of 30 TEX. ADMIN. CODE § 290.42(e)(4)(B), as documented during an investigation conducted on June 1, 2009.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Melrose Water Supply Corporation, Docket No. 2009-1236-PWS-E" 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

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, install a proper air gap or a reduced pressure principle backflow prevention assembly at the poultry farm located at 3362 County Road 353, Nacogdoches, in accordance with 30 TEX. ADMIN. CODE § 290.44.
 - b. Within 45 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 Provision 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

The certification shall be submitted to:

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

with a copy to:

Water Section Manager
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703-1892

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

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission


For the Executive Director

10/20/2009
Date

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

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

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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


Signature

9-14-09
Date

EDWARD L. HORN
Name (Printed or typed)
Authorized Representative of
Melrose Water Supply Corporation

BOARD MEMBER
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.

