

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 4
DOCKET NO.: 2009-2010-PWS-E **TCEQ ID:** RN102689346 **CASE NO.:** 38839
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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on May 24, 2010. 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. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495 Respondent: Mr. Carl Dyes, Registered Agent, Melrose Water Supply Corporation, 12542 East State Highway 21, Nacogdoches, Texas 75961 Mr. Danny Harkness, Secretary/Treasurer, Melrose Water Supply Corporation, 12542 East State Highway 21, Nacogdoches, Texas 75961 Respondent's Attorney: Mr. Tommy Deaton, Deaton Law Firm, P.O. Box 1964, Lufkin, Texas 75901</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: October 1, 2009</p> <p>Date of NOV/NOE Relating to this Case: November 25, 2009 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>WATER</p> <p>1) Failure to conduct an inspection of the interior of the pressure tanks at least once every five years [30 TEX. ADMIN. CODE § 290.46(m)(1)(B)].</p> <p>2) Failure to maintain the Facility's storage tanks so that they are painted, disinfected, and maintained in strict accordance with current American Water Works Association ("AWWA") standards [30 TEX. ADMIN. CODE § 290.43(c)(8)].</p> <p>3) Failure to issue a boil water notification within 24 hours using the prescribed notification format as specified in 30 TEX. ADMIN. CODE § 290.47(e) [30 TEX. ADMIN. CODE § 290.46(q)(1)].</p> <p>4) Failure to operate the Facility to maintain a minimum pressure of 35 pounds per square inch ("psi") throughout the distribution system under normal operating conditions and a minimum pressure of 20 pounds per square inch ("psi") during emergencies such as fire fighting [30 TEX. ADMIN. CODE § 290.46(r)].</p> <p>5) Failure to provide a 16-mesh or finer corrosion-resistant screen on the casing vent for Well Nos. 2 and 7 [30 TEX. ADMIN. CODE § 290.41(c)(3)(K)].</p> <p>6) Failure to provide all water storage tanks with a water level indicator located at the tank site [30 TEX. ADMIN. CODE § 290.43(c)(4)].</p>	<p>Total Assessed: \$20,348</p> <p>Total Deferred: \$4,069 <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: \$16,279</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 implemented the following corrective measures at the Facility:</p> <p>a. On October 9, 2009, calibrated the well meters for Well Nos. 3, 4, 5, 7, 8, and 9;</p> <p>b. On December 15, 2009, properly secured the pressure tanks at Plant Nos. 3 and 4 on its foundation;</p> <p>c. On December 15, 2009, conducted inspections of the pressure tanks' interiors located at Plant Nos. 2, 4, 5, and 6;</p> <p>d. On December 15, 2009, secured the ground storage tank's roof hatch at Plant No. 5;</p> <p>e. On December 15, 2009, repaired the leaking service pumps at Plant Nos. 5, 8, and 11;</p> <p>f. On December 15, 2009, provided all ground storage tanks located at Plant Nos. 2 and 3 with operable water level indicators;</p> <p>g. On December 15, 2009, repaired the sealing block for Well No. 4;</p> <p>h. On December 15, 2009, installed a pressure release device on the 2,000 gallon pressure tank at Plant No. 2;</p> <p>i. On December 15, 2009, provided a 16-mesh or finer corrosion resistant screen for the casing vent on Well No. 2; and</p> <p>j. On October 14, 2009, ensured that proper air gaps or backflow prevention assemblies were installed at the 7 different locations that have been identified as actual or potential contamination hazards.</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:</p>

<p>7) Failure to provide the 2,000 gallon pressure tank at Plant No. 2 with a pressure release device [30 TEX. ADMIN. CODE § 290.43(d)(2)].</p> <p>8) Failure to initiate maintenance and housekeeping practices at the Facility to ensure the good working condition and general appearance of the Facility and its equipment [30 TEX. ADMIN. CODE § 290.46(m)].</p> <p>9) Failure to ensure that the roof hatch on the ground storage tank at Plant No. 5 remains locked except during inspections and maintenance [30 TEX. ADMIN. CODE § 290.43(c)(2)].</p> <p>10) Failure to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition [30 TEX. ADMIN. CODE § 290.46(m)(4)].</p> <p>11) Failure to provide Facility records to Commission personnel at the time of the investigation [30 TEX. ADMIN. CODE § 290.46(f)(2)].</p> <p>12) Failure to calibrate the Facility's well meters at least once every three years [30 TEX. ADMIN. CODE § 290.46(s)(1)].</p> <p>13) Failure to notify the Commission prior to making any significant change or addition where the change in the existing distribution system results in an increase or decrease in production, treatment, storage, or pressure maintenance capacity [30 TEX. ADMIN. CODE § 290.39(j)(1)(A) and TEX. HEALTH & SAFETY CODE § 341.0351].</p> <p>14) Failure to ensure that a backflow prevention assembly or an air gap is installed at all residences and establishments where an actual or potential contamination hazard exists [30 TEX. ADMIN. CODE § 290.44(h)(1)(A)].</p> <p>15) Failure to plug and seal an abandoned public water supply well in accordance with 16 TEX. ADMIN. CODE ch. 76 or return the well to a non-deteriorated condition [30 TEX. ADMIN. CODE § 290.46(u)].</p> <p>16) Failure to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition [30 TEX. ADMIN. CODE § 290.43(c)(6)].</p>		<p>i. Develop and begin maintaining a written protocol that is to be followed to ensure that proper public notification and boil water notices are provided to customers of the Facility in the event of distribution pressures below 20 psi, water outages, positive microbiological samples, low chlorine residuals, or other conditions which indicate that potability of the water may have been compromised;</p> <p>ii. Provide a 16-mesh or finer corrosion resistant screen for the casing vent on Well No. 7;</p> <p>iii. Submit and begin maintaining the following Facility records: Records of the amount of chemicals used each day, customer complaint records, a copy of the Facility's monitoring plan, a copy of the plant operations manual, a copy of the drought contingency plan, copies of sanitary control easements for Well Nos. 1 and 3, and the plugging report for the well at Plant No. 7; and</p> <p>iv. Submit notification to the Executive Director of the changes to the treatment used to treat the water at Well No. 8.</p> <p>b. Within 45 days after the effective of this Agreed Order, submit written certification and include supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision a.</p> <p>c. Within 90 days after the effective date of this Agreed Order:</p> <p>i. Initiate maintenance and housekeeping practices at the Facility, including but not limited to, refurbishing or replacing the roof hatch curbing on the 0.05 million gallon ("MG") ground storage tank at Plant No. 2;</p> <p>ii. Repair the leaking tank drain on the 0.02 MG ground storage tank at Plant No. 8; and</p> <p>iii. Begin operating the Facility so as to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions and a minimum pressure of 20 psi during emergencies such as fire fighting.</p> <p>d. Within 105 days after the effective of this Agreed Order, submit written certification and include supporting documentation including photographs,</p>
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		<p>receipts, and/or other records to demonstrate compliance with Ordering Provision c.</p> <p>e. Within 180 days after the effective date of this Agreed Order:</p> <p>i. Refurbish or replace the ground storage tank's roof hatch at Plant No. 7 and refurbish the interior surfaces of the ground storage tanks located at Plant Nos. 2 and 4 so that all the tanks interiors meet AWWA standards; and</p> <p>ii. Ensure that Well No. 6 is properly plugged with cement according to 16 TEX. ADMIN. CODE ch. 76 or repaired to a non-deteriorated condition.</p> <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 Provision e.</p>
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Additional ID No(s): 1740006



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	30-Nov-2009	Screening	9-Dec-2009	EPA Due	
	PCW	12-Mar-2010				

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.	38839	No. of Violations	17
Docket No.	2009-2010-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 Enhancement *Subtotals 2, 3, & 7*

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

Culpability Enhancement *Subtotal 4*

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments *Subtotal 5*

Economic Benefit Enhancement* *Subtotal 6*

Total EB Amounts	\$6,931	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$35,445	

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:

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

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)	4	20%
	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 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) 22%

>> 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 four prior Notices of Violation ("NOVs") containing violations that are the same as or similar to the violations in the current enforcement action, and one prior dissimilar NOV.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 22%

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 290.46(m)(1)(B)

Violation Description Failed to conduct an inspection of the interior of the pressure tanks at least once every five years. Specifically, at the time of the investigation, a review of the previous tank inspection reports revealed that the interior surface of the two pressure tanks located at Plant No. 2, one pressure tank at Plant No. 4, one pressure tank at Plant 5, and one pressure tank at Plant 6 had not been inspected within the past five years.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (50%). Includes 'OR' label.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and Percent (0%).

Matrix Notes

Complete failure to perform the required inspections of the pressure tanks could result in non-detection of a tank defect and compromise the integrity of the tank. This could result in customers of the Facility being exposed to a significant amount of contaminants which would exceed levels that are protective of human health.

Adjustment \$500

\$500

Violation Events

Number of Violation Events 5 Number of violation days 1825

Table for frequency selection: daily, weekly, monthly, quarterly, semiannual, annual, single event (marked with X).

Violation Base Penalty \$2,500

Five single events are recommended (one event per tank) for the five year period prior to the investigation date, October 1, 2009.

Good Faith Efforts to Comply

10.0% Reduction \$250

Table for Good Faith Efforts: Extraordinary, Ordinary (marked with X), N/A.

Notes The Respondent achieved compliance on December 15, 2009.

Violation Subtotal \$2,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$648

Violation Final Penalty Total \$2,800

This violation Final Assessed Penalty (adjusted for limits) \$2,800

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description	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]	\$500	1-Oct-2004	1-Oct-2009	5.92	\$148	\$500	\$648
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount to inspect the interior surface of the pressure tanks, calculated for the five years prior to the date of the investigation.

Approx. Cost of Compliance

\$500

TOTAL

\$648

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 290.43(c)(8)

Violation Description Failed to maintain the Facility's storage tanks so that they are painted, disinfected, and maintained in strict accordance with current American Water Works Association ("AWWA") standards. Specifically, at the time of the investigation, it was documented that the roof hatch on the ground storage tank at Plant No. 7 had excessive corrosion. In addition, it was documented that the ground storage tank located at Plant No. 2 and the ground storage tank located at Plant No. 4 had extensive interior corrosion.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				25%
Potential		x		

>> Programmatic Matrix

Falsification	Harm			Percent
	Major	Moderate	Minor	
				0%

Matrix Notes Failing to maintain the storage tanks in accordance with AWWA standards could result in customers of the Facility being exposed to a significant amount of contaminants which would not exceed levels that are protective of human health.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 3 Number of violation days 69

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$750

Three quarterly events are recommended (one event per tank) from the date of the investigation, October 1, 2009, to the date of screening, December 9, 2009.

Good Faith Efforts to Comply

	Reduction	
	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

\$0

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$88

Violation Final Penalty Total \$915

This violation Final Assessed Penalty (adjusted for limits) \$915

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment	\$1,000	1-Oct-2009	1-Jan-2011	1.25	\$4	\$83	\$88
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 estimated amount to make repairs, refurbish, or replace the ground storage tank's hatch at Plant No. 7 and make repairs or refurbish the ground storage tanks' interiors for Plant Nos. 2 and 4, 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

\$1,000

TOTAL

\$88

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2009

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 290.46(q)(1)

Violation Description

Failed to issue a boil water notification within 24 hours using the prescribed notification format as specified in 30 Tex. Admin. Code § 290.47(e). Specifically, during the investigation, it was documented that the Respondent did not issue boil water notices within 24 hours after a water outage that occurred on September 8, 2009 and during the first instance where the pressure in the distribution dropped below 20 pounds per square inch ("PSI") on September 27, 2009.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				50%
Potential	X			

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Failure to issue a boil water notice may prevent the public from taking the appropriate measures necessary in response to the delivery of water that may contain a significant amount of contaminants which would exceed levels protective of human health.

Adjustment \$500

\$500

Violation Events

Number of Violation Events 2 Number of violation days 2

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$1,000

Two single events are recommended.

Good Faith Efforts to Comply

0.0% Reduction Before NOV NOV to EDRP/Settlement Offer \$0

Extraordinary	
Ordinary	
N/A	X (mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1,000

Violation Final Penalty Total \$1,220

This violation Final Assessed Penalty (adjusted for limits) \$1,220

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102889346
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
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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]	\$500	8-Sep-2009	9-Sep-2009	0.00	\$0	\$500	\$500
Other (as needed)	\$500	27-Sep-2009	3-Oct-2009	0.00	\$0	\$500	\$500

Notes for AVOIDED costs

The avoided cost includes the estimated amount necessary to provide boil water notices, calculated for the 24 hour period following the water outage and/or low water pressure occurrences.

Approx. Cost of Compliance

\$1,000

TOTAL

\$1,000

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2009

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 290.46(r)

Violation Description

Failed to operate the Facility to maintain a minimum pressure of 35 pounds per square inch ("psi") throughout the distribution system under normal operating conditions and a minimum pressure of 20 psi during emergencies such as fire fighting. Specifically, a pressure recorder installed on the Facility's distribution flush valve located on County Road 349 recorded a pressure reading below 35 psi at various times on September 21-26, 2009, and September 28-29, 2009.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				25%
Potential		x		

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Inadequate pressure throughout the distribution system could result in water outages and backflow problems that could expose customers to significant amounts of contaminants which not would exceed levels that are protective of human health.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 8 Number of violation days 8

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
single event	x	

Violation Base Penalty \$2,000

Eight single events are recommended, for the days that the pressure was recorded below 35 psi.

Good Faith Efforts to Comply

	0.0% Reduction	
	Before NOV	NOV to EDP/PP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

\$0

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$500

Violation Final Penalty Total \$2,440

This violation Final Assessed Penalty (adjusted for limits) \$2,440

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 4

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]	\$500	21-Sep-2009	29-Sep-2009	0.00	\$0	\$500	\$500
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount necessary for additional oversight that could have prevented inadequate pressures throughout the Facility, calculated from the date the Facility's pressure dropped below 35 psi.

Approx. Cost of Compliance

\$500

TOTAL

\$500

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102688346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code § 290.41(c)(3)(K)

Violation Description

Failed to provide a 16-mesh or finer corrosion-resistant screen on the casing vent for Well Nos. 2 and 7.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		x	

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to provide a proper screen for the casing vent could allow insects, dust, and other significant amounts of contaminants to enter the source water which would not exceed levels that are protective of human health.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 2

69 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$500

Two quarterly events are recommended (one event per well) from the date of the investigation, October 1, 2009, to the date of screening, December 9, 2009.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$500

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$3

Violation Final Penalty Total \$810

This violation Final Assessed Penalty (adjusted for limits) \$810

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

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

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	\$50	1-Oct-2009	15-Dec-2009	0.21	\$0	\$1	\$1
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)	\$50	1-Oct-2009	1-Aug-2010	0.83	\$2	n/a	\$2

Notes for DELAYED costs

The delayed costs include the estimated amount to provide a 16-mesh or finer corrosion-resistant screen for the casing vent at Well No. 2, calculated from the date of the investigation to the date of compliance. The delayed costs include the estimated amount to provide a 16-mesh or finer corrosion-resistant screen for the casing vent at Well No. 7, 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

\$100

TOTAL

\$3

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2009

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 290.43(c)(4)

Violation Description

Failed to provide all water storage tanks with a water level indicator located at the tank site. Specifically, at the time of the investigation, it was documented that two ground storage tanks located at Plant No. 2 and the ground storage tank located at Plant No. 3 were not working.

Base Penalty \$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
				0%

Matrix Notes

Failing to provide the storage tanks with properly working water level indicators could prevent the water operator from making necessary water usage calculations and adjustments and could expose customers to an insignificant amount of contaminants which would not exceed levels protective of human health.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 3 Number of violation days 69

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$300

Three single events are recommended (one event per tank).

Good Faith Efforts to Comply

10.0% Reduction \$30

	Before NOV	NOV to EDRP/Settlement Offer
	Extraordinary	
Ordinary		x
N/A		(mark with x)

Notes The Respondent achieved compliance on December 15, 2009.

Violation Subtotal \$270

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$4

Violation Final Penalty Total \$336

This violation Final Assessed Penalty (adjusted for limits) \$336

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 6

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$300	1-Oct-2009	15-Dec-2009	0.21	\$0	\$4	\$4
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 repair or replace the water level indicators for Plant Nos. 2 and 3, 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

\$300

TOTAL

\$4

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2009

Reg. Ent. Reference No. RN102688346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 7

Rule Cite(s)

30 Tex. Admin. Code § 290.43(d)(2)

Violation Description

Failed to provide the 2,000 gallon pressure tank at Plant No. 2 with a pressure release device.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual					50%
Potential	x				

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

Matrix Notes

Failure to have a pressure release device on the pressure tank could result in excess pressurization and would not allow for the release of excessive air resulting in possible tank failure. As a result, customers could be exposed to a significant amount of contaminants which would exceed levels that are protective of human health.

Adjustment \$500

\$500

Violation Events

		3	69	Number of violation days	
mark only one with an x	daily				Violation Base Penalty \$1,500
	weekly				
	monthly	x			
	quarterly				
	semiannual				
	annual				
	single event				

Three monthly events are recommended from the date of the investigation, October 1, 2009, to the date of screening, December 9, 2009.

Good Faith Efforts to Comply

	10.0% Reduction	\$150
	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A	(mark with x)	
Notes	The Respondent achieved compliance on December 15, 2009.	

Violation Subtotal \$1,350

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1 Violation Final Penalty Total \$1,680

This violation Final Assessed Penalty (adjusted for limits) \$1,680

Economic Benefit Worksheet

Respondent Meirose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 7

Percent Interest	Years of Depreciation
6.0	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)	\$100	1-Oct-2009	15-Dec-2009	0.21	\$0	\$1	\$1
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 install a pressure release device on the pressure tank, 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

\$100

TOTAL

\$1

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2009

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code § 290.46(m)

Violation Description

Failed to initiate maintenance and housekeeping practices at the Facility to ensure the good working condition and general appearance of the Facility and equipment. Specifically, at the time of the investigation, it was documented that the sealing block at Well No. 4 was cracked, the roof hatch curbing on the 0.05 Million Gallon ("MG") ground storage tank at Plant No. 2 was rusted, and the pressure tanks at Plant Nos. 3 and 4 were not properly seated on the foundation.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				10%
Potential			x	

>> Programmatic Matrix

Matrix Notes	Falsification			Percent
	Major	Moderate	Minor	
Failure to maintain the good working condition and general appearance of the Facility's equipment could expose the customers to an insignificant amount of contaminants which would not exceed levels that are protective of human health.				0%

Adjustment \$900

\$100

Violation Events

	4	69	Number of violation days
mark only one with an x	daily		Violation Base Penalty \$400
	weekly		
	monthly		
	quarterly		
	semiannual		
	annual		
single event	x		

Four single events are recommended (one event per plant location).

Good Faith Efforts to Comply

	0.0%	Reduction	\$0
	Before NOV	NOV to EDRP/Settlement Offer	
Extraordinary			
Ordinary			
N/A	x	(mark with x)	
Notes	The Respondent does not meet the good faith criteria for this violation.		

Violation Subtotal \$400

Economic Benefit (EB) for this violation

Estimated EB Amount \$91

Statutory Limit Test

Violation Final Penalty Total \$488

This violation Final Assessed Penalty (adjusted for limits) \$488

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 8

Percent Interest	Years of Depreciation
5.0	15

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

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$1,000	1-Oct-2009	1-Oct-2010	1.00	\$3	\$67	\$70
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)	\$2,000	1-Oct-2009	15-Dec-2009	0.21	\$21	n/a	\$21

Notes for DELAYED costs

The delayed costs include the estimated amount to refurbish or replace the 0.05 MG ground storage tank roof hatch curbing at Plant No. 2, calculated from the date of the investigation to the estimated date of compliance. The delayed costs include the estimated amount to properly seat the pressure tanks at Plant Nos. 3 and 4 to the foundation and repair the sealing block at Well No.4 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 \$3,000

TOTAL \$91

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 9

Rule Cite(s)

30 Tex. Admin. Code § 290.43(c)(2)

Violation Description

Failed to ensure that the roof hatch on the ground storage tank at Plant No. 5 remains locked except during inspections and maintenance. Specifically, at the time of the investigation, it was documented that the roof hatch on the ground storage tank at Plant No. 5 did not lock.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual					10%
Potential			x		

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

Failure to secure the roof hatch on the ground storage tank could expose customers of the Facility to insignificant amounts of contaminants which would not exceed levels that are protective of human health.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 1 Number of violation days 69

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
single event	x	

Violation Base Penalty \$100

One single event is recommended.

Good Faith Efforts to Comply

	10.0% Reduction	
	Before NOV	NOV to EDRP/ Settlement Offer
Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes The Respondent achieved compliance on December 15, 2009.

Violation Subtotal \$90

Economic Benefit (EB) for this violation

Estimated EB Amount \$0

Statutory Limit Test

Violation Final Penalty Total \$112

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

Economic Benefit Worksheet

Respondent: Melrose Water Supply Corporation
Case ID No.: 38839
Reg. Ent. Reference No.: RN102689346
Media: Public Water Supply
Violation No.: 9

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				0.00	\$0	\$0	\$0
Other (as needed)	\$20	1-Oct-2009	15-Dec-2009	0.21	\$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 replace the lock for the roof hatch on the ground storage tank, 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

\$20

TOTAL

\$0

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 10

Rule Cite(s)

30 Tex. Admin. Code § 290.46(m)(4)

Violation Description

Failed to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition. Specifically, at the time of the investigation, it was documented that the service pumps located at Plant Nos. 5, 8, and 11 were leaking.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		x	

Percent 25%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to maintain the Facility in a watertight condition could allow a significant amount of contaminants to enter the Facility which would not exceed levels protective of human health.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 3

69 Number of violation days

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$750

Three quarterly events are recommended (one event per service pump) from the date of the investigation, October 1, 2009, to the date of screening, December 9, 2009.

Good Faith Efforts to Comply

10.0% Reduction Before NOV NCV to EOPRP/Settlement Offer

\$75

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes The Respondent achieved compliance on December 15, 2009.

Violation Subtotal \$675

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$43

Violation Final Penalty Total \$840

This violation Final Assessed Penalty (adjusted for limits) \$840

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 10

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				0.00	\$0	\$0	\$0
Other (as needed)	\$3,000	1-Oct-2009	15-Dec-2009	0.21	\$2	\$41	\$43
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 repair the service pump leaks at Plant Nos. 5, 8, and 11, 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

\$3,000

TOTAL

\$43

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 11

Rule Cite(s)

30 Tex. Admin. Code § 290.46(f)(2)

Violation Description

Failed to provide Facility records to Commission personnel at the time of the investigation. Specifically, at the time of the investigation, the following records were requested by the investigator but not available for review: amounts of chemicals used each day, customer complaints, monitoring plan, plant operations manual, drought contingency plan, copies of sanitary easements for Well Nos. 1 and 3, and a plugging report for Plant No. 7.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0%
Potential				

>> Programmatic Matrix

Matrix Notes	Falsification			Percent
	Major	Moderate	Minor	
At least 70% of the rule requirement was met.			x	1%

Adjustment \$990

\$10

Violation Events

Number of Violation Events 1 Number of violation days 69

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$10

One single event is recommended.

Good Faith Efforts to Comply

	0.0%	Reduction	\$0
		Before NOV	NOV to EDRP/Settlement Offer
Extraordinary			
Ordinary			
N/A	x	(mark with x)	

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$10

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$12

This violation Final Assessed Penalty (adjusted for limits) \$50

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 11

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$100	1-Oct-2009	1-Aug-2010	0.83	\$0	\$6	\$6
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 maintain Facility records, 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

\$100

TOTAL

\$6

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

V12

12

Rule Cite(s)

30 Tex. Admin. Code § 290.46(s)(1)

Violation Description

Failed to calibrate the Facility's well meters at least once every three years. Specifically, at the time of the investigation, it was documented that flow meters for Well Nos. 3,4,5,7,8, and 9 were not calibrated.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Failure to have the well meters properly calibrated could result in inaccurate water usage and production data, which could expose customers to an insignificant amount of contaminants that would not exceed levels protective of human health.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 6

69 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$600

Six single events are recommended (one event per meter).

Good Faith Efforts to Comply

25.0% Reduction Before NOV NOV to EDRP/Settlement Offer

\$150

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes The Respondent achieved compliance on October 9, 2009.

Violation Subtotal \$450

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$718

Violation Final Penalty Total \$582

This violation Final Assessed Penalty (adjusted for limits) \$582

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 12

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Item Description:	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]				0.00	\$0	\$0	\$0
Other (as needed)	\$600	1-Oct-2006	1-Oct-2009	3.92	\$118	\$600	\$718

Notes for AVOIDED costs

The avoided cost includes the estimated amount to properly calibrate the well meters, calculated for the three years prior to the investigation date.

Approx. Cost of Compliance

\$600

TOTAL

\$718

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 36839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Eplfanio Villarreal

Violation Number 13

Rule Cite(s)

30 Tex. Admin. Code § 290.39(j)(1)(A) and Tex. Health & Safety Code § 341.0351

Violation Description

Failed to notify the Commission prior to making any significant change or addition where the change in the existing distribution system results in an increase or decrease in production, treatment, storage, or pressure maintenance capacity. Specifically, at the time of the investigation, it was documented that polyphosphate was used as a treatment chemical at Well No. 8. However, there was no evidence of prior notification to use polyphosphate.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
	X		

Percent 25%

Matrix Notes

100% of the rule requirements were not met.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 1

69 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$250

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction Before NOV NOV to EDRP/Settlement Offer

\$0

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$305

This violation Final Assessed Penalty (adjusted for limits) \$305

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 13

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				0.00	\$0	\$0	\$0
Other (as needed)	\$20	1-Oct-2009	1-Aug-2010	0.83	\$0	\$1	\$1
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 costs includes the estimated amount to notify the Commission of the Facility's treatment changes at Well No. 8, 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 \$20

TOTAL \$1

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 14

Rule Cite(s)

30 Tex. Admin. Code § 290.44(h)(1)(A)

Violation Description

Failed to ensure that a backflow prevention assembly or an air gap is installed 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 were no backflow prevention assemblies or air gaps installed for the 7 different locations within the distribution system where an actual or potential contamination hazard was identified.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Without a backflow prevention assembly or air gap installed, backflow and siphonage could occur and the water supplied for human consumption could be exposed to significant amounts of contamination which could exceed levels that are protective of human health.

Adjustment \$500

\$500

Violation Events

Number of Violation Events 7

69 Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

mark only one with an x

Violation Base Penalty \$3,500

Seven single events are recommended (one event per location that is required to have a backflow prevention assembly).

Good Faith Efforts to Comply

25.0% Reduction Before NOV NOV to EDRP/Settlement Offer

\$875

Extraordinary	
Ordinary	x
N/A	(mark with x)

Notes The Respondent achieved compliance on October 14, 2009.

Violation Subtotal \$2,625

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$3,395

This violation Final Assessed Penalty (adjusted for limits) \$3,395

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 14

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				0.00	\$0	\$0	\$0
Other (as needed)	\$2,205	1-Oct-2009	14-Oct-2009	0.04	\$0	\$5	\$5
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 purchase and install backflow prevention assemblies or air gaps at each of the 7 different locations, 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	\$2,205	TOTAL	\$5
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Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 15

Rule Cite(s)

30 Tex. Admin. Code § 290.46(u)

Violation Description

Failed to plug and seal an abandoned public water supply well in accordance with 16 Tex. Admin. Code ch. 76 or return the well to a non-deteriorated condition. Specifically, at the time of the investigation, it was documented that Well No. 6 had been abandoned since 2004.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				50%
Potential	x			

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Failing to ensure that the well is properly cemented and protected could cause the Facility's source water to be contaminated with a significant amount of pollutants which would exceed levels protective of human health.

Adjustment \$500

\$500

Violation Events

Number of Violation Events 3 Number of violation days 69

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$1,500

Three monthly events are recommended from the date of the investigation, October 1, 2009, to the date of screening, December 9, 2009.

Good Faith Efforts to Comply

	Reduction	
	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
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

Statutory Limit Test

Estimated EB Amount \$1,753

Violation Final Penalty Total \$1,830

This violation Final Assessed Penalty (adjusted for limits) \$1,830

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 15

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment			0.00	\$0	\$0	\$0
Buildings			0.00	\$0	\$0	\$0
Other (as needed)	\$20,000	1-Oct-2009	1.25	\$83	\$1,869	\$1,753
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 costs include the estimated amount to plug abandoned Well No. 6 or return to a non-deteriorated condition, 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

\$20,000

TOTAL

\$1,753

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 16

Rule Cite(s)

30 Tex. Admin. Code § 290.43(c)(6)

Violation Description

Failed to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition. Specifically, at the time of the investigation, it was documented that the tank drain on the 0.02 MG ground storage tank was leaking at Plant No. 8.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				25%
Potential		X		

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

Failure to maintain the tank in a watertight condition could allow a significant amount of contaminants to enter the water supply which would not exceed levels protective of human health.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 1 Number of violation days 69

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$250

One quarterly event is recommended from the date of the investigation, October 1, 2009, to the date of screening, December 9, 2009.

Good Faith Efforts to Comply

	0.0%	Reduction	
	Before NOV	NOV to EDRP/ Settlement Offer	
Extraordinary			
Ordinary			
N/A	X	(mark with x)	

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

Violation Subtotal \$250

Economic Benefit (EB) for this violation

Estimated EB Amount \$70

Statutory Limit Test

Violation Final Penalty Total \$305

This violation Final Assessed Penalty (adjusted for limits) \$305

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102689346
Media Public Water Supply
Violation No. 16

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)	\$1,000	1-Oct-2009	1-Oct-2010	1.00	\$3	\$67	\$70
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 repair the leaking tank drain on the 0.02 MG ground storage tank at Plant 8, 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

\$1,000

TOTAL

\$70

Screening Date 9-Dec-2009

Docket No. 2009-2010-PWS-E

PCW

Respondent Melrose Water Supply Corporation

Policy Revision 2 (September 2002)

Case ID No. 38839

PCW Revision October 30, 2009

Reg. Ent. Reference No. RN102689346

Media [Statute] Public Water Supply

Enf. Coordinator Epifanio Villarreal

Violation Number 17

Rule Cite(s)

30 Tex. Admin. Code § 290.46(r)

Violation Description

Failed to operate the Facility to maintain a minimum pressure of 35 psi throughout the distribution system under normal operating conditions and a minimum pressure of 20 psi during emergencies such as fire fighting. Specifically, a pressure recorder installed on the Facility's distribution flush valve located on County Road 349 recorded a pressure reading below 20 psi at various times on September 27, 2009, September 30, 2009, October 1 and October 2, 2009.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

Percent 50%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

Matrix Notes

Inadequate pressure throughout the distribution system could result in water outages and backflow problems that could expose customers to significant amounts of contaminants which would exceed levels that are protective of human health.

Adjustment \$500

\$500

Violation Events

Number of Violation Events 4

4 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
single event	x	

Violation Base Penalty \$2,000

Four single events are recommended, calculated for the days that the pressure was recorded below 20 psi.

Good Faith Efforts to Comply

	0.0% Reduction	
	Before NOV	NOV to EDRFP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

\$0

Notes The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$2,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2,000

Violation Final Penalty Total \$2,440

This violation Final Assessed Penalty (adjusted for limits) \$2,440

Economic Benefit Worksheet

Respondent Melrose Water Supply Corporation
Case ID No. 38839
Reg. Ent. Reference No. RN102889348
Media Public Water Supply
Violation No. 17

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				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]	\$1,000	27-Sep-2009	30-Sep-2009	0.00	\$0	\$1,000	\$1,000
Other (as needed)	\$1,000	1-Oct-2009	2-Oct-2009	0.00	\$0	\$1,000	\$1,000

Notes for AVOIDED costs

The avoided cost includes the estimated amount necessary for additional oversight that could have prevented inadequate pressures throughout the Facility, calculated from the date of the system's pressure dropped below 20 psi.

Approx. Cost of Compliance

\$2,000

TOTAL

\$2,000

Compliance History Report

Customer/Respondent/Owner-Operator:	CN601358682 Melrose Water Supply Corporation	Classification:	Rating:
Regulated Entity:	RN102689346 MELROSE WSC	Classification:	Site Rating:
ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1740008
Location:	12542 E STATE HIGHWAY 21, NACOGDOCHES, NACOGDOCHES COUNTY, TX		
TCEQ Region:	REGION 10 - BEAUMONT		
Date Compliance History Prepared:	December 9, 2009		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	December 9, 2004 to December 9, 2009		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	Epl 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
- 6.

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	02/09/2007	(531493)
2	04/03/2008	(637613)
3	08/04/2008	(682071)
4	08/11/2008	(683662)
5	04/03/2009	(740174)
6	11/25/2009	(778227)
- 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).

Date: 03/30/2009 (724100)

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.46(j)
Description: Failure to perform a customer service inspection
EIC C1 MOD(2)(E)

Date: 09/21/2009 (776088)

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.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.46(e)

Description: Failure to have the production, treatment, and distribution facilities operated under the direct supervision of a licensed operator.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter D 290.46(r)

Description: Failure to operate the water system to maintain a minimum pressure of 35 psi throughout the distribution system under normal operating conditions.

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. 2009-2010-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 represented by Mr. Tommy Deaton of the Deaton Law Firm 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 November 30, 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 Twenty Thousand Three Hundred Forty-Eight Dollars (\$20,348) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Sixteen Thousand Two Hundred Seventy-Nine Dollars (\$16,279) of the administrative penalty and Four Thousand Sixty-Nine Dollars (\$4,069) 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 implemented the following corrective measures at the Facility:
 - a. On October 9, 2009, calibrated the well meters for Well Nos. 3, 4, 5, 7, 8, and 9;
 - b. On December 15, 2009, properly secured the pressure tanks at Plant Nos. 3 and 4 on its foundation;
 - c. On December 15, 2009, conducted inspections of the pressure tanks' interiors located at Plant Nos. 2, 4, 5, and 6;
 - d. On December 15, 2009, secured the ground storage tank's roof hatch at Plant No. 5;
 - e. On December 15, 2009, repaired the leaking service pumps at Plant Nos. 5, 8, and 11;
 - f. On December 15, 2009, provided all ground storage tanks located at Plant Nos. 2 and 3 with operable water level indicators;
 - g. On December 15, 2009, repaired the sealing block for Well No. 4;
 - h. On December 15, 2009, installed a pressure release device on the 2,000 gallon pressure tank at Plant No. 2;
 - i. On December 15, 2009, provided a 16-mesh or finer corrosion resistant screen for casing vent on Well No. 2; and
 - j. On October 14, 2009, ensured that proper air gaps or backflow prevention assemblies were installed at the 7 different locations that have been identified as actual or potential contamination hazards.
 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 conduct an inspection of the interior of the pressure tanks at least once every five years, in violation of 30 TEX. ADMIN. CODE § 290.46(m)(1)(B), as documented during an investigation conducted on October 1, 2009.
2. Failed to maintain the Facility's storage tanks so that they are painted, disinfected, and maintained in strict accordance with current American Water Works Association ("AWWA") standards, in violation of 30 TEX. ADMIN. CODE § 290.43(c)(8), as documented during an investigation conducted on October 1, 2009.
3. Failed to issue a boil water notification within 24 hours using the prescribed notification format as specified in 30 TEX. ADMIN. CODE § 290.47(e), in violation of 30 TEX. ADMIN. CODE § 290.46(q)(1), as documented during an investigation conducted on October 1, 2009.
4. Failed to operate the Facility to maintain a minimum pressure of 35 pounds per square inch ("psi") throughout the distribution system under normal operating conditions and a minimum pressure of 20 psi during emergencies such as fire fighting, in violation of 30 TEX. ADMIN. CODE § 290.46(r), as documented during an investigation conducted on October 1, 2009.
5. Failed to provide a 16-mesh or finer corrosion-resistant screen on the casing vent for Well Nos. 2 and 7, in violation of 30 TEX. ADMIN. CODE § 290.41(c)(3)(K), as documented during an investigation conducted on October 1, 2009.
6. Failed to provide all water storage tanks with a water level indicator located at the tank site, in violation of 30 TEX. ADMIN. CODE § 290.43(c)(4), as documented during an investigation conducted on October 1, 2009.
7. Failed to provide the 2,000 gallon pressure tank at Plant No. 2 with a pressure release device, in violation of 30 TEX. ADMIN. CODE § 290.43(d)(2), as documented during an investigation conducted on October 1, 2009.
8. Failed to initiate maintenance and housekeeping practices at the Facility to ensure the good working condition and general appearance of the Facility and its equipment, in violation of 30 TEX. ADMIN. CODE § 290.46(m), as documented during an investigation conducted on October 1, 2009.
9. Failed to ensure that the roof hatch on the ground storage tank at Plant No. 5 remains locked except during inspections and maintenance, in violation of 30 TEX. ADMIN. CODE § 290.43(c)(2), as documented during an investigation conducted on October 1, 2009.

10. Failed to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition, in violation of 30 TEX. ADMIN. CODE § 290.46(m)(4), as documented during an investigation conducted on October 1, 2009.
11. Failed to provide Facility records to Commission personnel at the time of the investigation, in violation of 30 TEX. ADMIN. CODE § 290.46(f)(2), as documented during an investigation conducted on October 1, 2009.
12. Failed to calibrate the Facility's well meters at least once every three years, in violation of 30 TEX. ADMIN. CODE § 290.46(s)(1), as documented during an investigation conducted on October 1, 2009.
13. Failed to notify the Commission prior to making any significant change or addition where the change in the existing distribution system results in an increase or decrease in production, treatment, storage, or pressure maintenance capacity, in violation of 30 TEX. ADMIN. CODE § 290.39(j)(1)(A) and TEX. HEALTH & SAFETY CODE § 341.0351, as documented during an investigation conducted on October 1, 2009.
14. Failed to ensure that a backflow prevention assembly or an air gap is installed 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 October 1, 2009.
15. Failed to plug and seal an abandoned public water supply well in accordance with 16 TEX. ADMIN. CODE ch. 76 or return the well to a non-deteriorated condition, in violation of 30 TEX. ADMIN. CODE § 290.46(u), as documented during an investigation conducted on October 1, 2009.
16. Failed to maintain all treatment units, storage and pressure maintenance facilities, distribution system lines and related appurtenances in a watertight condition, in violation of 30 TEX. ADMIN. CODE § 290.43(c)(6), as documented during an investigation conducted on October 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. 2009-2010-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:
 - i. Develop and begin maintaining a written protocol that is to be followed to ensure that proper public notification and boil water notices are provided to customers of the Facility in the event of distribution pressures below 20 psi, water outages, positive microbiological samples, low chlorine residuals, or other conditions which indicate that potability of the water may have been compromised, in accordance with 30 TEX. ADMIN. CODE § 290.46;
 - ii. Provide a 16-mesh or finer corrosion resistant screen for casing vent on Well No. 7, in accordance with 30 TEX. ADMIN. CODE § 290.43;
 - iii. Submit and begin maintaining the following Facility records: Records of the amount of chemicals used each day, customer complaint records, a copy of the Facility's monitoring plan, a copy of the plant operations manual, a copy of the drought contingency plan, copies of sanitary control easements for Well Nos. 1 and 3, and the plugging report for the well at Plant No. 7, in accordance with 30 TEX. ADMIN. CODE § 290.46; and
 - iv. Submit notification to the Executive Director of the changes to the treatment used to treat the water at Well No. 8, in accordance with 30 TEX. ADMIN. CODE § 290.39.

The notification shall be submitted to:

Utility Technical Review Team
Water Supply Division, MC 153
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- b. Within 45 days after the effective of this Agreed Order, submit written certification as described below in Ordering Provision 2.f, and include supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions 2.a;
- c. Within 90 days after the effective date of this Agreed Order:
 - i. Initiate maintenance and housekeeping practices at the Facility, including but not limited to, refurbishing or replacing the roof hatch curbing on the 0.05 million

- gallon ("MG") ground storage tank at Plant No. 2, in accordance with 30 TEX. ADMIN. CODE § 290.46;
- ii. Repair the leaking tank drain on the 0.02 MG ground storage tank at Plant No. 8, in accordance with 30 TEX. ADMIN. CODE § 290.43; and
 - iii. Begin operating the Facility so as to provide a minimum pressure of 35 psi throughout the distribution system under normal operating conditions and a minimum pressure of 20 psi during emergencies such as fire fighting, in accordance with 30 TEX. ADMIN. CODE § 290.46.
- d. Within 105 days after the effective of this Agreed Order, submit written certification as described below in Ordering Provision 2.f, and include supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision 2.c;
- e. Within 180 days after the effective date of this Agreed Order:
- i. Refurbish or replace the ground storage tank's roof hatch at Plant No. 7 and refurbish the interior surfaces of the ground storage tanks located at Plant Nos. 2 and 4 so that all the tanks interiors meet AWWA standards, in accordance with 30 TEX. ADMIN. CODE § 290.43; and
 - ii. Ensure that Well No. 6 is properly plugged with cement according to 16 TEX. ADMIN. CODE ch. 76 or repaired to a non-deteriorated condition, in accordance with 30 TEX. ADMIN. CODE § 290.46.
- 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 Provision 2.e. 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.

Melrose Water Supply Corporation
DOCKET NO. 2009-2010-PWS-E
Page 8

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John Zoller
For the Executive Director

5/7/2010
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.

Danny Harkness
Signature

3-22-10
Date

DANNY HARKNESS
Name (Printed or typed)
Authorized Representative of
Melrose Water Supply Corporation

Sec. Treasurer
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.