

**Executive Summary – Enforcement Matter – Case No. 50474**  
**SP UTILITY COMPANY, INC.**  
**RN103779039**  
**Docket No. 2015-0676-PWS-E**

**Order Type:**

Findings Agreed Order

**Findings Order Justification:**

Three or more enforcement actions (NOVs, orders, etc.) over the prior five year period for the same violation(s).

**Media:**

PWS

**Small Business:**

Yes

**Location(s) Where Violation(s) Occurred:**

Savannah Plantation, 7350 1/2 Savannah Plantation Drive near Rosharon, Brazoria County

**Type of Operation:**

Public water supply

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** September 4, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$2,841

**Amount Deferred for Expedited Settlement:** \$0

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$2,841

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$0

Name of SEP: N/A

**Compliance History Classifications:**

Person/CN - High

Site/RN - N/A

**Major Source:** No

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

**Executive Summary – Enforcement Matter – Case No. 50474  
SP UTILITY COMPANY, INC.  
RN103779039  
Docket No. 2015-0676-PWS-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** April 13, 2015 through April 24, 2015

**Date(s) of NOE(s):** April 24, 2015

***Violation Information***

1. Failed to submit a Disinfectant Level Quarterly Operating Report ("DLQOR") to the Executive Director ("ED") each quarter by the tenth day of the month following the end of each quarter [30 TEX. ADMIN. CODE § 290.110(e)(4)(A) and (f)(3)].
2. Failed to collect lead and copper tap samples at the required ten sample sites, have the samples analyzed at an approved laboratory and submit the results to the ED [30 TEX. ADMIN. CODE § 290.117(c)(2)(A) and (i)(1)].
3. Failed to provide public notification and submit a copy of the public notification to the ED regarding the failure to comply with the maximum contaminant level ("MCL") for arsenic based on the running annual average [30 TEX. ADMIN. CODE § 290.122(b)(3)(A) and (f)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

N/A

**Technical Requirements:**

The Order will require the Respondent to:

a. Within 30 days:

- i. Update the Facility's operational guidance and conduct employee training to ensure that self-reporting requirements are properly accomplished, including the timely submission of signed and certified DLQORs;
- ii. Implement improvements to the Facility's process procedures, guidance, training, and/or oversight to ensure that all future lead and copper tap samples are collected, analyzed by an approved laboratory and the results reported to the ED within ten days following the end of each monitoring period;
- iii. Implement procedures to ensure that all necessary public notifications are provided in a timely manner to persons served by the Facility and a copy of the public notification is submitted to the ED; and

**Executive Summary – Enforcement Matter – Case No. 50474**  
**SP UTILITY COMPANY, INC.**  
**RN103779039**  
**Docket No. 2015-0676-PWS-E**

iv. Provide public notification regarding the failure to comply with the MCL for arsenic based on the running annual average for the fourth quarter of 2013, the first quarter of 2014, and the third quarter of 2014, and provide a copy of each public notification to the ED.

b. Within 45 days, submit written certification to demonstrate compliance with a.

c. Within 90 days:

i. Begin submitting DLQORs to the ED each quarter by the tenth day of the month following the end of the quarter. This provision will be satisfied upon two consecutive quarters of compliant reporting; and

ii. Begin complying with applicable lead and copper monitoring requirements by collecting the required number of lead and copper samples and reporting the results to the ED within ten days of the month following the end of the monitoring period. This provision will be satisfied upon two semiannual compliant monitoring periods.

d. Within 285 days, submit written certification to demonstrate compliance with c.i.

e. Within 465 days, submit written certification to demonstrate compliance with c.ii.

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

**Hearing Date(s):** N/A

**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Katy Montgomery, Enforcement Division, Enforcement Team 2, MC R-13, (210) 403-4016; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** N/A

**Respondent:** Gregory N. Blume, President, SP UTILITY COMPANY, INC., 8323 Southwest Freeway, Suite 440, Houston, Texas 77074

**Respondent's Attorney:** N/A





# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

TCEQ

<b>DATES</b>	<b>Assigned PCW</b>	27-Apr-2015	<b>Screening</b>	4-May-2015	<b>EPA Due</b>	30-Jun-2015
--------------	---------------------	-------------	------------------	------------	----------------	-------------

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	SP UTILITY COMPANY, INC.		
<b>Reg. Ent. Ref. No.</b>	RN103779039		
<b>Facility/Site Region</b>	12-Houston	<b>Major/Minor Source</b>	Minor

## CASE INFORMATION

<b>Enf./Case ID No.</b>	50474	<b>No. of Violations</b>	3
<b>Docket No.</b>	2015-0676-PWS-E	<b>Order Type</b>	Findings
<b>Media Program(s)</b>	Public Water Supply	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Katy Montgomery
		<b>EC's Team</b>	Enforcement Team 2
<b>Admin. Penalty \$ Limit Minimum</b>	\$50	<b>Maximum</b>	\$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: Enhancement for eight NOVs with the same/similar violations and one agreed order without a denial of liability. Reduction for High Performer Classification.

**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	\$1,462	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$1,686	

**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: Enhancement to recover the avoided costs of compliance associated with Violation Nos. 1 and 2.

**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: No deferral is recommended for Findings Orders.

**PAYABLE PENALTY**

Screening Date 4-May-2015

Docket No. 2015-0676-PWS-E

PCW

Respondent SP UTILITY COMPANY, INC.

Policy Revision 4 (April 2014)

Case ID No. 50474

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN103779039

Media [Statute] Public Water Supply

Enf. Coordinator Katy Montgomery

### Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	8	40%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%

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) 65%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

High Performer

Adjustment Percentage (Subtotal 7) -10%

>> Compliance History Summary

Compliance History Notes

Enhancement for eight NOVs with the same/similar violations and one agreed order without a denial of liability. Reduction for High Performer Classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 55%

>> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 55%

**Screening Date** 4-May-2015  
**Respondent** SP UTILITY COMPANY, INC.  
**Case ID No.** 50474  
**Reg. Ent. Reference No.** RN103779039  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Katy Montgomery  
**Violation Number**

**Docket No.** 2015-0676-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Rule Cite(s)**

**Violation Description**

**Base Penalty**

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

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
<input type="text"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text" value="5.0%"/>

**Matrix Notes**

**Adjustment**

**Violation Events**

Number of Violation Events   Number of violation days

mark only one with an x

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input checked="" type="checkbox"/>

**Violation Base Penalty**

**Good Faith Efforts to Comply**

Reduction

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

**Notes**

**Violation Subtotal**

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

**Statutory Limit Test**

Estimated EB Amount

Violation Final Penalty Total

**This violation Final Assessed Penalty (adjusted for limits)**

# Economic Benefit Worksheet

**Respondent** SP UTILITY COMPANY, INC.  
**Case ID No.** 50474  
**Reg. Ent. Reference No.** RN103779039  
**Media** Public Water Supply  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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	\$45	13-Apr-2015	30-Nov-2015	0.63	\$1	n/a	\$1
Training/Sampling	\$100	13-Apr-2015	30-Nov-2015	0.63	\$3	n/a	\$3
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 amounts to update the Facility's operational guidance and conduct employee training to ensure that self-reporting requirements are properly accomplished, including the timely submittal of signed and certified quarterly DLQORs, calculated from the date of the record review 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]	\$66	10-Jul-2014	10-Jan-2015	1.42	\$5	\$66	\$71
Other (as needed)				0.00	\$0	\$0	\$0

**Notes for AVOIDED costs**

The avoided cost includes the estimated amount to prepare and submit the DLQORs (\$22 per report x three missed reports), calculated from the date the DLQOR was due for the second quarter of 2014 to the date the DLQOR was due for the fourth quarter of 2014.

<b>Approx. Cost of Compliance</b>	\$211	<b>TOTAL</b>	\$75
-----------------------------------	-------	--------------	------

**Screening Date** 4-May-2015  
**Respondent** SP UTILITY COMPANY, INC.  
**Case ID No.** 50474

**Docket No.** 2015-0676-PWS-E

**PCW**

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

**Reg. Ent. Reference No.** RN103779039  
**Media [Statute]** Public Water Supply  
**Enf. Coordinator** Katy Montgomery

**Violation Number**   
**Rule Cite(s)**

30 Tex. Admin. Code § 290.117(c)(2)(A) and (i)(1)  
 Failed to collect lead and copper tap samples at the required ten sample sites, have the samples analyzed at an approved laboratory and submit the results to the Executive Director for the January 1, 2013 through June 30, 2013, July 1, 2013 through December 31, 2013, January 1, 2014 through June 30, 2014, and July 1, 2014 through December 31, 2014 monitoring periods.

**Violation Description**

**Base Penalty**

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

**OR**

Release	Harm		
	Major	Moderate	Minor
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
Potential	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>

**Percent**

**>> Programmatic Matrix**

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

**Percent**

**Matrix Notes**

Failure to collect lead and copper samples could expose customers of the Facility to undetected contaminants which would exceed levels protective of human health.

**Adjustment**

**Violation Events**

Number of Violation Events

Number of violation days

mark only one with an x

daily	<input type="text"/>
weekly	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input type="text"/>
semiannual	<input type="text" value="x"/>
annual	<input type="text"/>
single event	<input type="text"/>

**Violation Base Penalty**

Four semiannual events are recommended.

**Good Faith Efforts to Comply**

**Reduction**

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input type="text" value="x"/>	<input type="text" value="(mark with x)"/>

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

**Violation Subtotal**

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

**Statutory Limit Test**

**Estimated EB Amount**

**Violation Final Penalty Total**

**This violation Final Assessed Penalty (adjusted for limits)**

# Economic Benefit Worksheet

**Respondent** SP UTILITY COMPANY, INC.  
**Case ID No.** 50474  
**Reg. Ent. Reference No.** RN103779039  
**Media** Public Water Supply  
**Violation No.** 2

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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	\$100	13-Apr-2015	30-Nov-2015	0.63	\$3	n/a	\$3
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 implement improvements to the Facility's process procedures, guidance, training and/or oversight to ensure that future lead and copper samples are collected by the Facility's personnel, analyzed by the Facility's laboratories and reported to the Executive Director, calculated from the date of the record review 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]	\$1,200	1-Jan-2013	31-Dec-2014	2.92	\$175	\$1,200	\$1,375
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided cost includes the estimated amount to collect and have analyzed the required lead and copper samples (\$30 per sample x ten required samples x four monitoring periods), calculated for the monitoring periods in which sampling was required.

Approx. Cost of Compliance

\$1,300
---------

**TOTAL**

\$1,378
---------

Screening Date 4-May-2015  
 Respondent SP UTILITY COMPANY, INC.  
 Case ID No. 50474

Docket No. 2015-0676-PWS-E

PCW

Policy Revision 4 (April 2014)  
 PCW Revision March 26, 2014

Reg. Ent. Reference No. RN103779039  
 Media [Statute] Public Water Supply  
 Enf. Coordinator Katy Montgomery

Violation Number

Rule Cite(s)

Violation Description

Failed to provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the maximum contaminant level for arsenic based on the running annual average for the fourth quarter of 2013, the first quarter of 2014, and the third quarter of 2014. Specifically, notifications were due on May 6, 2014, June 17, 2014, and November 16, 2014 and were not provided.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR

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

Percent

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>

Percent

Matrix Notes

Adjustment

Violation Events

Number of Violation Events

Number of violation days

mark only one with an x	daily	<input type="text"/>
	weekly	<input type="text"/>
	monthly	<input type="text"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
single event	<input checked="" type="text" value="x"/>	

Violation Base Penalty

Good Faith Efforts to Comply

Reduction

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

Notes

Violation Subtotal

Economic Benefit (EB) for this violation

Estimated EB Amount

Statutory Limit Test

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

# Economic Benefit Worksheet

**Respondent** SP UTILITY COMPANY, INC.  
**Case ID No.** 50474  
**Reg. Ent. Reference No.** RN103779039  
**Media** Public Water Supply  
**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

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

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				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	\$100	13-Apr-2015	30-Nov-2015	0.63	\$3	n/a	\$3
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$75	6-May-2014	30-Nov-2015	1.57	\$6	n/a	\$6

Notes for DELAYED costs

The delayed cost includes the estimated amount to implement procedures to ensure that all necessary public notifications are provided in a timely manner, calculated from the date of the record review to the estimated date of compliance. The other delayed cost includes the estimated amount to ensure that all delinquent public notifications (\$25 per notification x three missed notifications) are provided to persons served by the Facility and a copy of the notification is provided to the Executive Director, calculated from the due date of the earliest public notification 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

\$175

**TOTAL**

\$9

The TCEQ is committed to accessibility.

To request a more accessible version of this report, please contact the TCEQ Help Desk at (512) 239-4357.



# TCEQ Compliance History Report

**PUBLISHED** Compliance History Report for CN602478257, RN103779039, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

**Customer, Respondent, or Owner/Operator:** CN602478257, SP UTILITY COMPANY, INC. **Classification:** HIGH **Rating:** 0.00

**Regulated Entity:** RN103779039, SAVANNAH PLANTATION **Classification:** NOT APPLICABLE **Rating:** N/A

**Complexity Points:** N/A **Repeat Violator:** N/A

**CH Group:** 14 - Other

**Location:** 7350 1/2 SAVANNAH PLANTATION DRIVE NEAR ROSHARON, BRAZORIA COUNTY, TEXAS

**TCEQ Region:** REGION 12 - HOUSTON

**ID Number(s):**

**PUBLIC WATER SYSTEM/SUPPLY REGISTRATION** 0200599

**Compliance History Period:** September 01, 2009 to August 31, 2014 **Rating Year:** 2014 **Rating Date:** 09/01/2014

**Date Compliance History Report Prepared:** May 04, 2015

**Agency Decision Requiring Compliance History:** Enforcement

**Component Period Selected:** May 04, 2010 to May 04, 2015

**TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.**

**Name:** Katy Montgomery

**Phone:** (210) 403-4016

**Site and Owner/Operator History:**

- 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** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

**Components (Multimedia) for the Site Are Listed in Sections A - J**

**A. Final Orders, court judgments, and consent decrees:**

- 1 Effective Date: 09/26/2010 ADMINORDER 2010-0301-PWS-E (Findings Order-Agreed Order Without Denial)
  - Classification: Moderate
  - Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(3)(E)(iv)
  - Description: Failure to maintain records per this agency's rules and regulations which require that the following records be retained for at least ten years:
    - Copies of the Customer Service Inspection reports required by subsection 290.46(j).
  - Classification: Moderate
  - Citation: 30 TAC Chapter 290, SubChapter D 290.46(m)(1)(B)
  - Description: Failure to provide a copy of the last internal inspection on the pressure tank.
  - Classification: Moderate
  - Citation: 30 TAC Chapter 290, SubChapter D 290.46(i)
  - Description: Failure to adopt an adequate plumbing ordinance, regulations or a service agreement with provisions for proper enforcement. Potential cross-connections or other undesirable plumbing practices must be prohibited. The ordinance or regulations must also prohibit the use of pipes and pipe fittings that contain more than 8.0 percent and flux that contains more than 0.2 percent lead.
    - At the time of the investigation, no service agreements were presented.
  - Classification: Moderate
  - Citation: 30 TAC Chapter 290, SubChapter D 290.39(j)
  - Description: Failure to notify the executive director prior to making any significant change or addition to the system's

production, treatment, storage, pressure maintenance, or distribution facilities.

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter H 290.271(b)

30 TAC Chapter 290, SubChapter H 290.274(a)

30 TAC Chapter 290, SubChapter H 290.274(c)

Description: This system did not deliver the annual Consumer Confidence Report (CCR) for 2006 to its bill-paying customers.

Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter H 290.274(c)

Description: This system failed to deliver a copy and certification of delivery of the annual Consumer Confidence Report for the 2006 CCR year.

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter H 290.271(b)

30 TAC Chapter 290, SubChapter H 290.274(a)

Description: This system did not deliver the annual Consumer Confidence Report (CCR) for 2007 to its bill-paying customers.

Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter H 290.274(c)

Description: This system failed to deliver a copy and certification of delivery of the annual Consumer Confidence Report for the 2007 CCR year.

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter H 290.271(b)

30 TAC Chapter 290, SubChapter H 290.274(a)

Description: This system did not deliver the annual Consumer Confidence Report (CCR) for 2008 to its bill-paying customers.

Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter H 290.274(c)

Description: This system failed to deliver a copy and certification of delivery of the annual Consumer Confidence Report for the 2008 CCR year.

Classification: Minor

Citation: 2A TWC Chapter 5, SubChapter A 5.702

30 TAC Chapter 290, SubChapter E 290.51(a)(3)

Description: Failed to pay all annual and late Public Health Service fees for TCEQ Financial Administration Account Nos. 90200599, 23005085, 0609849, and 0105607.

## B. Criminal convictions:

N/A

## C. Chronic excessive emissions events:

N/A

## D. The approval dates of investigations (CEEDS Inv. Track. No.):

Item 1            March 19, 2013            (1058404)

## E. Written notices of violations (NOV) (CEEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

- |      |                                                                                                                                                                                                                                                                                                                                                                                     |                          |
|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|
| 1    | Date: 05/16/2014 (1247044)                                                                                                                                                                                                                                                                                                                                                          | CN602478257              |
|      | Self Report? NO                                                                                                                                                                                                                                                                                                                                                                     | Classification: Moderate |
|      | Citation: 30 TAC Chapter 290, SubChapter F 290.122(b)(3)(A)<br>30 TAC Chapter 290, SubChapter F 290.122(f)                                                                                                                                                                                                                                                                          |                          |
|      | Description: ARS MCL PN 4Q2013 Posting and Reporting Violation - Failure to submit a signed certificate of delivery to the Executive Director certifying that public notice was issued pursuant to 30 Tex. Admin. Code §290.122 during the time period that public notice was required for a violation of the maximum contaminant level for arsenic during the 4th quarter of 2013. |                          |
| <br> |                                                                                                                                                                                                                                                                                                                                                                                     |                          |
| 2    | Date: 06/25/2014 (1247044)                                                                                                                                                                                                                                                                                                                                                          | CN602478257              |
|      | Self Report? NO                                                                                                                                                                                                                                                                                                                                                                     | Classification: Moderate |
|      | Citation: 30 TAC Chapter 290, SubChapter F 290.122(b)(3)(A)<br>30 TAC Chapter 290, SubChapter F 290.122(f)                                                                                                                                                                                                                                                                          |                          |
|      | Description: ARS MCL PN 1Q2014 Posting and Reporting Violation - Failure to submit a signed certificate of delivery to the Executive Director certifying that public notice was issued pursuant to 30 Tex. Admin. Code §290.122 during the time period that public notice was required for a violation of the maximum contaminant level for arsenic during the 1st quarter of 2014. |                          |

- 3 Date: 10/23/2014 (1247044) CN602478257  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 290, SubChapter F 290.110(e)(4)(A)  
 30 TAC Chapter 290, SubChapter F 290.110(e)(5)  
 30 TAC Chapter 290, SubChapter F 290.110(f)(2)  
 30 TAC Chapter 290, SubChapter F 290.110(f)(3)  
 Description: DLQOR MR 2Q2014 - The system failed to monitor and/or report distribution  
 disinfectant residuals to the TCEQ for the 2nd quarter of 2014 within the required  
 timeline.
- 4 Date: 11/07/2014 (1247044) CN602478257  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 290, SubChapter F 290.117(c)(2)(A)(i)  
 30 TAC Chapter 290, SubChapter F 290.117(i)(1)  
 Description: LCR IN MR 1st 6M2014 - The system failed to monitor and/or report distribution  
 lead and copper levels to the TCEQ for the initial six-month monitoring period  
 from 01/01/2014 to 06/30/2014 within the required timeline.
- 5 Date: 12/08/2014 (1247044) CN602478257  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 290, SubChapter F 290.122(b)(3)(A)  
 30 TAC Chapter 290, SubChapter F 290.122(f)  
 Description: ARS MCL PN 3Q2014 Posting and Reporting Violation - Failure to submit a signed  
 certificate of delivery to the Executive Director certifying that public notice was  
 issued pursuant to 30 Tex. Admin. Code §290.122 during the time period that  
 public notice was required for a violation of the maximum contaminant level for  
 arsenic during the 3rd quarter of 2014.
- 6 Date: 01/14/2015 (1247044) CN602478257  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 290, SubChapter F 290.110(e)(4)(A)  
 30 TAC Chapter 290, SubChapter F 290.110(e)(5)  
 30 TAC Chapter 290, SubChapter F 290.110(f)(2)  
 30 TAC Chapter 290, SubChapter F 290.110(f)(3)  
 Description: DLQOR MR 3Q2014 - The system failed to monitor and/or report distribution  
 disinfectant residuals to the TCEQ for the 3rd quarter of 2014 within the required  
 timeline.
- 7 Date: 01/28/2015 (1247044) CN602478257  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 290, SubChapter F 290.117(c)(2)(A)(i)  
 30 TAC Chapter 290, SubChapter F 290.117(i)(1)  
 Description: LCR IN MR 2nd 6M2014 - The system failed to monitor and/or report distribution  
 lead and copper levels to the TCEQ for the initial six-month monitoring period  
 from 07/01/2014 to 12/31/2014 within the required timeline.
- 8 Date: 04/08/2015 (1247044) CN602478257  
 Self Report? NO Classification: Moderate  
 Citation: 30 TAC Chapter 290, SubChapter F 290.110(e)(4)(A)  
 30 TAC Chapter 290, SubChapter F 290.110(e)(5)  
 30 TAC Chapter 290, SubChapter F 290.110(f)(2)  
 30 TAC Chapter 290, SubChapter F 290.110(f)(3)  
 Description: DLQOR MR 4Q2014 - The system failed to monitor and/or report distribution  
 disinfectant residuals to the TCEQ for the 4th quarter of 2014 within the required  
 timeline.

**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



timeline.

7 Date: 01/28/2015 (1247044) CN602478257  
 Classification: Moderate  
 Self Report? NO **For Informational Purposes Only**  
 Citation: 30 TAC Chapter 290, SubChapter F 290.117(c)(2)(A)(i)  
 30 TAC Chapter 290, SubChapter F 290.117(i)(1)  
 Description: LCR IN MR 2nd 6M2014 - The system failed to monitor and/or report distribution lead and copper levels to the TCEQ for the initial six-month monitoring period from 07/01/2014 to 12/31/2014 within the required timeline.

8 Date: 04/08/2015 (1247044) CN602478257  
 Classification: Moderate  
 Self Report? NO **For Informational Purposes Only**  
 Citation: 30 TAC Chapter 290, SubChapter F 290.110(e)(4)(A)  
 30 TAC Chapter 290, SubChapter F 290.110(e)(5)  
 30 TAC Chapter 290, SubChapter F 290.110(f)(2)  
 30 TAC Chapter 290, SubChapter F 290.110(f)(3)  
 Description: DLQOR MR 4Q2014 - The system failed to monitor and/or report distribution disinfectant residuals to the TCEQ for the 4th quarter of 2014 within the required timeline.

\* NOVs applicable for the Compliance History rating period 9/1/2009 to 8/31/2014

**Appendix B**

**All Investigations Conducted During Component Period May 04, 2010 and May 04, 2015**

- Item 1 February 11, 2011\*\* (887811) **For Informational Purposes Only**
- Item 2\* March 19, 2013\*\* (1058404) **For Informational Purposes Only**
- Item 3 April 24, 2015 (1247044) **For Informational Purposes Only**

\* No violations documented during this investigation

\*\*Investigation applicable for the Compliance History Rating period between 09/01/2009 and 08/31/2014.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
SP UTILITY COMPANY, INC.  
RN103779039

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

**AGREED ORDER**  
**DOCKET NO. 2015-0676-PWS-E**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding SP UTILITY COMPANY, INC. (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 presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

**I. FINDINGS OF FACT**

1. The Respondent owns and operates a public water supply located at 7350 1/2 Savannah Plantation Drive near Rosharon, Brazoria County, Texas (the "Facility") that has approximately 43 service connections and serves at least 25 people per day for at least 60 days per year.

2. During a record review conducted from April 13, 2015 through April 24, 2015, TCEQ staff documented that the Respondent did not submit a Disinfectant Level Quarterly Operating Report ("DLQOR") to the Executive Director each quarter by the tenth day of the month following the end of each quarter for the second quarter of 2014 through the fourth quarter of 2014.
3. During a record review conducted from April 13, 2015 through April 24, 2015, TCEQ staff documented that the Respondent did not collect lead and copper tap samples at the required ten sample sites, have the samples analyzed at an approved laboratory and submit the results to the Executive Director for the January 1, 2013 through June 30, 2013, July 1, 2013 through December 31, 2013, January 1, 2014 through June 30, 2014, and July 1, 2014 through December 31, 2014 monitoring periods.
4. During a record review conducted from April 13, 2015 through April 24, 2015, TCEQ staff documented that the Respondent did not provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the maximum contaminant level ("MCL") for arsenic based on the running annual average for the fourth quarter of 2013, the first quarter of 2014, and the third quarter of 2014. Specifically, notifications were due on May 6, 2014, June 17, 2014, and November 16, 2014 and were not provided.
5. The Respondent received notice of the violations on April 29, 2015.

## II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 2, the Respondent failed to submit a DLQOR to the Executive Director each quarter by the tenth day of the month following the end of each quarter, in violation of 30 TEX. ADMIN. CODE § 290.110(e)(4)(A) and (f)(3).
3. As evidenced by Findings of Fact No. 3, the Respondent failed to collect lead and copper tap samples at the required ten sample sites, have the samples analyzed at an approved laboratory and submit the results to the Executive Director, in violation of 30 TEX. ADMIN. CODE § 290.117(c)(2)(A) and (i)(1).
4. As evidenced by Findings of Fact No. 4, the Respondent failed to provide public notification and submit a copy of the public notification to the Executive Director regarding the failure to comply with the MCL for arsenic based on the running annual average, in violation of 30 TEX. ADMIN. CODE § 290.122(b)(3)(A) and (f).
5. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction;

for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.

6. An administrative penalty in the amount of Two Thousand Eight Hundred Forty-One Dollars (\$2,841) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049(b). The Respondent has paid the Two Thousand Eight Hundred Forty-One Dollar (\$2,841) administrative penalty.

### III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Two Thousand Eight Hundred Forty-One Dollars (\$2,841) as set forth in Section II, Paragraph 6 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: SP UTILITY COMPANY, INC., Docket No. 2015-0676-PWS-E" to:

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

2. The Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order:
    - i. Update the Facility's operational guidance and conduct employee training to ensure that self-reporting requirements are properly accomplished, including the timely submission of signed and certified DLQORs, as required by 30 TEX. ADMIN. CODE § 290.110;
    - ii. Implement improvements to the Facility's process procedures, guidance, training, and/or oversight to ensure that all future lead and copper tap samples are collected, analyzed by an approved laboratory and the results reported to the Executive Director within ten days following the end of each monitoring period, in accordance with 30 TEX. ADMIN. CODE § 290.117;

- iii. Implement procedures to ensure that all necessary public notifications are provided in a timely manner to persons served by the Facility and a copy of the public notification is submitted to the Executive Director, in accordance with 30 TEX. ADMIN. CODE § 290.122; and
  - iv. Provide public notification regarding the failure to comply with the MCL for arsenic based on the running annual average for the fourth quarter of 2013, the first quarter of 2014, and the third quarter of 2014, and provide a copy of each public notification to the Executive Director, in accordance with 30 TEX. ADMIN. CODE § 290.122.
- b. Within 45 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision No. 2.e. below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a.i., 2.a.ii., 2.a.iii., and 2.a.iv.;
- c. Within 90 days after the effective date of this Agreed Order:
- i. Begin submitting DLQORs to the Executive Director each quarter by the tenth day of the month following the end of the quarter, in accordance with 30 TEX. ADMIN. CODE § 290.110. This provision will be satisfied upon two consecutive quarters of compliant reporting. DLQORs shall be submitted to:  

DLQOR Coordinator  
Water Supply Division, MC 155  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087
  - ii. Begin complying with applicable lead and copper monitoring requirements by collecting the required number of lead and copper samples and reporting the results to the Executive Director within ten days of the month following the end of the monitoring period, in accordance with 30 TEX. ADMIN. CODE § 290.117. This provision will be satisfied upon two semiannual compliant monitoring periods.
- d. Within 285 days after the effective date of this agreed order, submit written certification as described in Ordering Provision No. 2.e. below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.c.i.; and
- e. Within 465 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 No. 2.c.ii. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

Public Drinking Water Section Manager  
Water Supply Division, MC 155  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

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. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.

6. 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.
7. 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.
8. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

## SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

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

Tom Monie  
For the Executive Director

11/3/15  
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of SP UTILITY COMPANY, INC. I am authorized to agree to the attached Agreed Order on behalf of SP UTILITY COMPANY, INC., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, SP UTILITY COMPANY, INC. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

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

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

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

\_\_\_\_\_  
Signature Gregory N. Blume

08/05/15  
Date

Gregory N. Blume  
Name (Printed or typed)  
Authorized Representative of  
SP UTILITY COMPANY, INC.

President  
Title

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