

TCEQ Interoffice Memorandum

To: Mary Smith, General Counsel
Todd Burkey, Assistant General Counsel

Thru: *TP* Taylor Pearson, Acting Senior Attorney
Litigation Division

From: *CS* Cynthia Sirois, Staff Attorney
Litigation Division

Date: December 7, 2023

Subject: **Backup Revision**
December 13, 2023 Commission Agenda
Item No. 26 - SRC Water Supply Inc
Docket No. 2021-1047-PST-E

Enclosed please find the following:

Page 2 of the Executive Summary:

Technical Requirement No. 2 was corrected to "Within 45 days submit written certification to demonstrate compliance with Technical Requirement Nos. 1.a. through 1.d"

Respondent Contact:

Sandra Barbey, President
SRC Water Supply Inc
P.O. Box 385
Mount Enterprise, Texas 75681

Please do not hesitate to call Cynthia Sirois at (512) 239-3392 if you have any questions regarding this matter.

cc: Ryan Byer, Enforcement Division
Richard Monreal, Waco Regional Office
Gill Valls, Office of the General Counsel
Michael Parrish, Enforcement Division
Leslie Gann, Enforcement Division
Stuart Beckley, Enforcement Division

SRC Water Supply Inc
RN101225753
Docket No. 2021-1047-PWS-E

Violation Information

1. Failed to maintain a disinfectant residual of at least 0.2 mg/L of free chlorine throughout the distribution system at all times [TEX. HEALTH & SAFETY CODE § 341.0315(c) and 30 TEX. ADMIN. CODE §§ 290.46(d)(2)(A) and 290.110(b)(4)].
2. Failed to provide a copy of the boil water notice (“BWN”) to the Executive Director within 24 hours after issuance by the Facility and a signed Certificate of Delivery to the Executive Director within ten days after issuance of the BWN [30 TEX. ADMIN. CODE § 290.46(q)(1)].
3. Failed to operate the system 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 firefighting [30 TEX. ADMIN. CODE §§ 290.44(d) and 290.46(r) and TCEQ Agreed Order Docket No. 2020-0968-PWS-E, Ordering Provision No. 3.a.i].
4. Failed to pay annual Public Health Service fees and/or any associated late fees for TCEQ Financial Administration Account No. 91550139 for Fiscal Years 2018 through 2021 [TEX. WATER CODE § 5.702 and 30 TEX. ADMIN. CODE § 290.51(a)(6)].
5. Failed to pay regulatory assessment fees for the TCEQ Public Utility Account regarding Certificate of Convenience and Necessity No. 12258 for calendar years 2017 through 2021 [TEX. WATER CODE § 5.702 and 30 TEX. ADMIN. CODE § 291.76].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

None

Technical Requirements:

None

1. Within 30 days:
 - a. Determine the cause of noncompliant levels of disinfectant residual in the Facility’s distribution system on July 14, 2021, make any necessary repairs or adjustments to the Facility, and maintain a disinfectant residual concentration of at least 0.2 mg/L free chlorine throughout the distribution system.
 - b. Update operational guidance and conduct employee training to ensure that copies of BWNs and signed Certificates of Delivery are timely provided to the Executive Director.
 - c. Provide a signed Certificate of Delivery to the Executive Director for the BWN issued on July 14, 2021.
 - d. Determine the cause of noncompliant levels of psi in the Facility’s distribution system on October 7, 2021, make any necessary repairs or adjustments to the Facility, and maintain a minimum pressure of 35 psi throughout the distribution system under normal operating conditions and 20 psi during emergencies, such as firefighting.
 - e. Submit payment for all outstanding fees, interest, and penalties for TCEQ Financial Administration Account No. 91550139.
 - f. Submit payment for all outstanding regulatory assessment fees for the TCEQ Public Utility Account concerning Certificate of Convenience and Necessity No. 12258 for calendar years 2018 through 2021.
2. Within 45 days submit written certification to demonstrate compliance with Technical Requirements No. 1.a. through 1.f-d.

SRC Water Supply Inc
RN101225753
Docket No. 2021-1047-PWS-E

Violation Information

1. Failed to maintain a disinfectant residual of at least 0.2 mg/L of free chlorine throughout the distribution system at all times [TEX. HEALTH & SAFETY CODE § 341.0315(c) and 30 TEX. ADMIN. CODE §§ 290.46(d)(2)(A) and 290.110(b)(4)].
2. Failed to provide a copy of the boil water notice (“BWN”) to the Executive Director within 24 hours after issuance by the Facility and a signed Certificate of Delivery to the Executive Director within ten days after issuance of the BWN [30 TEX. ADMIN. CODE § 290.46(q)(1)].
3. Failed to operate the system 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 firefighting [30 TEX. ADMIN. CODE §§ 290.44(d) and 290.46(r) and TCEQ Agreed Order Docket No. 2020-0968-PWS-E, Ordering Provision No. 3.a.i].
4. Failed to pay annual Public Health Service fees and/or any associated late fees for TCEQ Financial Administration Account No. 91550139 for Fiscal Years 2018 through 2021 [TEX. WATER CODE § 5.702 and 30 TEX. ADMIN. CODE § 290.51(a)(6)].
5. Failed to pay regulatory assessment fees for the TCEQ Public Utility Account regarding Certificate of Convenience and Necessity No. 12258 for calendar years 2017 through 2021 [TEX. WATER CODE § 5.702 and 30 TEX. ADMIN. CODE § 291.76].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

None

Technical Requirements:

None

1. Within 30 days:
 - a. Determine the cause of noncompliant levels of disinfectant residual in the Facility’s distribution system on July 14, 2021, make any necessary repairs or adjustments to the Facility, and maintain a disinfectant residual concentration of at least 0.2 mg/L free chlorine throughout the distribution system.
 - b. Update operational guidance and conduct employee training to ensure that copies of BWNs and signed Certificates of Delivery are timely provided to the Executive Director.
 - c. Provide a signed Certificate of Delivery to the Executive Director for the BWN issued on July 14, 2021.
 - d. Determine the cause of noncompliant levels of psi in the Facility’s distribution system on October 7, 2021, make any necessary repairs or adjustments to the Facility, and maintain a minimum pressure of 35 psi throughout the distribution system under normal operating conditions and 20 psi during emergencies, such as firefighting.
 - e. Submit payment for all outstanding fees, interest, and penalties for TCEQ Financial Administration Account No. 91550139.
 - f. Submit payment for all outstanding regulatory assessment fees for the TCEQ Public Utility Account concerning Certificate of Convenience and Necessity No. 12258 for calendar years 2018 through 2021.
2. Within 45 days submit written certification to demonstrate compliance with Technical Requirements No. 1.a. through 1.d.

SRC Water Supply Inc
RN101225753
Docket No. 2021-1047-PWS-E

Order Type:
Default Order

Media:
PWS

Small Business:
N/A

Location(s) Where Violation(s) Occurred:
0.8 miles south of the intersection of Wolf Lane and State Highway 6, near Valley Mills, McLennan County

Type of Operation:
public water supply

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Case No. 62546 and Docket Nos. 2020-1072-PWS-E, 2021-0327-PWS-E, 2021-0331-PWS-E

Past-Due Penalties: \$285

Past-Due Fees: \$18,299.76

Other: None

Interested Third Parties: None

Texas Register Publication Date: October 27, 2023

Comments Received: None

Penalty Information

Total Penalty Assessed: \$5,400

Total Paid to General Revenue: \$0

Total Due to General Revenue: \$5,400

Compliance History Classifications: Person/CN - High; Site/RN - Unclassified

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: January 28, 2021

Investigation Information

Complaint Date(s): July 7, 2021

Complaint Information:

The complainant is reporting a water line leak and low water pressure.

Complaint Information:

September 27, 2021

The complainant is reporting a water outage.

Date(s) of Investigation: July 14, 2021 through July 19, 2021; October 7, 2021.

Date(s) of NOV(s): N/A

Date(s) of NOE(s): August 4, 2021

SRC Water Supply Inc
RN101225753
Docket No. 2021-1047-PWS-E

Violation Information

1. Failed to maintain a disinfectant residual of at least 0.2 milligrams per liter (“mg/L”) of free chlorine throughout the distribution system at all times [TEX. HEALTH & SAFETY CODE § 341.0315(c) and 30 TEX. ADMIN. CODE §§ 290.46(d)(2)(A) and 290.110(b)(4)].
2. Failed to provide a copy of the boil water notice (“BWN”) to the Executive Director within 24 hours after issuance by the Facility and a signed Certificate of Delivery to the Executive Director within ten days after issuance of the BWN [30 TEX. ADMIN. CODE § 290.46(q)(1)].
3. Failed to operate the system 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 firefighting [30 TEX. ADMIN. CODE §§ 290.44(d) and 290.46(r) and TCEQ Agreed Order Docket No. 2020-0968-PWS-E, Ordering Provision No. 3.a.i].
4. Failed to pay annual Public Health Service fees and/or any associated late fees for TCEQ Financial Administration Account No. 91550139 for Fiscal Years 2018 through 2021 [TEX. WATER CODE § 5.702 and 30 TEX. ADMIN. CODE § 290.51(a)(6)].
5. Failed to pay regulatory assessment fees for the TCEQ Public Utility Account regarding Certificate of Convenience and Necessity No. 12258 for calendar years 2017 through 2021 [TEX. WATER CODE § 5.702 and 30 TEX. ADMIN. CODE § 291.76].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

None

Technical Requirements:

None

1. Within 30 days:
 - a. Determine the cause of noncompliant levels of disinfectant residual in the Facility’s distribution system on July 14, 2021, make any necessary repairs or adjustments to the Facility, and maintain a disinfectant residual concentration of at least 0.2 mg/L free chlorine throughout the distribution system.
 - b. Update operational guidance and conduct employee training to ensure that copies of BWNs and signed Certificates of Delivery are timely provided to the Executive Director.
 - c. Provide a signed Certificate of Delivery to the Executive Director for the BWN issued on July 14, 2021.
 - d. Determine the cause of noncompliant levels of psi in the Facility’s distribution system on October 7, 2021, make any necessary repairs or adjustments to the Facility, and maintain a minimum pressure of 35 psi throughout the distribution system under normal operating conditions and 20 psi during emergencies, such as firefighting.
 - e. Submit payment for all outstanding fees, interest, and penalties for TCEQ Financial Administration Account No. 91550139.
 - f. Submit payment for all outstanding regulatory assessment fees for the TCEQ Public Utility Account concerning Certificate of Convenience and Necessity No. 12258 for calendar years 2018 through 2021.
2. Within 45 days submit written certification to demonstrate compliance with Technical Requirement Nos. 1.a. through 1.f.

SRC Water Supply Inc
RN101225753
Docket No. 2021-1047-PWS-E

Litigation Information

Date Petition(s) Filed: September 12, 2023

Date(s) of Service: September 14, 2023

Date Answer(s) Filed: N/A

Contact Information

TCEQ Attorneys: Cynthia Sirois, Litigation Division, (512) 239-3400
Sheldon Wayne, Public Interest Counsel, (512) 239-6363

TCEQ Litigation Agenda Coordinator: Katherine McKenzie, Litigation Division, (512) 239-2575

TCEQ Enforcement Coordinator: Ryan Byer, Enforcement Division, (512) 239-2571

TCEQ Regional Contact: Richard Monreal, Waco Regional Office, (254) 751-0335

Respondent Contact: Sandra R. Barbey, SRC Water Supply Inc, P.O. Box 385, Mount Enterprise, Texas
75681

Respondent's Attorney: N/A

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Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	9-Aug-2021	Screening	10-Aug-2021	EPA Due	
	PCW	18-Nov-2021				

RESPONDENT/FACILITY INFORMATION	
Respondent	SRC Water Supply Inc
Reg. Ent. Ref. No.	RN101225753
Facility/Site Region	9-Waco
Major/Minor Source	Minor

CASE INFORMATION				
Enf./Case ID No.	59563	No. of Violations	2	
Docket No.	2021-1047-PWS-E	Order Type	Findings	
Media Program(s)	Public Water Supply	Government/Non-Profit	No	
Multi-Media		Enf. Coordinator	Ryan Byer	
		EC's Team	Enforcement Team 8	
Admin. Penalty \$	Limit Minimum	\$50	Maximum	\$5,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$750
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	10.0%	Adjustment	Subtotals 2, 3, & 7	\$75
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Notes: Enhancement for one agreed order containing a denial of liability and a reduction for High Performer classification.

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$10
 Estimated Cost of Compliance: \$170
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$825
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OTHER FACTORS AS JUSTICE MAY REQUIRE	9.1%	Adjustment	\$75
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to offset the High Performer Compliance History Classification.

Final Penalty Amount	\$900
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$900
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DEFERRAL	0.0%	Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY	\$900
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Screening Date	10-Aug-2021	Docket No.	2021-1047-PWS-E	PCW
Respondent	SRC Water Supply Inc			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	59563			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN101225753			
Media	Public Water Supply			
Enf. Coordinator	Ryan Byer			

Compliance History Worksheet

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

Component	Number of...	Number	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>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of 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%
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) 20%

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

No

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 one agreed order containing a denial of liability and a reduction for High Performer classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 10%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 10%

Screening Date	10-Aug-2021	Docket No.	2021-1047-PWS-E	PCW
Respondent	SRC Water Supply Inc			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	59563			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN101225753			
Media	Public Water Supply			
Enf. Coordinator	Ryan Byer			

Violation Number	1
Rule Cite(s)	30 Tex. Admin. Code §§ 290.46(d)(2)(A) and 290.110(b)(4) and Tex. Health & Safety Code § 341.0315(c)
Violation Description	Failed to maintain a disinfectant residual of at least 0.2 milligrams per liter ("mg/L") of free chlorine throughout the distribution system at all times. Specifically, on July 14, 2021 a free chlorine residual concentration of 0.07 mg/L was measured at the flush valve located at 924 Patton Road in the distribution system.

Base Penalty

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="5.0%"/>
	Potential	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="0.0%"/>

Matrix Notes: Failure to maintain proper levels of disinfection could expose persons served by the Facility to a significant amount of contaminants which would not exceed levels protective of human health.

Adjustment

Violation Events

Number of Violation Events Number of violation days

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

Violation Base Penalty

One quarterly event is recommended, calculated from the date of the investigation, July 14, 2021, to the date of screening, August 10, 2021.

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"/>	<input type="text"/>

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 SRC Water Supply Inc
Case ID No. 59563
Reg. Ent. Reference No. RN101225753
Media Violation No. Public Water Supply
 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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)	\$100	14-Jul-2021	22-Sep-2022	1.19	\$6	n/a	\$6

Notes for DELAYED costs

The delayed cost includes the estimated amount to determine the cause of the noncompliance, make necessary repairs or adjustments to the Facility, and maintain a disinfectant residual of at least 0.2 mg/L free chlorine throughout the distribution system, calculated from the date of the investigation to the estimated date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				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	10-Aug-2021	Docket No.	2021-1047-PWS-E	PCW
Respondent	SRC Water Supply Inc			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	59563			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN101225753			
Media	Public Water Supply			
Enf. Coordinator	Ryan Byer			

Violation Number

Rule Cite(s)

Violation Description

Base Penalty

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

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

>> **Programmatic Matrix**

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="10.0%"/>
Matrix Notes	100% of the rule requirements were not met.				

Adjustment

Violation Events

Number of Violation Events Number of violation days

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

One single event is recommended.

Good Faith Efforts to Comply Reduction

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	<input checked="" type="text" value="x"/>	<input type="text"/>

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 SRC Water Supply Inc
Case ID No. 59563
Reg. Ent. Reference No. RN101225753
Media Public Water Supply
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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	\$25	24-Jul-2021	22-Sep-2022	1.16	\$1	n/a	\$1
Training/Sampling	\$45	15-Jul-2021	22-Sep-2022	1.19	\$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 Record Keeping System delayed cost includes the estimated amount to provide a signed Certificate of Delivery to the Executive Director, calculated from the date the Certificate of Delivery was due to the estimated date of compliance.

The Training/Sampling delayed cost includes the estimate amount to develop and implement a written protocol that is to be followed to ensure that a copy of the BWNs are provided to the Executive Director within 24 hours after issuance and that a signed Certificate of Delivery is provided to the Executive Director within ten days after issuance, calculated from the date the BWN was due to the Executive Director to the estimated date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$70

TOTAL

\$4



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	25-Oct-2021	Screening	18-Nov-2021	EPA Due	
	PCW	18-Nov-2021				

RESPONDENT/FACILITY INFORMATION	
Respondent	SRC Water Supply Inc
Reg. Ent. Ref. No.	RN101225753
Facility/Site Region	9-Waco
Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	59563	No. of Violations	3
Docket No.	2021-1047-PWS-E	Order Type	Findings
Media Program(s)	Public Water Supply	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Ryan Byer
		EC's Team	Enforcement Team 8
Admin. Penalty \$ Limit Minimum	\$50	Maximum	\$5,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$3,750
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	10.0%	Adjustment	Subtotals 2, 3, & 7	\$375
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Notes: Enhancement for one agreed order containing a denial of liability and a reduction for High Performer classification.

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
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Total EB Amounts: \$5
 Estimated Cost of Compliance: \$100
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$4,125
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OTHER FACTORS AS JUSTICE MAY REQUIRE	9.1%	Adjustment	\$375
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to offset the High Performer Compliance History Classification.

Final Penalty Amount	\$4,500
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$4,500
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DEFERRAL	0.0%	Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage.

Notes: No deferral is recommended for Findings Orders.

PAYABLE PENALTY	\$4,500
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Screening Date	18-Nov-2021	Docket No.	2021-1047-PWS-E	PCW
Respondent	SRC Water Supply Inc			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	59563			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN101225753			
Media	Public Water Supply			
Enf. Coordinator	Ryan Byer			

Compliance History Worksheet

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

Component	Number of...	Number	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>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of 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%
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) 20%

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

No

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 one agreed order containing a denial of liability and a reduction for High Performer classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 10%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 10%

Screening Date	18-Nov-2021	Docket No.	2021-1047-PWS-E	PCW
Respondent	SRC Water Supply Inc			
Case ID No.	59563	<i>Policy Revision 5 (January 28, 2021)</i>		
Reg. Ent. Reference No.	RN101225753	<i>PCW Revision February 11, 2021</i>		
Media	Public Water Supply			
Enf. Coordinator	Ryan Byer			

Violation Number

Rule Cite(s) 30 Tex. Admin. Code §§ 290.44(d) and 290.46(r) and TCEQ Agreed Order Docket No. 2020-0968-PWS-E, Ordering Provision No. 3.a.i

Violation Description
 Failed to operate the system 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 firefighting. Specifically, on October 7, 2021, low pressure was documented from a flush valve located at 924 Patton Road and over a five-minute period the system water pressure varied between 18 and 45 psi and did not stabilize.

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="15.0%"/>
Potential	<input type="text" value="x"/>	<input type="text"/>	<input type="text"/>	

>> **Programmatic Matrix**

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

Matrix Notes
 Failure to maintain adequate pressure throughout the distribution system at all times may result in backflow or siphonage and expose persons served by the Facility to contaminants which would exceed levels protective of human health.

Adjustment

Violation Events

Number of Violation Events Number of violation days

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

Violation Base Penalty

Five monthly events are recommended, calculated from the effective date of TCEQ Agreed Order Docket No. 2020-0968-PWS-E, June 29, 2021, to the date of screening, November 18, 2021.

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"/>

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 SRC Water Supply Inc
Case ID No. 59563
Reg. Ent. Reference No. RN101225753
Media Public Water Supply
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
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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)	\$100	29-Jun-2021	22-Jul-2022	1.06	\$5	n/a	\$5

Notes for DELAYED costs

The delayed cost includes the estimated amount to determine the cause of noncompliance, make any necessary repairs or adjustments to the Facility, and maintain minimum pressure of 35 psi throughout the distribution system under normal operating conditions and 20 psi during emergencies such as firefighting, calculated from the effective date of the TCEQ Agreed Order Docket No. 2020-0968-PWS-E to the estimated date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$100

TOTAL

\$5

Screening Date	18-Nov-2021	Docket No.	2021-1047-PWS-E	PCW
Respondent	SRC Water Supply Inc			
Case ID No.	59563	<i>Policy Revision 5 (January 28, 2021)</i>		
Reg. Ent. Reference No.	RN101225753	<i>PCW Revision February 11, 2021</i>		
Media	Public Water Supply			
Enf. Coordinator	Ryan Byer			
Violation Number	2			
Rule Cite(s)	30 Tex. Admin. Code § 290.51(a)(6) and Tex. Water Code § 5.702			
Violation Description	Failed to pay annual Public Health Service fees and/or any associated late fees for TCEQ Financial Administration Account No. 91550139 for Fiscal Years 2018 through 2021.			
Base Penalty	\$5,000			

>> Environmental, Property and Human Health Matrix

OR	Harm				Percent
	Release	Major	Moderate	Minor	
	Actual				
	Potential				
					0.0%

>> Programmatic Matrix

Matrix Notes	Falsification	Major	Moderate	Minor	Percent
					0.0%
					Adjustment \$5,000

Violation Events

Number of Violation Events		Number of violation days		Violation Base Penalty
daily				
weekly				
monthly				
quarterly				
semiannual				
annual				
single event				
\$0				

All penalties and interest will be determined by the Financial Administration Division at the next billing cycle.

Good Faith Efforts to Comply

	0.0%	Reduction	\$0
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer	
Extraordinary			
Ordinary			
N/A	x		
Notes	The Respondent does not meet the good faith criteria for this violation.		
Violation Subtotal			\$0

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount	Violation Final Penalty Total
\$0	\$0
This violation Final Assessed Penalty (adjusted for limits)	
\$0	

Economic Benefit Worksheet

Respondent SRC Water Supply Inc
Case ID No. 59563
Reg. Ent. Reference No. RN101225753
Media Public Water Supply
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

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

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

N/A

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

N/A

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date	18-Nov-2021	Docket No.	2021-1047-PWS-E	PCW
Respondent	SRC Water Supply Inc			
Case ID No.	59563	<i>Policy Revision 5 (January 28, 2021)</i>		
Reg. Ent. Reference No.	RN101225753	<i>PCW Revision February 11, 2021</i>		
Media	Public Water Supply			
Enf. Coordinator	Ryan Byer			
Violation Number	3			
Rule Cite(s)	30 Tex. Admin. Code § 291.76 and Tex. Water Code § 5.702			
Violation Description	Failed to pay regulatory assessment fees for the TCEQ Public Utility Account regarding Certificate of Convenience and Necessity No. 12258 for calendar years 2017 through 2021.			
Base Penalty	\$5,000			

>> Environmental, Property and Human Health Matrix

OR	Harm				Percent
	Release	Major	Moderate	Minor	
	Actual				
	Potential				0.0%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0.0%

Matrix Notes

Adjustment \$5,000

\$0

Violation Events

Number of Violation Events Number of violation days

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$0

All penalties and interest will be determined by the Financial Administration Division at the next billing cycle.

Good Faith Efforts to Comply **0.0%** Reduction \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	

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

Violation Subtotal \$0

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

Estimated EB Amount \$0 **Violation Final Penalty Total** \$0

This violation Final Assessed Penalty (adjusted for limits) \$0

Economic Benefit Worksheet

Respondent SRC Water Supply Inc
Case ID No. 59563
Reg. Ent. Reference No. RN101225753
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	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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

N/A

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

N/A

Approx. Cost of Compliance

\$0

TOTAL

\$0



Compliance History Report

Compliance History Report for CN604841528, RN101225753, Rating Year 2021 which includes Compliance History (CH) components from September 1, 2016, through August 31, 2021.

Customer, Respondent, or Owner/Operator:	CN604841528, SRC Water Supply Inc	Classification:	HIGH	Rating:	0.00
Regulated Entity:	RN101225753, ROLLING HILLS WATER SUPPLY	Classification:	UNCLASSIFIED	Rating:	-----
Complexity Points:	3	Repeat Violator:	NO		
CH Group:	14 - Other				
Location:	0.8 MILE SOUTH OF THE INTERSECTION OF WOLF LANE AND STATE HIGHWAY 6 NEAR VALLEY MILLS, MCLENNAN COUNTY, TEXAS				
TCEQ Region:	REGION 09 - WACO				
ID Number(s):					
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION	1550139	WATER QUALITY NON PERMITTED ID NUMBER	R09101225753		
Compliance History Period:	September 01, 2016 to August 31, 2021	Rating Year:	2021	Rating Date:	09/01/2021
Date Compliance History Report Prepared:	February 24, 2022				
Agency Decision Requiring Compliance History:	Enforcement				
Component Period Selected:	February 24, 2017 to February 24, 2022				
TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.					
Name:	Ryan Byer			Phone:	(512) 239-2571

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

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

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

- 1 Effective Date: 06/29/2021 ADMINORDER 2020-0968-PWS-E (1660 Order-Agreed Order With Denial)
Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.44(d)
30 TAC Chapter 290, SubChapter D 290.46(r)
Description: Failure to operate the system 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 firefighting. Specifically, a water outage was documented on September 25, 2019, and data from a pressure recorder demonstrated that the distribution system water pressure varied between 20 and 43 psi from September 26, 2019 through October 1, 2019.
Classification: Minor
Citation: 2A TWC Chapter 5, SubChapter A 5.702
30 TAC Chapter 290, SubChapter E 290.51(a)(6)
Description: Failed to pay annual Public Health Service fees and/or any associated late fees for TCEQ Financial Administration Account No. 91550139 for Fiscal Years 2018 through 2020.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

- Item 1 September 01, 2017 (1435659)

Item 2	August 30, 2018	(1507320)
Item 3	August 26, 2019	(1580924)

E. Written notices of violations (NOV) (CCEDS 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.

N/A

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
SRC WATER SUPPLY INC;
RN101225753

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

DEFAULT ORDER DOCKET NO. 2021-1047-PWS-E

On _____, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered the Executive Director's Preliminary Report and Petition, filed pursuant to TEX. WATER CODE ch. 5, TEX. HEALTH & SAFETY CODE ch. 341, and the rules of the TCEQ, which requests appropriate relief, including the imposition of an administrative penalty and corrective action of the respondent. The respondent made the subject of this Order is SRC Water Supply Inc. ("Respondent").

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

FINDINGS OF FACT

1. Respondent owns and operates a public water system ("PWS") located at 0.8 miles south of the intersection of Wolf Lane and State Highway 6 near Valley Mills, McLennan County, Texas (the "Facility"). The Facility provides water for human consumption, has approximately 51 service connections, and serves at least 25 people per day for at least 60 days per year. As such, the Facility is a PWS as defined in 30 TEX. ADMIN. CODE § 290.38(71).
2. During an investigation conducted on July 14, 2021, through July 19, 2021, an investigator documented that Respondent:
 - a. Failed to maintain a disinfectant residual of at least 0.2 milligrams per liter ("mg/L") of free chlorine throughout the distribution system at all times. Specifically, on July 14, 2021, a free chlorine residual concentration of 0.07 mg/L was measured at the flush valve located at 924 Patton Road in the distribution system; and
 - b. Failed to provide a copy of the boil water notice ("BWN") to the Executive Director within 24 hours after issuance by the Facility and a signed Certificate of Delivery to the Executive Director within ten days after issuance of the BWN. Specifically, a BWN was issued on July 14, 2021, and a copy of the BWN was not provided until July 16, 2021, and a signed Certificate of Delivery was not provided.
3. During a record review conducted on October 7, 2021, an investigator documented that Respondent failed to operate the system 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 firefighting. Specifically, on October 7, 2021, low pressure was documented from a flush valve located at 924 Patton Road and over a five-minute period the system water pressure varied between 18 and 45 psi and did not stabilize.
4. During a record review conducted on November 18, 2021, TCEQ staff documented that Respondent:

- a. Failed to pay annual Public Health Service fees and/or any associated late fees for TCEQ Financial Administration Account No. 91550139 for Fiscal Years 2018 through 2021; and
 - b. Failed to pay regulatory assessment fees for the TCEQ Public Utility Account regarding Certificate of Convenience and Necessity No. 12258 for calendar years 2017 through 2021.
5. The Executive Director filed the “Executive Director’s Preliminary Report and Petition Recommending that the Texas Commission on Environmental Quality Enter an Enforcement Order Assessing an Administrative Penalty Against and Requiring Certain Actions of SRC Water Supply Inc” (the “EDPRP”) in the TCEQ Chief Clerk’s office on September 12, 2023.
 6. By letter dated September 12, 2023, sent to Respondent’s last known address via certified mail, return receipt requested, postage prepaid, the Executive Director served Respondent with notice of the EDPRP. According to the return receipt “green card,” Respondent received notice of the EDPRP on September 14, 2023, as evidenced by the signature on the card.
 7. More than 20 days have elapsed since Respondent received notice of the EDPRP. Respondent failed to file an answer and failed to request a hearing.

CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE ch. 5, TEX. HEALTH & SAFETY CODE ch. 341, and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2.a., Respondent failed to maintain a disinfectant residual of at least 0.2 mg/L of free chlorine throughout the distribution system at all times, in violation of TEX. HEALTH & SAFETY CODE § 341.0315(c) and 30 TEX. ADMIN. CODE §§ 290.46(d)(2)(A) and 290.110(b)(4).
3. As evidenced by Finding of Fact No. 2.b., Respondent failed to provide a copy of the BWN to the Executive Director within 24 hours after issuance by the Facility and a signed Certificate of Delivery to the Executive Director within ten days after issuance of the BWN, in violation of 30 TEX. ADMIN. CODE § 290.46(q)(1).
4. As evidenced Finding of Fact No. 3, Respondent failed to operate the system 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 firefighting, in violation of 30 TEX. ADMIN. CODE §§ 290.44(d) and 290.46(r) and TCEQ Agreed Order Docket No. 2020-0968-PWS-E, Ordering Provision No. 3.a.i.
5. As evidenced Finding of Fact No. 4.a., Respondent failed to pay annual Public Health Service fees and/or any associated late fees for TCEQ Financial Administration Account No. 91550139 for Fiscal Years 2018 through 2021, in violation of TEX. WATER CODE § 5.702 and 30 TEX. ADMIN. CODE § 290.51(a)(6).
6. As evidenced Finding of Fact No. 4.b., Respondent failed to pay regulatory assessment fees for the TCEQ Public Utility Account regarding Certificate of Convenience and Necessity No. 12258 for calendar years 2017 through 2021, in violation of TEX. WATER CODE § 5.702 and 30 TEX. ADMIN. CODE § 291.76.
7. As evidenced by Findings of Fact Nos. 5 and 6, the Executive Director timely served Respondent with proper notice of the EDPRP, as required by TEX. HEALTH & SAFETY CODE § 341.049 and 30 TEX. ADMIN. CODE § 70.104(b)(1).

8. As evidenced by Finding of Fact No. 7, Respondent failed to file a timely answer as required by TEX. HEALTH & SAFETY CODE § 341.049 and 30 TEX. ADMIN. CODE § 70.105. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049 and 30 TEX. ADMIN. CODE § 70.106, the Commission may enter a Default Order against Respondent and assess the penalty recommended by the Executive Director.
9. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049(a), the Commission has the authority to assess an administrative penalty against Respondent for violations of state statutes within TCEQ's jurisdiction, for violations of rules adopted under such statutes, or for violations of orders or permits issued under such statutes.
10. An administrative penalty in the amount of five thousand four hundred dollars (\$5,400.00) is justified by the facts recited in this Order, and considered in light of the factors set forth in TEX. HEALTH & SAFETY CODE § 341.049(b).
11. TEX. WATER CODE §§ 5.102 and 7.002 authorize the Commission to issue orders and make determinations necessary to effectuate the purposes of the statutes within its jurisdiction.

ORDERING PROVISIONS

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

1. Respondent is assessed an administrative penalty in the amount of five thousand four hundred dollars (\$5,400.00) for violations of state statutes and rules of the TCEQ. The payment of this penalty and Respondent's compliance with all the requirements set forth in this Order resolve only the matters set forth by this Order in this action. The Commission shall not be constrained in any manner from requiring corrective actions or penalties for violations which are not raised here.
2. The penalty assessed by this Order shall be paid within 30 days after the effective date of this Order. All checks submitted to pay the penalty imposed by this Order shall be made out to TCEQ and shall be sent with the notation "Re: SRC Water Supply Inc; Docket No. 2021-1047-PWS-E" to:

Financial Administration Division
Revenue Operations Section
Texas Commission on Environmental Quality
Attention: Cashier's Office, MC 214
P.O. Box 13088
Austin, Texas 78711-3088
3. Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Order:
 - i. Determine the cause of noncompliant levels of disinfectant residual in the Facility's distribution system on July 14, 2021, make any necessary repairs or adjustments to the Facility, and maintain a disinfectant residual concentration of at least 0.2 mg/L free chlorine throughout the distribution system, in accordance with 30 TEX. ADMIN. CODE §§ 290.46 and 290.110 (Conclusion of Law No. 2);
 - ii. Update operational guidance and conduct employee training to ensure that copies of BWNs and signed Certificates of Delivery are timely provided to the Executive Director, in accordance with 30 TEX. ADMIN. CODE § 290.46 (Conclusion of Law No. 3);
 - iii. Provide a signed Certificate of Delivery to the Executive Director for the BWN issued on July 14, 2021, in accordance with 30 TEX. ADMIN. CODE § 290.46 (Conclusion of Law No. 3);

- iv. Determine the cause of noncompliant levels of psi in the Facility's distribution system on October 7, 2021, make any necessary repairs or adjustments to the Facility, and maintain a minimum pressure of 35 psi throughout the distribution system under normal operating conditions and 20 psi during emergencies, such as firefighting, in accordance with 30 TEX. ADMIN. CODE §§ 290.44 and 290.46 (Conclusion of Law No. 4);
 - v. Submit payment for all outstanding fees, interest, and penalties for TCEQ Financial Administration Account No. 91550139 (Conclusion of Law No. 5). The payment shall be sent with the notation "SRC Water Supply Inc, Financial Administration Account No. 91550139" 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
 - vi. Submit payment for all outstanding regulatory assessment fees for the TCEQ Public Utility Account concerning Certificate of Convenience and Necessity No. 12258 for calendar years 2018 through 2021 (Conclusion of Law No. 6). The payment, along with the associated Revenue and Regulatory Assessment Reports, shall be sent to the Financial Administration Division's address listed in Ordering Provision No. 3.a.v.
- b. Within 45 days after the effective date of this Order, submit written certification to demonstrate compliance with Ordering Provision Nos. 3.a.i. through 3.a.iv. The certification shall be accompanied by detailed supporting documentation including photographs, receipts, and/or other records, shall be signed by Respondent, and shall include the following certification language:

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

Respondent shall submit the written certification and copies of documentation necessary to demonstrate compliance with these Ordering Provisions to:

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

and:

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

4. All relief not expressly granted in this Order is denied.

5. The provisions of this Order shall apply to and be binding upon Respondent. Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Facility operations referenced in this Order.
6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this Order, upon a written and substantiated showing of good cause. All requests for extensions by Respondent shall be made in writing to the Executive Director. Extensions are not effective until Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director. Extension requests shall be sent to the Enforcement Division at the address listed above.
7. 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 Respondent if the Executive Director determines that Respondent has not complied with one or more of the terms or conditions in this Order.
8. The provisions of this Order are deemed severable, and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
9. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
10. The Chief Clerk shall provide a copy of this fully executed Order to each of the parties. By law, the effective date of this Order shall be the date the Order is final, as provided by 30 TEX. ADMIN. CODE § 70.106(d) and TEX. GOV'T CODE § 2001.144.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



UNSWORN DECLARATION OF CYNTHIA K. SIROIS

"On behalf of the Executive Director of the Texas Commission on Environmental Quality, the 'Executive Director's Preliminary Report and Petition Recommending that the Texas Commission on Environmental Quality Enter an Enforcement Order Assessing an Administrative Penalty Against and Requiring Certain Actions of SRC Water Supply Inc' (the "EDPRP") was filed in the TCEQ Chief Clerk's office on September 12, 2023.

The EDPRP was mailed to Respondent's last known address on September 12, 2023, via certified mail, return receipt requested, postage prepaid. According to the return receipt "green card," Respondent received notice of the EDPRP on September 14, 2023, as evidenced by the signature on the card.

More than 20 days have elapsed since Respondent received notice of the EDPRP. Respondent failed to file an answer and failed to request a hearing."

"My name is Cynthia K Sirois, and I am an employee of the following governmental agency: Texas Commission on Environmental Quality. I am executing this declaration as part of my assigned duties and responsibilities. I declare under penalty of perjury that the foregoing is true and correct."

Executed in Travis County,
State of Texas,
on the 9th day of October, 2023

Cynthia K Sirois

Declarant