

TCEQ Interoffice Memorandum

To: Mary Smith, General Counsel

Thru: *MH* Megan Hamilton, Acting Assistant Deputy Director
Enforcement Division

From: *MP* Michael Parrish, Agenda Special Assistant
Enforcement Division

Date: November 17, 2025

Subject: **Supplemental Information**
November 19, 2025 Commission Agenda
Item No. 18 – City of Daisetta
Docket No. 2022-1688-PWS-E

Enclosed please find the following:

Compliance History

- Appendix to Compliance History

Please do not hesitate to call Michael Parrish at (512) 239-2548 if you have any questions regarding this matter.

cc: Garrett Arthur, Public Interest Counsel
Melissa Schmidt, Public Interest Counsel
Gill Valls, Office of General Counsel
Katherine McKenzie, Agenda Coordinator, Litigation Division
Amy Settemeyer, Deputy Director, Enforcement Division
Megan Hamilton, Acting Assistant Deputy Director, Enforcement Division
Steven Hall, Acting Manager, Drinking Water Section, Enforcement Division
Mason DeMasi, Team Leader, Drinking Water Section, Enforcement Division
Emerson Rinewalt, Enforcement Coordinator, Drinking Water Section,
Enforcement Division

Appendix A
All NOV's Issued During Component Period 2/1/2019 and 2/1/2024

2	Date:	05/06/2021	(1659924)
	Self Report?	NO	Classification: Minor
	Citation:	30 TAC Chapter 290, SubChapter D 290.42(l)	
	Description:	Failure by the City of Daisetta to have an adequate plant operation manual.	
	Self Report?	NO	Classification: Minor
	Citation:	30 TAC Chapter 290, SubChapter D 290.42(m)	
	Description:	Failure by City of Daisetta to maintain the intruder resistant fence.	
	Self Report?	NO	Classification: Minor
	Citation:	30 TAC Chapter 290, SubChapter D 290.46(m)	
	Description:	Failure by the City of Daisetta to maintain the fence at Plant No. 1 free of excessive vegetation.	
	Self Report?	NO	Classification: Minor
	Citation:	30 TAC Chapter 290, SubChapter D 290.45(f)(3)	
	Description:	Failure by the City of Daisetta to have the purchase water contract to establish the maximum rate at which water may be drafted on a daily and hourly basis. In the absence of specific maximum daily or maximum hourly rates in the contract, a uniform purchase rate for the contract period can be	

used.

Self Report? NO Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.44(h)(1)(A)

Description: Failure by the City of Daisetta to provide additional protection at the meter in the form of an air gap or backflow prevention assembly where an actual or potential hazard exists.

Self Report? NO Classification: Minor

Citation:

30 TAC Chapter 290, SubChapter D 290.46(f)(2)

Description: Failure by the City of Daisetta to have operating records accessible for review upon request.

Self Report? NO Classification: Minor

Citation:

30 TAC Chapter 290, SubChapter F 290.121(b)(1)

Description: Failure by the City of Daisetta to have a complete monitoring plan.

Self Report? NO Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.46(u)

Description: Failure to plug deteriorated wells with cement or repair to a non-deteriorated condition.

Self Report? NO Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.46(k)

Description: Failure to obtain approval for the physical connection between the distribution system of a public drinking water supply and that of any other water supply.

Self Report? NO Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.45(f)(4)

Description: Failure to provide a minimum of 0.6 gallons per minute per connection based on the maximum authorized daily purchase rate specified in the contract plus the actual production capacity of the system.

3

Date: 01/25/2022 (1782600)

Self Report? NO Classification: Minor

Citation:

30 TAC Chapter 290, SubChapter D 290.42(l)

Description: Failure by the City of Daisetta to have an adequate plant operation manual.

Self Report? NO Classification: Minor

Citation:

30 TAC Chapter 290, SubChapter D 290.42(m)

Description: Failure by City of Daisetta to maintain the intruder resistant fence.

Self Report? NO Classification: Minor

Citation:

30 TAC Chapter 290, SubChapter D 290.46(m)

Description: Failure by the City of Daisetta to maintain the fence at Plant No. 1 free of excessive vegetation.

Self Report? NO Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.44(h)(1)(A)

Description: Failure by the City of Daisetta to provide additional protection at the meter in the form of an air gap or backflow prevention assembly where an actual or potential hazard exists.

Self Report? NO Classification: Minor

Citation:

30 TAC Chapter 290, SubChapter D 290.46(f)(2)

Description: Failure by the City of Daisetta to have operating records accessible for review upon request.

Self Report? NO Classification: Minor

Citation:

30 TAC Chapter 290, SubChapter F 290.121(b)(1)

Description: Failure by the City of Daisetta to have a complete monitoring plan.

Self Report? NO Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.46(u)

Description: Failure to plug deteriorated wells with cement or repair to a non-deteriorated condition.

Self Report? NO

Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.46(k)

Description: Failure to obtain approval for the physical connection between the distribution system of a public drinking water supply and that of any other water supply.

Self Report? NO

Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.45(f)(4)

Description: Failure to provide a minimum of 0.6 gallons per minute per connection based on the maximum authorized daily purchase rate specified in the contract plus the actual production capacity of the system.

4*

Date: 05/19/2023 (1888991)

Self Report? NO

Classification: Minor

Citation:

30 TAC Chapter 290, SubChapter F 290.105(b)

30 TAC Chapter 290, SubChapter F 290.118(b)

Description: Failure to meet the secondary constituent level for color.

5

Date: 11/08/2023 (1925620)

Self Report? NO

Classification: Moderate

Citation:

30 TAC Chapter 290, SubChapter D 290.46(f)(3)(A)(ii)(II)

Description: Failure to maintain a record of the amount of water distributed each day.

* NOVs applicable for the Compliance History rating period 9/1/2018 to 8/31/2023

Appendix B

All Investigations Conducted During Component Period February 01, 2019 and February 01, 2024

Item 1 October 08, 2019** (1592344)

Item 2 January 25, 2022** (1782600)

Item 3 December 07, 2022** (1854927)

* No violations documented during this investigation

**Investigation applicable for the Compliance History Rating period between 09/01/2018 and 08/31/2023.

Executive Summary – Enforcement Matter – Case No. 63425

City of Daisetta

RN101427334

Docket No. 2022-1688-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:

No

Location(s) Where Violation(s) Occurred:

City of Daisetta PWS, 410B Main Street, Daisetta, Liberty County

Type of Operation:

Public water supply

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Past-Due Fees: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: September 5, 2025

Comments Received: No

Penalty Information

Total Penalty Assessed: \$2,132

Total Paid to General Revenue: \$0

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$2,132

Name of SEP: PWS Improvements (Compliance)

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - N/A

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: January 2021

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: November 7, 2022

Date(s) of NOE(s): December 7, 2022

Executive Summary – Enforcement Matter – Case No. 63425

City of Daisetta

RN101427334

Docket No. 2022-1688-PWS-E

Violation Information

1. Failed to compile and maintain a thorough and up-to-date plant operations manual for operator review and reference [30 TEX. ADMIN. CODE § 290.42(l)].
2. Failed to obtain approval from the Executive Director for the use of interconnections [30 TEX. ADMIN. CODE § 290.46(k)].
3. Failed to provide a water purchase contract that authorizes a maximum daily purchase rate, or a uniform purchase rate in the absence of a specified daily purchase rate, plus the actual production capacity of the system of at least 0.6 gpm per connection [30 TEX. ADMIN. CODE § 290.45(f)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

N/A

Technical Requirements:

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).
2. The Order will also require the Respondent to:
 - a. Within 60 days, begin maintaining an up-to-date and thorough plant operations manual for operator review and reference, including but not limited to routine maintenance and repair procedures and emergency protocols for man-made and natural disasters;
 - b. Within 75 days, submit written certification to demonstrate compliance with a.;
 - c. Within 180 days, provide a water purchase contract that authorizes a maximum daily purchase, or a uniform purchase rate in the absence of a specified daily purchase rate of at least 0.6 gpm per connection;
 - d. Within 195 days, submit written certification to demonstrate compliance with c.;
 - e. Within 270 days, obtain approval from the Executive Director for the interconnection with Liberty County Fresh Water Supply District 1 Hull; and

Executive Summary – Enforcement Matter – Case No. 63425

City of Daisetta

RN101427334

Docket No. 2022-1688-PWS-E

f. Within 285 days, submit written certification to demonstrate compliance with e.

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Emerson Rinewalt, Enforcement Division,
Enforcement Team 5, MC 219, (512) 239-1131; Michael Parrish, Enforcement Division,
MC 219, (512) 239-2548

TCEQ SEP Coordinator: Adena Crider, Litigation Division, MC 175, (512) 239-0648

Respondent: The Honorable Eric Thaxton, Mayor, City of Daisetta, P.O. Box 549,
Daisetta, Texas 77533

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 5 (January 28, 2021)

PCW Revision February 11, 2021

DATES	Assigned	12-Dec-2022	Screening	14-Dec-2022	EPA Due	
	PCW	23-Jul-2025				

RESPONDENT/FACILITY INFORMATION

Respondent	City of Daisetta
Reg. Ent. Ref. No.	RN101427334
Facility/Site Region	12-Houston
Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	63425	No. of Violations	3
Docket No.	2022-1688-PWS-E	Order Type	Findings
Media Program(s)	Public Water Supply	Government/Non-Profit	Yes
Multi-Media		Enf. Coordinator	Emerson Rinewalt
		EC's Team	Enforcement Team 5
Admin. Penalty \$ Limit Minimum	\$50	Maximum	\$5,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$2,050
---	-------------------	---------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	4.0%	Adjustment	Subtotals 2, 3, & 7	\$82
---------------------------	------	-------------------	--------------------------------	------

Notes	Enhancement for two NOVs with dissimilar violations.
--------------	--

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
--------------------	----	------	--------------------	-------------------	-----

Notes	The Respondent does not meet the culpability criteria.
--------------	--

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
--	-------------------	-----

Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
-------------------------	------	---------------------	-------------------	-----

Total EB Amounts	\$979	*Capped at the Total EB \$ Amount
Estimated Cost of Compliance	\$4,545	

SUM OF SUBTOTALS 1-7	Final Subtotal	\$2,132
-----------------------------	-----------------------	---------

OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
---	------	-------------------	-----

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes	
--------------	--

Final Penalty Amount	\$2,132
-----------------------------	---------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$2,132
-----------------------------------	-------------------------------	---------

DEFERRAL	0.0%	Reduction	Adjustment	\$0
-----------------	------	------------------	-------------------	-----

Reduces the Final Assessed Penalty by the indicated percentage.

Notes	No deferral is recommended for Findings Orders.
--------------	---

PAYABLE PENALTY	\$2,132
------------------------	---------

Screening Date	14-Dec-2022	Docket No.	2022-1688-PWS-E	PCW
Respondent	City of Daisetta			<i>Policy Revision 5 (January 28, 2021)</i>
Case ID No.	63425			<i>PCW Revision February 11, 2021</i>
Reg. Ent. Reference No.	RN101427334			
Media	Public Water Supply			
Enf. Coordinator	Emerson Rinewalt			

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	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of 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) 4%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement for two NOVs with dissimilar violations.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 4%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100% 4%

Screening Date 14-Dec-2022 Respondent City of Daisetta Case ID No. 63425 Reg. Ent. Reference No. RN101427334 Media Public Water Supply Enf. Coordinator Emerson Rinewalt		Docket No. 2022-1688-PWS-E PCW																		
		<i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>																		
Violation Number 1																				
Rule Cite(s)		30 Tex. Admin. Code § 290.42(l)																		
Violation Description		Failed to compile and maintain a thorough and up-to-date plant operations manual for operator review and reference. Specifically, the Facility's manual did not include routine maintenance and repair procedures and emergency protocols for man-made and natural disasters.																		
		Base Penalty	\$5,000																	
>> Environmental, Property and Human Health Matrix																				
OR	<table border="1"> <tr> <td></td> <th colspan="3">Harm</th> </tr> <tr> <th>Release</th> <th>Major</th> <th>Moderate</th> <th>Minor</th> </tr> <tr> <td>Actual</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Potential</td> <td></td> <td></td> <td></td> </tr> </table>				Harm			Release	Major	Moderate	Minor	Actual				Potential				Percent 0.0%
		Harm																		
	Release	Major	Moderate	Minor																
Actual																				
Potential																				
>>Programmatic Matrix																				
	<table border="1"> <tr> <td></td> <th>Falsification</th> <th>Major</th> <th>Moderate</th> <th>Minor</th> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td>x</td> </tr> </table>				Falsification	Major	Moderate	Minor					x	Percent 1.0%						
	Falsification	Major	Moderate	Minor																
				x																
Matrix Notes	Less than 30% of the rule requirements were not met.																			
			Adjustment \$4,950																	
				\$50																
Violation Events																				
Number of Violation Events 1		37 Number of violation days																		
	<table border="1"> <tr><td>daily</td><td></td></tr> <tr><td>weekly</td><td></td></tr> <tr><td>monthly</td><td></td></tr> <tr><td>quarterly</td><td></td></tr> <tr><td>semiannual</td><td></td></tr> <tr><td>annual</td><td></td></tr> <tr><td>single event</td><td>x</td></tr> </table>	daily		weekly		monthly		quarterly		semiannual		annual		single event	x	Violation Base Penalty \$50				
daily																				
weekly																				
monthly																				
quarterly																				
semiannual																				
annual																				
single event	x																			
		One single event is recommended.																		
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		\$50																
Economic Benefit (EB) for this violation		Statutory Limit Test																		
Estimated EB Amount		\$11	Violation Final Penalty Total	\$52																
		This violation Final Assessed Penalty (adjusted for limits) \$52																		

Economic Benefit Worksheet

Respondent City of Daisetta
Case ID No. 63425
Reg. Ent. Reference No. RN101427334
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
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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)	\$45	13-Aug-2019	24-Aug-2024	5.04	\$11	n/a	\$11
Notes for DELAYED costs The delayed cost includes the estimated amount to maintain a thorough and up-to-date plant operations manual, calculated from the date of the investigation initially documenting the violation 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 \$45

TOTAL \$11

Screening Date 14-Dec-2022 Respondent City of Daisetta Case ID No. 63425 Reg. Ent. Reference No. RN101427334 Media Public Water Supply Enf. Coordinator Emerson Rinewalt	Docket No. 2022-1688-PWS-E	PCW <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>
---	-----------------------------------	--

Violation Number	2	Rule Cite(s)	
		30 Tex. Admin. Code § 290.46(k)	
Violation Description	Failed to obtain approval from the Executive Director for the use of interconnections. Specifically, the water system did not obtain approval for the use of the interconnection with Liberty County Fresh Water Supply District 1 Hull.		

Base Penalty	\$5,000
---------------------	---------

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual				Percent 0.0%
	Potential				

>> Programmatic Matrix

Matrix Notes		Falsification	Major	Moderate	Minor	
			x			Percent 10.0%
		100% of the rule requirements were not met.				

Adjustment	\$4,500
-------------------	---------

	\$500
--	-------

Violation Events

Number of Violation Events	1	37	Number of violation days
----------------------------	---	----	--------------------------

daily						Violation Base Penalty \$500
weekly						
monthly						
quarterly						
semiannual						
annual						
single event		x				

One single event is recommended.

Good Faith Efforts to Comply

	0.0%		Reduction	\$0
--	------	--	------------------	-----

		Before NOE/NOV NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	
Notes	The Respondent does not meet the good faith criteria for this violation.	

Violation Subtotal	\$500
---------------------------	-------

Economic Benefit (EB) for this violation

Estimated EB Amount	\$671
----------------------------	-------

Statutory Limit Test

Violation Final Penalty Total	\$520
--------------------------------------	-------

This violation Final Assessed Penalty (adjusted for limits)	\$520
--	-------

Economic Benefit Worksheet

Respondent City of Daisetta
Case ID No. 63425
Reg. Ent. Reference No. RN101427334
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)	\$3,000	8-Jul-2020	26-Dec-2024	4.47	\$671	n/a	\$671
Notes for DELAYED costs The delayed cost includes the estimated amount to obtain approval for the interconnection with Liberty County Fresh Water Supply District 1 Hull, calculated from the date of the investigation initially documenting the violation 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 \$3,000

TOTAL \$671

Screening Date 14-Dec-2022 Respondent City of Daisetta Case ID No. 63425 Reg. Ent. Reference No. RN101427334 Media Public Water Supply Enf. Coordinator Emerson Rinewalt	Docket No. 2022-1688-PWS-E	PCW <i>Policy Revision 5 (January 28, 2021)</i> <i>PCW Revision February 11, 2021</i>
Violation Number 3		
Rule Cite(s) 30 Tex. Admin. Code § 290.45(f)(4) and Tex. Health & Safety Code § 341.0315(c)		
Violation Description <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> Failed to provide a water purchase contract that authorizes a maximum daily purchase rate, or a uniform purchase rate in the absence of a specified daily purchase rate, plus the actual production capacity of the system of at least 0.6 gallons per minute ("gpm") per connection. Specifically, the Facility had 406 connections requiring a maximum daily purchase water rate of at least 243.6 gpm. However, only a maximum daily purchase rate of 90.28 gpm was provided, indicating a 63% deficiency. </div>		
Base Penalty		\$5,000

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual				
	Potential	x			Percent 15.0%

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
					Percent 0.0%

Matrix Notes Failure to provide adequate purchase water capacity may impair the Facility's ability to provide a safe and adequate supply of water which could expose persons served by the Facility to contaminants that would exceed levels protective of human health.

Adjustment \$4,250

\$750

Violation Events

Number of Violation Events 2	37	Number of violation days
--	--	--------------------------

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$1,500

Two monthly events are recommended, calculated from the record review date, November 7, 2022, to the screening date, December 14, 2022.

Good Faith Efforts to Comply

	0.0%	
	Before NOE/NOV NOE/NOV to EDP RP/Settlement Offer	

Extraordinary		
Ordinary		
N/A	x	

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

Violation Subtotal \$1,500

Economic Benefit (EB) for this violation

	Statutory Limit Test	
--	-----------------------------	--

Estimated EB Amount \$297		Violation Final Penalty Total \$1,560
--	--	--

This violation Final Assessed Penalty (adjusted for limits) \$1,560

Economic Benefit Worksheet

Respondent City of Daisetta
Case ID No. 63425
Reg. Ent. Reference No. RN101427334
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)	\$1,500	8-Jul-2020	22-Jun-2024	3.96	\$297	n/a	\$297
Notes for DELAYED costs The delayed cost includes the estimated amount to secure a water purchase contract or increase actual production to achieve total production capacity of at least 0.6 gpm per connection, calculated from the date of the investigation initially documenting the violation 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 \$1,500

TOTAL \$297



Compliance History Report

Compliance History Report for CN600741078, RN101427334, Rating Year 2023 which includes Compliance History (CH) components from September 1, 2018, through August 31, 2023.

Customer, Respondent, or Owner/Operator: CN600741078, City of Daisetta **Classification:** SATISFACTORY **Rating:** 2.00

Regulated Entity: RN101427334, CITY OF DAISETTA **Classification:** NOT APPLICABLE **Rating:** N/A

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

CH Group: 14 - Other

Location: 410B MAIN STREET IN DAISETTA, LIBERTY COUNTY, TEXAS

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION 1460004

Compliance History Period: September 01, 2018 to August 31, 2023 **Rating Year:** 2023 **Rating Date:** 09/01/2023

Date Compliance History Report Prepared: February 01, 2024

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: February 01, 2019 to February 01, 2024

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.
Name: Ashley Lemke **Phone:** (512) 239-1118

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:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

N/A

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.

- 1 Date: 05/19/2023 (1888991)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter F 290.105(b)
30 TAC Chapter 290, SubChapter F 290.118(b)
Description: Failure to meet the secondary constituent level for color.
- 2 Date: 11/08/2023 (1925620)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter D 290.46(f)(3)(A)(ii)(II)

Description: Failure to maintain a record of the amount of water distributed each day.

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
CITY OF DAISSETTA
RN101427334

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2022-1688-PWS-E

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding the City of Daisetta (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 Order to the Commission.

The Respondent understands that they have certain procedural rights at certain points in the enforcement process, including 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 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 agreement of the parties. 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. The duties and responsibilities imposed by this 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 410B Main Street in Daisetta, Liberty County, Texas (the "Facility"). The Facility provides water for human consumption, has approximately 406 service connections, and serves at least 25 people per day for at least 60 days per year. As such, the Facility is a public water system as defined in 30 TEX. ADMIN. CODE § 290.38(73).
2. During a record review for the Facility conducted on November 7, 2022, an investigator documented that:
 - a. The Facility's manual did not include routine maintenance and repair procedures and emergency protocols for man-made and natural disasters;
 - b. The water system did not obtain approval for the use of the interconnection with Liberty County Fresh Water Supply District 1 Hull; and
 - c. The Facility had 406 connections requiring a maximum daily purchase water rate of at least 243.6 gallons per minute ("gpm"). However, only a maximum daily purchase rate of 90.28 gpm was provided, indicating a 63% deficiency.

II. CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact No. 1, the Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 341 and the rules of the TCEQ.
2. As evidenced by Finding of Fact No. 2.a, the Respondent failed to compile and maintain a thorough and up-to-date plant operations manual for operator review and reference, in violation of 30 TEX. ADMIN. CODE § 290.42(l).
3. As evidenced by Finding of Fact No. 2.b, the Respondent failed to obtain approval from the Executive Director for the use of interconnections, in violation of 30 TEX. ADMIN. CODE § 290.46(k).
4. As evidenced by Finding of Fact No. 2.c, the Respondent failed to provide a water purchase contract that authorizes a maximum daily purchase rate, or a uniform purchase rate in the absence of a specified daily purchase rate, plus the actual production capacity of the system of at least 0.6 gpm per connection., in violation of 30 TEX. ADMIN. CODE § 290.45(f)(4) and TEX. HEALTH & SAFETY CODE § 341.0315(c).
5. Pursuant to TEX. HEALTH & SAFETY CODE § 341.049(a), the TCEQ has the authority to assess an administrative penalty against the Respondent for violations of state statutes within the TCEQ'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 \$2,132 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). Pursuant to TEX. WATER CODE § 7.067, \$2,132 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A" - incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

III. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Conclusion of Law No. 6 for violations of state statutes and rules of the TCEQ. The payment of this penalty and the 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 that are not raised here. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: City of Daisetta, Docket No. 2022-1688-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 implement and complete the SEP as set forth in Conclusion of Law No. 6. The amount of \$2,132 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. The Respondent shall undertake the following technical requirements:
 - a. Within 60 days after the effective date of this Order, begin maintaining an up-to-date and thorough plant operations manual for operator review and reference, including but not limited to routine maintenance and repair procedures and emergency protocols for man-made and natural disasters, in accordance with 30 TEX. ADMIN. CODE § 290.42.
 - b. Within 75 days after the effective date of this Order, submit written certification, as described in Ordering Provision No. 3.f below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a.
 - c. Within 180 days after the effective date of this Order, provide a water purchase contract that authorizes a maximum daily purchase, or a uniform purchase rate in the absence of a specified daily purchase rate of at least 0.6 gpm per connection, in accordance with 30 TEX. ADMIN. CODE § 290.45.
 - d. Within 195 days after the effective date of this Order, submit written certification, as described in Ordering Provision No. 3.f below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.c.
 - e. Within 270 days after the effective date of this Order, obtain approval from the Executive Director for the interconnection with Liberty County Fresh Water Supply District 1 Hull, in accordance with 30 TEX. ADMIN. CODE § 290.46. Submission for obtaining approval for the interconnection shall be submitted to:

Plan Review Team
Water Supply Division, MC 159
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning plans and specifications within 15 days after the date of such requests, or by any other deadline specified in writing.

- f. Within 285 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.e. The certification shall be signed by the 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 fines and imprisonment for knowing violations."

The certification shall be submitted to:

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

with a copy to:

Water Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 77023-1452

4. All relief not expressly granted in this Order is denied.
5. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The 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 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. Extension requests shall be sent to the Enforcement Division at the address listed above.

7. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms in this Order.
8. 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.
9. This 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 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.
10. This Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this 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 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.
11. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Krista Mello-Jurach

For the Executive Director

Date

10/11/2025

Date

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

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

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the OAG 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 OAG 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.

Chance Bailey

Signature

Date

11-30-25

Chance Bailey

Name (Printed or typed)

Authorized Representative of
City of Daisetta

Title

Mayor

☐ If mailing address has changed, please check this box and provide the new address below:

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

Attachment A

Docket Number: 2022-1688-PWS-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	City of Daisetta
Penalty Amount:	\$2,132
SEP Offset Amount:	\$2,132
Type of SEP:	Compliance
Project Name:	<i>PWS Improvements</i>
Location of SEP:	Liberty County

The Texas Commission on Environmental Quality (“the Commission” or “TCEQ”) agrees to offset the administrative Penalty Amount assessed in this Agreed Order in exchange for Respondent’s performance of a Supplemental Environmental Project (“SEP”).

Respondent is a Local Government that qualifies under Texas Water Code § 7.067 to apply the SEP Offset Amount set forth above to correct violations at its public water supply (the “Facility”) which are described in this Agreed Order.

1. Project Description

A. Project

Respondent hired a contractor to repair a water leak by replacing 6” PVC pipes and additional necessary parts. Additionally, the contractor also purchased and installed a flow meter and meter box at the Facility. Specifically, the SEP Offset Amount was used for materials, supplies, and equipment for new water pipes, flow meter, and meter box (the “Project”). Respondent hired qualified contractors to perform the Project. The SEP was performed in accordance with all federal, state, and local environmental laws and regulations.

Respondent used the SEP Offset Amount only for the direct cost of implementing the Project, including supplies, materials, and equipment rentals, as listed below in Subsection C. Expenses. No portion of the SEP Offset Amount was spent on administrative costs, including operating costs, reporting expenses, handling of expenses, project coordination, liability, or equipment breakdowns.

Respondent’s signature affixed to the attached Agreed Order certifies that Respondent had no prior commitment to perform this Project and that the SEP was performed solely as part of the terms of settlement in this enforcement action.

B. Environmental Benefit

This SEP will provide access to safe drinking water. Replacing old and deteriorating water lines can reduce the risk of contamination from sources like lead, rust, or other harmful substances that may leach into the water supply. Installing flow meters helps detect leaks more quickly by monitoring water usage and pressure, allowing for prompt repairs and reducing the risk of contaminated water entering system.

C. Expenses

Respondent spent at least the SEP Offset Amount to complete the project described in Section 1.A, above, and complied with all other provisions of this SEP. Respondent understood that it may have costs more than the SEP Offset Amount to complete the Project.

Expenses

Item	Total
6" PVC Pipes and Parts	\$2,697.00
Flow Meter and Meter Box	\$1,485.14
Total	\$4,182.14

2. Records

As of May 24, 2024, Respondent provided TCEQ the following documentation as proof of completion of the proposed SEP:

1. An itemized list of expenditures and total cost of the Project;
2. Copies of invoices or receipts corresponding to the itemized list in paragraph 2.1., above;
3. Copies of cleared checks or payment records corresponding to the itemized list in paragraph 2.1., above;
4. A certified statement of SEP completion and document authentication;
5. A detailed map showing the specific location of the project site(s); and
6. Photograph of the completed Project.

3. Additional Information and Access

Respondent shall provide additional information as requested by TCEQ staff and shall allow immediate (i.e., within 24 hours) access to all records related to the SEP Offset Amount. Respondent shall also allow representatives of TCEQ access to the site of any work being financed in whole or in part by the SEP Offset Amount. This provision shall survive the termination of this Agreed Order.

4. Failure to Fully Perform

If Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of the required reporting described in Sections 2 and 3 above, the Executive Director ("ED") may require immediate payment of all or part of the SEP Offset Amount as set forth in the attached Agreed Order.

In the event the ED determines that Respondent failed to fully implement and complete the Project, Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for reimbursement of a SEP, shall make the check payable to "Texas Commission on Environmental Quality," and shall mail it to the SEP Coordinator at the address provided below:

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Any public statements concerning this Project made by or on behalf of Respondent must include a clear statement that **the Project was performed as part of the settlement of an enforcement action brought by TCEQ**. Such statements include advertising, public relations, and press releases.

6. Recognition

Respondent may not seek recognition for this project in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP Offset Amount identified in this Attachment A and in the attached Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with TCEQ or any other agency of the state or federal government.