



**REGION 6**

DALLAS, TX 75270

May 13, 2024

TRANSMITTED VIA EMAIL

Robert Mathis  
Prairie Hill Water Supply Corporation  
PO Box 97  
Prairie Hill, TX 76678-0097  
robmathisjr@hotmail.com

Re: Consent Agreement and Final Order SDWA-06-2022-1215

Dear Mr. Mathis:

Enclosed is the proposed Consent Agreement and Final Order (CAFO) to settle the complaint issued by the United States Environmental Protection Agency, Region 6 (EPA), concerning the Prairie Hill Water Supply Corporation Public Water System located in Prairie Hill, Texas. EPA requests that you immediately confirm receipt of this e-mail with a response via e-mail.

Please print and sign the CAFO and e-mail it back to Ms. Jessica Moore of my staff at moore.jessica@epa.gov. Once the signed CAFO is received by EPA, EPA will review and sign the CAFO. After EPA signs the CAFO, EPA will transmit an electronic copy to you, and the CAFO shall be legally binding.

If you need assistance or have questions regarding the CAFO, please contact Ms. Jessica Moore of my staff at (303) 312-6441, or at the email address provided above.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cheryl T. Seager".

Digitally signed by CHERYL  
SEAGER  
Date: 2024.05.13 12:05:18 -05'00'

Cheryl T. Seager, Director  
Enforcement and  
Compliance Assurance Division

Enclosure(s)

cc: Texas Commission on Environmental Quality

**FILED**

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 6

REGIONAL HEARING CLERK  
EPA REGION 6

In the Matter of	§	Docket No. SDWA-06-2022-1215
	§	
	§	
Prairie Hill Water Supply Corporation	§	
	§	CONSENT AGREEMENT
Respondent	§	AND
	§	FINAL ORDER
	§	
	§	
	§	Proceedings under Section
PWS ID Number: TX1470011	§	1414(g)(3) of the Safe Drinking
	§	Water Act, 42 U.S.C. § 300g-3(g)(3)

**I. STATUTORY AUTHORITY**

This Consent Agreement and Final Order (CAFO) is issued under the authority vested in the Administrator of the United States Environmental Protection Agency (EPA) pursuant to Section 1414(g)(3), 42 U.S.C. § 300g-3, of the Safe Drinking Water Act (Act). This CAFO is issued in accordance with 40 C.F.R. § 22.18, as set forth in the “Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits,” 40 C.F.R. Part 22.

**II. CONSENT AGREEMENT**

1. On December 8, 2021, EPA Region 6 issued to Prairie Hill Water Supply Corporation (Respondent) an Administrative Complaint (Complaint) pursuant to Section 1414(g)(3) of the Act, which proposed to assess a civil penalty against Respondent, and gave notice of Respondent’s opportunity to request a hearing on the proposed administrative penalty assessment.

2. Respondent and EPA (collectively, Parties) agree that settlement of the relevant matters without litigation will save time and resources, that it is in the public's interest, and that the entry of this CAFO is the most appropriate means of resolving such matters. Compliance with all the terms and conditions of this CAFO resolves only those violations alleged in the Complaint.

3. The Respondent admits the jurisdictional allegations of the Complaint; however, the Respondent neither admits nor denies the specific factual allegations and conclusions of law contained in the complaint or this CAFO. This CAFO states a claim upon which relief may be granted.

4. Respondent expressly waives any right to contest the factual allegations or conclusions of law contained in the Complaint and this CAFO and waives its right to appeal the Final Order set forth herein.

5. Before the taking of any testimony, and without adjudication of any issue of law or fact, the Parties agree to the terms of this CAFO and to its issuance. Respondent consents to the assessment and payment of a civil penalty in the amount and by the method stated below.

### **III. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

6. During the time period relevant to the violations alleged in the Complaint and herein, Respondent, Prairie Hill Water Supply Corporation, is a "person," as defined by Section 1401(12) of the Act, 42 U.S.C. § 300f(12).

7. During the relevant time period, Respondent owned or operated a public water system (PWS), also referred to as the (facility), as defined by Section 1401(4) of the Act, 42 U.S.C. § 300f(4). The PWS is located in Prairie Hill, Limestone County Texas, and designated as PWS number TX1470011.

8. During the relevant time period, Respondent's PWS was a "community water system" as defined by Section 1401(15) of the Act, 42 U.S.C. § 300f(15).

9. According to Section 1401(4) of the Act, 42 U.S.C. § 300f (4), a PWS provides water to the public for human consumption, if such system has at least fifteen (15) service connections or regularly serves at least twenty-five (25) individuals daily at least sixty (60) days out of the year.

10. According to Section 1401(15) of the Act, 42 U.S.C. § 300f (15), a "community water system" means a PWS that serves at least fifteen (15) service connections used by year-round residents served by the system or that regularly serves at least twenty-five (25) year-round residents.

11. During the relevant time period, Respondent's PWS served over 25 residents year-round and is therefore a "community water system", as defined by Section 1401(15) of the Act, 42 U.S.C. § 300f(15).

12. As an owner or operator of a PWS, Respondent is a supplier of water pursuant to Section 1401(5) of the Act, 42 U.S.C. § 300f(5).

13. Respondent, as a supplier of water, and the facility, as a community PWS, are subject to the regulations promulgated by EPA pursuant to Section 1412 of the Act, 42 U.S.C. § 300g-1, entitled National Primary Drinking Water Regulations (NPDWR).

14. Pursuant to Section 1413(a) of the Act, 42 U.S.C. Section 300g 2(a), the State of Texas, acting through the Texas Commission of Environmental Quality (TCEQ), has primary enforcement responsibility to ensure that suppliers of water within the State comply with the requirements of the Act.

15. TCEQ and EPA have enforcement authority for the PWS provisions of the Act in the State of Texas. TCEQ and EPA have consulted regarding this Order, and it has been agreed upon that EPA would initiate this enforcement action.

16. At all times relevant to the violations alleged herein, Respondent's facility was subject to the maximum contaminant level requirements for arsenic as described by 40 C.F.R. § 141.62(b)(7).

17. During the relevant time period, Respondent's facility was required to conduct monitoring to determine compliance regarding arsenic. Respondent is required to comply with the Maximum Contaminant Level (MCL) of .010 mg/L for arsenic as specified in 40 C.F.R. § 141.62(b)(16).

18. Respondent monitored for arsenic during the 3<sup>rd</sup> quarter 2020, the 4<sup>th</sup> quarter 2020, the 1<sup>st</sup> quarter 2021, and the 2<sup>nd</sup> quarter of 2021, resulting in a running annual average of 0.021 mg/L that exceeded the arsenic MCL of 0.010 mg/L in violation of 40 C.F.R. § 141.62(b)(16).

19. On July 19, 2011, EPA issued an Administrative Order, Docket Number SDWA-06-2011-1360 (Original Order) to Respondent, pursuant to EPA's authority under Section 1414(g) of the Act, 42 U.S.C. § 300g-3(g).

20. On June 30, 2015, EPA issued an Amended Administrative Order, Docket Number SDWA-06-2011-1360 (Amended Order) (Attached and incorporated herein at

Attachment A) to Respondent, pursuant to EPA's authority under Section 1414(g) of the Act, 42 U.S.C. § 300g-3(g).

21. On May 31, 2019, EPA issued an Administrative Order, Docket Number SDWA 06-2019-1239 (2019 Administrative Order) (Attached and incorporated herein at Attachment B) to Respondent, pursuant to EPA's authority under Section 1414(g) of the Act, 42 U.S.C. § 300g-3(g) regarding arsenic MCL violations and Ordered the following:

Respondent shall comply with the terms and schedule specified in the plan submitted to EPA. The project timeline shall be followed and completed as Respondent submitted in the detailed plan below:

- a) Shall submit pilot protocol to TCEQ for approval by June 23, 2019;
- b) Shall submit the pilot testing and reporting to TCEQ by January 19, 2020;
- c) Shall complete preliminary engineering report for system by August 16, 2020;
- d) Shall complete final design and submit to TCEQ for approval by March 11, 2021;
- e) The bid package bid advertisement and bid award shall be completed by March 10, 2021;
- f) Construction shall be completed, and compliance attained by January 26, 2022.

22. The May 31, 2019, EPA Administrative Order further ordered Respondent to achieve and maintain compliance with the MCL for arsenic specified in 40 C.F.R. § 141.62 (b)(16), by January 26, 2022.

23. Respondent failed to comply with the Order requirement specified in paragraph(s) 21 and 22 above and is therefore liable for a civil penalty pursuant to Section 1414(g) of the Act, 42 U.S.C. § 300g-3(g).

24. Respondent has secured the needed equipment to achieve compliance and will begin construction when equipment is received by engineering firm.

#### **IV. Penalty Order**

25. Based on the foregoing stipulations, EPA Region 6, having taken into account the factors used for assessment of civil penalties found in Section 1414(b)(2)(c) of the Act, 42 U.S.C. § 300g-3(b)(2), hereby orders, and Respondent agrees, that Respondent shall pay to the United States a civil penalty in the amount of four thousand dollars (\$4,000.00) to settle the violations alleged in the Complaint.

26. Payment shall be made by one of the following methods within thirty (30) days after the effective date of this CAFO:

- a. By mailing a bank check, cashier's check or certified check, payable to "Treasurer of the United States," to the following address:  
U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
P.O. Box 979077  
St. Louis, MO 63197-9000
- b. By wire transfer to:  
Federal Reserve Bank of New York  
ABA: 021030004  
Account Number: 68010727  
SWIFT address: FRNYUS33  
33 Liberty Street  
New York, NY 10045  
Field Tag 4200 of the Fedwire message should read:  
"D 68010727 Environmental Protection Agency"
- c. By overnight mail (Express, FedEx, DHL, etc.):  
U.S. Bank  
Government Lockbox 979077  
U.S. EPA Fines & Penalties  
1005 Convention Plaza  
SL-MO-C2-GL  
St. Louis, MO 63101  
Phone: 314-418-1028
- d. By credit card payments to <https://www.pay.gov>  
(Enter sf01.1 in the search field)



“In the Matter of Prairie Hill Water Supply Corporation, Docket No. SDWA-06-2022-1215” should be clearly marked on the check to ensure credit for payment.

27. Respondent shall send simultaneous notices of the payment, including a copy of the check, or other remittance, to each of the following:

- (a) Regional Hearing Clerk (R6ORC-D)  
U.S. EPA, Region 6  
1201 Elm Street, Suite 500  
Dallas, TX 75270-2201
- (b) Chief, Water Resources Section (R6ECD-WR)  
U.S. EPA, Region 6  
1201 Elm Street, Suite 500  
Dallas, TX 75270-2201
- (c) Chief, Water Legal Branch (R6ORC-EW)  
U.S. EPA, Region 6  
1201 Elm Street, Suite 500  
Dallas, TX 75270-2201

Respondent's adherence to these procedures will ensure proper credit when payment is received by EPA.

28. Respondent agrees not to claim or attempt to claim a federal income tax deduction or credit covering all or any part of the civil penalty paid to the United States Treasurer.

29. Pursuant to 31 U.S.C. § 3717 and 40 C.F.R. § 13.11, unless otherwise prohibited by law, EPA will assess interest and late payment penalties on outstanding debts owed to the United States that are not paid by the due date and a charge to cover the cost of processing and handling a delinquent claim. Interest on the civil penalty assessed in this CAFO will begin to accrue thirty (30) days after the effective date of the CAFO and will be recovered by EPA on any amount of the civil penalty that is not paid by the respective due date. Interest will be assessed at the rate of the United States Treasury tax and loan rate in accordance with 40 C.F.R.



§ 13.11(a). Moreover, the costs of the Agency's administrative handling of overdue debts will be charged and assessed monthly throughout the period the debt is overdue. See 40 C.F.R. § 13.11(b).

30. EPA will also assess a fifteen dollar (\$15.00) administrative handling charge for administrative costs on unpaid penalties for the first thirty (30)-day period after the payment is due and an additional fifteen dollars (\$15.00) for each subsequent thirty (30)-day period that the penalty remains unpaid. In addition, a penalty charge of up to six percent (6%) per year will be assessed monthly on any portion of the debt which remains delinquent more than ninety (90) days. See 40 C.F.R. § 13.11(c). Should a penalty charge on the debt be required, it shall accrue from the first day payment is delinquent. See 31 C.F.R. § 901.9(d). Other penalties for failure to make a payment may also apply.

31. Pursuant to 1414(g)(3)(D) of the Act, 42 U.S.C. § 300g-3(g)(3)(D), any person who fails to pay on a timely basis a civil penalty ordered or assessed under this section shall be required to pay, in addition to such penalty and interest, the United States' enforcement expenses including, but not limited to, attorneys' fees and costs incurred by the United States for collection proceedings, and a quarterly non-payment penalty for each quarter during which such failure to pay persists. Such non-payment penalty shall be twenty percent (20%) of the aggregate amount of such person's outstanding penalties and non-payment penalties accrued as of the beginning of each quarter.

32. Failure by Respondent to pay the penalty assessed according to the terms of this CAFO, in full, by its due date, may subject Respondent to a civil action to collect the assessed penalty and any accrued interest and penalties.

33. In the event a collection action is necessary, Respondent shall pay in addition to any applicable penalty, fees, and interest described herein all reasonable costs and expenses, including legal expenses and court costs, incurred by the United States for enforcement and collection proceedings for non-payment of the amounts agreed hereunder, pursuant to Section 1414(g)(3)(D) of the Act, 42 U.S.C. § 300g-3(g)(3)(D). In any such collection action, the validity, amount, and appropriateness of the penalty, and the terms of this CAFO shall not be subject to review.

#### **V. GENERAL PROVISIONS**

34. To execute this Agreement, Respondent shall sign and forward a copy of this CAFO, with original signature, to:

Mr. Bryant Smalley. (R6 ECD-W)  
U.S. EPA, Region 6  
1201 Elm Street, Suite 500  
Dallas, TX 75270-2102  
smalley.bryant@epa.gov

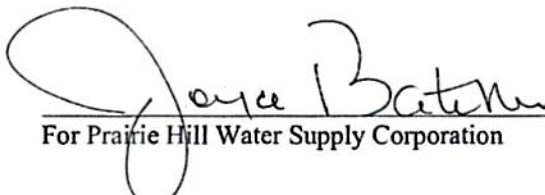
35. Issuance of this CAFO does not relieve Respondent from responsibility to comply with all requirements of the Act and the requirements of any permits issued thereunder, nor does it constitute a waiver by EPA of its right to enforce compliance with the requirements of any applicable permits or other requirements of the Act by actions under the authority of the Act, except as to any requirement to pay any penalty or perform any corrective action not described herein for the violations alleged in the Complaint.

36. The provisions of this CAFO shall be binding upon Respondent, its officers, directors, managers, agents, representatives, employees, successors, and assignees. Each party agrees to bear its own costs and attorneys' fees in this matter, except to the extent that

Respondent may be responsible for reasonable costs and expenses of enforcement and collection proceedings for failure to comply with the terms of this CAFO.

37. Each undersigned representative of the Parties to this agreement certifies that he or she is fully authorized by the party represented to enter into the terms of this agreement and legally bind that party to it.

In recognition and acceptance of the foregoing:

  
For Prairie Hill Water Supply Corporation

9-27-24  
Date



Digitally signed by CHERYL  
SEAGER  
Date: 2024.10.03 11:50:04  
-05'00'

Cheryl T. Seager, Director  
Enforcement and  
Compliance Assurance Division

October 3, 2024  
Date

**VI. FINAL ORDER**

Pursuant to the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22, the foregoing Consent Agreement and Final Order (CAFO) is hereby ratified. This CAFO shall not in any case affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This CAFO shall resolve only those causes of action alleged in the Complaint. Nothing in this CAFO shall be construed to waive, extinguish, or otherwise affect Respondent's (or its officers', agents', servants', employees', successors', or assigns') obligation to comply with all applicable Federal, State, and local statutes and regulations, including the regulations subject to this action. The Respondent is ordered to comply with the terms of settlement and the civil penalty payment instructions as set forth in the CAFO. Pursuant to 40 C.F.R. § 22.31(b), this Final Order shall become effective upon filing with the Regional Hearing Clerk.

Issuance Date: \_\_\_\_\_

**THOMAS RUCKI**

Digitally signed by THOMAS  
RUCKI  
Date: 2024.10.07 13:05:10 -04'00'

\_\_\_\_\_  
Regional Judicial Officer  
EPA, Region 6

**CERTIFICATE OF SERVICE**

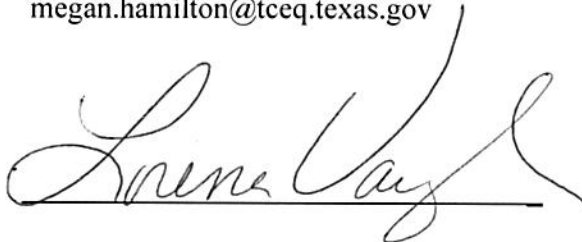
I hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 2024, the original of the foregoing CAFO was hand-delivered to the Regional Hearing Clerk (6RC-D), EPA Region 6, 1201 Elm Street, Suite 500, Dallas, TX 75270-2102, and that true and correct copies were placed in the United States mail, first class, postage prepaid, addressed to each of the following:

Original hand-delivered: Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1201 Elm Street, Suite 500  
Dallas, TX 75270-2102

Copy hand-delivered: Mr. Scott McDonald  
U.S. EPA, Region 6 (Mail Code 6RC-EW)  
1201 Elm Street, Suite 500  
Dallas, TX 75270-2102

Copy by email: Megan Hamilton  
Manager, Drinking Water Section  
Enforcement Division  
Texas Commission on Environmental Quality  
megan.hamilton@tceq.texas.gov

Date: 10/7/2024

A handwritten signature in dark ink, appearing to read "Lauren Vay", is written over a horizontal line.