

CHAPTER 24. SUBSTANTIVE RULES APPLICABLE TO WATER AND SEWER SERVICE PROVIDERS.

Subchapter E. RECORDS AND REPORTS.

§24.134. Financial, Managerial, and Technical Reports Required for Water and Sewer Utilities.

- (a) **Applicability.** This section applies to Class B, C, and D utilities.
- (b) **Notification of violation.** The Texas Commission on Environmental Quality (TCEQ) will notify the commission when a utility has violated a TCEQ final order by failing to:
 - (1) provide system capacity greater than the state and federal required raw water or groundwater production rate or the anticipated daily demand of the system;
 - (2) provide a minimum pressure of 35 pounds per square inch throughout the distribution system under normal operating conditions; or
 - (3) maintain accurate or properly calibrated testing equipment or other means of monitoring the effectiveness of a chemical treatment or pathogen inactivation or removal process.
- (c) **Notification to utility.** Upon receiving notification from TCEQ under subsection (b) of this section, the commission will provide written notice to the utility of the requirement to file the report required under subsection (d) of this section.
- (d) **Report required.** Except as provided by subsection (e) of this section, a utility must file a report with the commission about the utility's financial, managerial, and technical ability to provide continuous and adequate service not later than three years after the date that the utility violated a final order of the TCEQ by failing to meet the requirements described in subsection (b)(1) – (3) of this section.
 - (1) The report must include the following information:
 - (A) a detailed description of the managerial and technical experience and qualifications of the utility in providing continuous and adequate service, including improvements to the experience and qualifications of its personnel since the date of the violation; and
 - (B) financial assurance information required under §24.11 of this title (relating to Financial Assurance) demonstrating that the utility has the financial resources to operate and manage the utility and to provide continuous and adequate service.
 - (2) For violations that occurred after September 1, 2019, the report must be filed not later than the third anniversary of the date of the violation, as reported by TCEQ, under subsection (b) of this section. For violations that occurred between September 1, 2016, and August 31, 2019, the report must be filed not later than the fifth anniversary of the date of the violation reported by TCEQ under subsection (b) of this section.
 - (3) The report must be filed with the commission's central records under the commission-designated project number.
 - (4) The commission will deliver a copy of a report received under this subsection to:
 - (A) each state senator representing a legislative district that contains a portion of the service area of the utility that filed the report; and
 - (B) each state representative representing a legislative district that contains a portion of the service area of the utility that filed the report.
- (e) **No additional report required.** A utility that has an existing obligation to file a report required by this section is not required to file a second report as a result of the occurrence of an additional violation for which notice to the commission was provided under subsection (b) of this section if the additional violation occurs before the date that the utility files the report required by subsection (d) of this section.
- (f) **Failure to report.** If a utility fails to file a report in accordance with this section, the commission will report such failure to:
 - (1) the TCEQ;
 - (2) each state senator representing a legislative district that contains a portion of the utility's service area; and
 - (3) each state representative representing a legislative district that contains a portion of the utility's service area.