2017 ANNUAL WATER QUALITY REPORT PRESENTED BY: LIBERTY UTILITIES

For more information about this report, drinking water or our programs, please call Liberty Utilities, at 1-844-367-2032.

Este informe contiene información muy importante sobre su agua potable. Por favor lea este informe o comuniquese con alguien que pueda traducer la informacion.

Liberty Utilities Works Hard to Provide Quality Water to You!

We are once again proud to present our annual water quality report and pleased to report that our community's drinking water continues to meet quality standards!

You may wonder, if we are meeting standards, why we are sending this report. We do so to comply with the United States Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ). It also allows us to communicate with you about water quality and analytical data as well as introduce you to beneficial programs that will help to maintain and improve service we provide you.

The listed results cover sampling from January 1st to December 31st, 2017,or is from the most recent sampling done in accordance with state regulations. All water provided by our utility must meet the water quality standards established by the EPA.

Introduction to Liberty Utilities... At Your Service

Liberty Utilities' philosophy places our customers at the center of everything we do. This approach shapes our organization and how we do business. With our local approach to management, service and support, Liberty Utilities takes pride in delivering efficient, dependable services to meet the needs of our customers.

At Liberty Utilities, we work hard every day to be the best utility provider with a focus on *being local, responsive, and caring*.

Liberty Utilities Involvement in our Communities

As a caring service provider, Liberty Utilities has committed to implementing outreach programs to build relationships with key stakeholders such as customers, regulators, local governments.

We are part of the communities we serve and our focus is on being local and responsive by building relationships within the communities that we call home.

We regularly support our Military and Veterans through the Veteran's Association for Greater Hawkins and assist with the American Flag placement, The United Way, The American Cancer Society, and The Holly Lake Volunteer Fire Department. We have also helped with the Wood County Special Needs Fair. In September of 2017, members of our team helped with the clean-up efforts from Hurricane Harvey.

Liberty Utilities believes in being local and responsive because we care about our communities. When you demonstrate care, you'll inspire others to do the same. Our communities inspire us. We want to inspire others. Our company initiative, known as Liberty Days, allows our employees to volunteer in the communities we serve.

Have you heard of our programs?

E-Bill
View your bill online and stop the hassle of paper bills with E-Bill, our paperless billing program. Every month an email is sent to notify you when your bill is available for secure online viewing. E-Bill also allows you to view your account history and print your current and previous bills. Payments can be made each month as a one-time payment or you can set up worry free automatic payments with our SurePay program.

SurePay
SurePay is a worry-free way to pay your bill on time. Each month on the due date, the amount due will be transferred from your bank account to your Liberty Utilities account. Once set up, you will see that an Electronic Fund Transfer has been made, or "EFT" on you bank statement.

Conservation Counts!
Water is our most important resource. Without it we would not be here. That is why it is so important that we think about how we use water and use it wisely. Here are some great ways to get started.

- Find and fix all leaks promptly. Visit our office for a free booklet about leaks.
- Water your yard early in the morning or evening and install drip irrigation and automatic timers.
- When replacing old appliances, look for the WaterSense and Energy Star labels.

For more tips on conserving water, please visit our office or website at https://texas.libertyutilities.com/hawkins/residential/smart-water-use/index.html.

WHERE DOES MY WATER COME FROM

Liberty Utilities (Silverleaf Water) LLC - Holly Lake Ranch drinking water is obtained from groundwater sources. The water comes from 8 wells within the Carrizo-Wilcox Aquifer and the Queen City Aquifer; the major aquifer extending along the Texas-Louisiana border to the boarder of Mexico. This aquifer is mostly made of Carrizo sand, which is a mixture of gravel, silt, clay, and lignite.

WATER SOURCE ASSESSMENT

The TCEQ completed an assessment of your source water and results indicated that some of your sources are susceptible to certain contaminants. The sampling requirements for your water system are based on this susceptibility and previous sample data. Any detection of these contaminants may be found in this Consumer Confidence Report. For more information on source water assessments and protection efforts at our system, contact Steve Ruppenthal. The information contained in the assessment allows us to focus source water protection strategies. Some of this source water assessment information is available on Texas Drinking Water Watch at http://dww2.tceq.texas.gov/DWW/ Source Water Assessment link: http://www.tceq.texas.gov/gis/swaview.

IMPORTANT HEALTH INFORMATION

While your drinking water meets the U.S. EPA's standard for arsenic, it does contain low levels of arsenic. The U.S. EPA's standard balances the current understanding of arsenic's possible health effects against the cost of removing it from drinking water. The EPA continues to research the health effects of low levels of arsenic which is a mineral known to cause cancer in humans at high concentrations and is linked to other health effects such as skin damage and circulatory problems.

Nitrates in drinking water at levels above 10 ppm is a health risk for infants of less than six months of age. High nitrate levels in drinking water can cause blue baby syndrome. Nitrate levels may rise quickly for short periods of time because of rainfall or agricultural activity. If you are caring for an infant, you should ask for advice from your health care provider.

Some people may be more sensitive to contaminants in drinking water than the general public. Immuno-compromised persons such as those undergoing chemotherapy, those who have undergone organ transplants, people with immune system disorders such as HIV/AIDS and others, some elderly, and infants may be at greater risk for infection. These people should ask their health care provider about drinking water. The U.S. EPA CDC (Center for Disease Control and Prevention) has guidelines on the appropriate steps to reduce the risk of infection by Cryptosporidium, Giardia and other microbial contaminants are available from the Safe Drinking Water Hotline at (800) 426-4791.

SUBSTANCES THAT COULD BE IN WATER

To ensure that tap water is safe to drink, TCEQ prescribes regulations limiting the amount of certain contaminants in water provided by public water systems. U.S. Food and Drug Administration regulations establish limits for contaminants in bottled water. Drinking water, including bottled water, may reasonably be expected to contain at least small amounts of some contaminants. The presence of these contaminants do not necessarily indicate that the water poses a health risk. For more information contact the Environmental Protection Agency (EPA) Safe Drinking Water Hotline at (800) 426-4791 or visit their website at www.epa.gov/safewater/hotline. For information on bottled water visit the U.S. Food and Drug Administration's website at www.fda.gov.

The sources of drinking water (both tap water and bottled water) include rivers, lakes, streams, ponds, reservoirs, springs, and wells. As water travels over the surface of the land or through the ground, it dissolves naturally occurring minerals, in some cases, radioactive material; and substances resulting from the presence of animals or from human activity. Contaminants that may be present in source water include:

Microbial Contaminants, such as bacteria and viruses. These may come from septic systems, sewage treatment plants, agricultural livestock operations, or wildlife;

Inorganic Contaminants, such as salts and metals, which can be naturally occurring or the result of urban storm water runoff, industrial or domestic wastewater discharge, mining, farming, or oil and gas production;

Pesticides and Herbicides, which can originate from agriculture, urban storm water runoff, and residential uses;

Organic Chemical Contaminants, both synthetic and volatile organic chemicals are by-products of industrial processes and petroleum production. They may also come from gas stations, urban storm water runoff, and septic systems;

Radioactive Contaminants, which can be naturally occurring or the result of industrial activity such as gas and oil production and mining.

LEAD AND DRINKING WATER

If present, elevated levels of lead can cause serious health problems, especially for pregnant women and young children. Lead in drinking water is primarily from materials used in plumbing components. We are responsible for providing high quality drinking water, but cannot control the variety of materials used in plumbing components. When your water has been sitting for several hours, you can minimize the potential for lead exposure by flushing your tap for 30 seconds to 2 minutes before using water for drinking or cooking. If you are concerned about lead in your water, you may wish to have your water tested. Information on lead in drinking water, testing methods, and steps you can take to minimize exposure is available from the Safe Drinking Water Hotline or at www.epa.gov/safewater/lead.

TRIGGERED SOURCE MONITORING AND REPORTING VIOLATION: GROUNDWATER RULE

Holly Lake Ranch 2500012 failed to collect the required number of triggered source bacteriological samples for fecal indicator monitoring of the groundwater system during October 2017. This monitoring is required by the Texas Commission on Environmental Quality's "Drinking Water Standards" and the federal "Safe Drinking Water Act," Public Law 95-523.

Triggered source samples are used to monitor water quality and indicate if the water is free of fecal indicator bacteria. Following a positive routine total coliform result in our distribution system, our water system is required to submit one triggered source sample for every active groundwater well source. Failure to collect all required triggered source samples is a violation of the monitoring requirements and we are required to notify you of this violation.

What should I do?
There is nothing you need to do at this time.

What is being done?
Liberty Utilities attended the Revised Total Coliform Rule Workshop on February 28, 2018 and has updated all procedures to be in compliance with TCEQ standards for triggered source monitoring.

For more information, please contact Shana Mahaffey at 903-730-4850 or 16623 FM 2493, Suite E Tyler, TX 75703.

TESTING RESULTS

During the past year, Liberty Utilities (Silverleaf Water) LLC - Holly Lake Ranch., has taken weekly, monthly and quarterly water samples in order to determine the presence of any radioactive, biological, inorganic, synthetic organic or volatile contaminants. All of the substances listed here are under the Maximum Contaminant Level (MCL). Liberty Utilities believes it is important you know what was detected and how much of the substance was present. The state allows the monitoring of certain substances less than once a year because the concentrations of these substances do not change frequently.

Holly Ranch Water (PWS ID#: TX 2500012)

COLIFORM BACTERIA

Maximum Contaminant Level Goal	Total Coliform Maximum Contaminant Level	Highest No. of Positive	Fecal Coliform or E. Coli Maximum Contaminant Level	Total No. of Positive E. Coli or Fecal Coliform Samples	Violation	Likely Source of Contamination
0	1 positive monthly sample	1		0	N	Naturally present in the environment

COPPER AND LEAD–Tested at customer's taps every 3 years. Testing date 2017.

Contaminant	Date Collected	EPA's Action Level (AL)	Ideal Goal (EPA's MCLG)	Action Level (AL)	90th Percentile	Samples Exceeding the Action Level	Violation	Typical Sources
Copper	2017	90% of homes less than 1.3 ppm	1.3 ppm	Copper - 1.3 ppm	0.45 ppm	0	No	Erosion of natural deposits; Leaching from wood preservatives; Corrosion of household plumbing systems.
Lead	2017	90% of homes less than 15 ppb	0 ppm	Lead - 1.5 ppm	4.97 ppb	2	No	Corrosion of household plumbing systems; Erosion of natural deposits

INORGANIC CHEMICALS - Tested in 2017

Contaminant	Date Collected	Highest Level Allowed (EPA's MCL)	Ideal Goal (EPA's MCLG)	Range of Test Results	Highest Level Detected	Violation	Typical Sources
Barium	2017	2 ppm	2 ppm	0.013 - 0.072 ppm	0.072 ppm	No	Discharge of drilling wastes; Discharge from metal refineries; Erosion of natural deposits.
Chromium	2017	100 ppb	100 ppb	0 - 4.6 ppb	4.6 ppb	No	Discharge from steel and pulp mills; Erosion of natural deposits
Cyanide	2017	200ppb	200ppb	0 - 24 ppb	24 ppb	No	Discharge from plastic and fertilizer factories; Discharge from steel/ metal factories.
Fluoride	2017	4 ppm	4 ppm	0.16 - 0.238 ppm	0.238 ppm	No	Erosion of natural deposits; Water additive which promotes strong teeth; Discharge from fertilizer and aluminum factories.
Nitrate (as Nitrogen)	2017	10 ppm	10 ppm	0 - 0.0703 ppm	0.0703 ppm	No	Runoff from fertilizer use; Leaching from septic tanks, sewage; Erosion of natural deposits.

RADIOACTIVE CONTAMINANTS– Tested in 2015

Contaminant	Highest Level Allowed (EPA's MCL)	Ideal Goal (EPA's MCLG)	Range of Test Results	Highest Level Detected	Violation	Typical Sources
Combined Radium 226/228	5 pCi/L	0 pCi/L	1.5 - 1.5	1.5 pCi/L	No	Erosion from natural deposits

DISINFECTANTS AND DISINFECTION BY-PRODUCTS–Tested in 2017

Contaminant	Date Collected	Highest Level Allowed (EPA's MCL)	Ideal Goal (EPA's MCLG)	Range of Test Results	Highest Level Detected or Average Detected	Violation	Typical Sources
Haloacetic Acids (HAA5)	2017	60 ppb	No Goal	9.6 - 40.1 ppb	30	No	By-product of drinking water disinfectants
Total Trihalomethanes (TTHM)	2017	80 ppb	No Goal	20 - 95.5 ppb	91	No	By-product of drinking water disinfectants

VOLATILE ORGANIC CONTAMINANTS – Tested in 2017

Contaminant	Highest Level Allowed (EPA's MCL)	Ideal Goal (EPA's MCLG)	Range of Test Results	Highest Level Detected	Violation	Typical Sources
Ethylbenzene	700 ppb	700 ppb	0 - 1.13 ppb	1.13 ppb	N	Discharge from petroleum refineries.
Xylenes	10 ppm	10 ppm	0 - 0.00702 ppm	0.00702 ppm	No	Discharge from petroleum factories; Discharge from chemical factories

DISINFECTANT RESIDUAL TABLE–Tested in 2017

Disinfectant	Average Level	Minimum Level	Maximum Level	MRDL	MRDLG	Violation	Typical Sources
Chlorine (free)	1.33 mg/L	0.635 mg/L	2.1025 mg/L	4	4	N	Water additive used to control microbes.

Violations

E. coli

Fecal coliforms and E. coli are bacteria whose presence indicates that the water may be contaminated with human or animal wastes. Microbes in these wastes can cause short-term effects, such as diarrhea, cramps, nausea, headaches, or other symptoms. They may pose a special health risk for infants, young children, and people with severely compromised immune systems.

Violation Type	Violation Begin	Violation End	Violation Explanation
MONITOR GWR TRIGGERED/ ADDITONAL MINOR	10/1/2017	10/31/2017	We failed to collect all the required follow-up samples within 24 hours of learning of the total coliform-positive sample. These needed to be tested for fecal indicators from all sources that were being used at the time the positive sample was collected.

Lead and Copper Rule

The Lead and Copper Rule protects public health by minimizing lead and copper levels in drinking water, primarily by reducing water corrosivity, Lead and copper enter drinking water mainly from corrosion of lead and copper containing plumbing materials.

Violation Type	Violation Being	Violation End	Violation Explanation
WATER QUALITY PARAMETER M/R (LCR)	1/1/2017	6/30/2017	We failed to test our drinking water for the contaminant and period indicated. Because of this failure, we cannot be sure of the quality of our drinking water during the period indicated. The WQP violations have been returned to compliance.

Contaminant	Required sampling frequency	Number of samples taken	When samples should have been taken	When samples were or will be taken
Water Quality Parameters	3 Quarterly Samples within the Distribution System	0	January - June 2017	July - December 2017
Water Quality Parameter	1 Quarterly Sample at Each Entry Point	0	January - June 2017	July - December 2017

Water Loss Audit

Liberty Utilities performed a Water Loss Audit for 2015, these audits are to be performed every 5 years, with the Texas Water Development Board in Austin, TX. The 2015 results showed that Liberty Utilities had a water loss of 15%.

Definitions

AL (Action Level): The concentration of a contaminant that, if exceeded, triggers treatment or other requirements that a community water system shall follow.

MCL (Maximum Contaminant Level): The highest level of a contaminant that is allowed in drinking water. MCLs are set as close to the MCLGs as feasible using the best available treatment technology.

MCLG (Maximum Contaminant Level Goal): The level of a contaminant in drinking water below which there is no known or expected risk to health. MCLGs allow for a margin of safety.

MRDL (Maximum Residual Disinfectant Level): The level of a drinking water disinfectant below which there is no known or expected risk to health. MRDLGs do not reflect the benefits of the use of disinfectants to control microbial contaminants.

NA: Not applicable.

ND (Not detected): Indicates that the substance was not found by laboratory analysis.

pCi/L (picocuries per liter): A measure of radioactivity.

ppb (parts per billion): One part substance per billion parts water (or mi-crograms per liter)

ppm (parts per million): One part substance per million parts water (or milligrams per liter)

Health effects of listed regulated contaminants

Barium: Some people who drink water containing barium in excess of the MCL over many years could experience an increase in their blood pressure.

Beta/photon emitters: Certain minerals are radioactive and may emit forms of radiation known as photons and beta radiation. Some people who drink water containing beta and photon emitters in excess of the MCL over many years may have an increased risk of getting cancer.

Chromium: Chromium-3 is a nutritionally essential element in humans and is often added to vitamins as a dietary supplement. Chromium-3 has relatively low toxicity and would be a concern in drinking water only at very high levels of contamination; Chromium-6 is more toxic and poses potential health risks. People who use water containing total chromium in excess of the maximum contaminant level (MCL) over many years could experience allergic dermatitis.

Combined Radium 226/228: Some people who drink water containing Radium 226 or 228 in excess of the MCL over many years may have an increased risk for getting cancer.

Copper: Copper is an essential nutrient, but some people who drink water containing copper in excess of the action level over a relatively short amount of time could experience gastrointestinal distress. Some people who drink water containing copper in excess of the action level over many years could suffer liver or kidney damage. People with Wilson's Disease should consult their personal doctor.

Fluoride: Some people who drink water containing fluoride in excess of the MCL over many years could get bone disease, including pain and tenderness of the bones. Fluoride in drinking water at half the MCL or more may cause mottling of children's teeth usually in children less than nine years old. Mottling, also known as dental fluorosis, may include brown staining and/or pitting of the teeth and occurs only in developing teeth before they erupt from the gums.

Haloacetic Acids (HAA5s): Some people who drink water containing haloacetic acids in excess of the MCL over many years may have an increased risk of getting cancer.

Lead: Infants and children who drink water containing lead in excess of the action level could experience delay in physical or mental development. Children could show slight deficits in attention span and learning abilities. Adults who drink this water over many years could develop kidney problems or high blood pressure.

Nitrate: Infants below the age of six months who drink water containing nitrate in excess of the MCL could become seriously ill and, if untreated, may die. Symptoms include shortness of breath and blue-baby syndrome.

Total Coliforms: Not a health threat in itself; it is used to indicate whether other potentially harmful bacteria may be present. Fecal Coliforms and E. Coli: Bacteria whose presence indicates that the water may be contaminated with human or animal wastes. Disease-causing microbes (pathogens) in these wastes can cause diarrhea, cramps, nausea, headaches, or other symptoms. These pathogens may pose a special health risk for infants, young children, and people with severely compromised immune systems.

Total Trihalomethanes (TTHM): Some people who drink water containing trihalomethanes in excess of the MCL over many years may experience problems with their liver, kidneys, or central nervous system and may have an increased risk of getting cancer.

Xylenes: Some people who drink water containing xylenes well in excess of the maximum contaminant level (MCL) for many years could experience damage to their nervous system.

Liberty Utilities