Liberty Utilities®

Annual Water Quality Report

Presented by: Liberty Utilities (Holly Ranch Water) Corp.

PWS ID#: TX 250012

Water testing performed in 2014

Maintaining Our High Water Standards

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, 2014. You may notice that not all contaminants from 2014 are listed or that others that were not there in 2013 are now listed. This is because some contaminants are not required to be tested annually. All water provided by our utility must meet the water quality standards established by the EPA.

Where Does My Water Come From

The Holly Lake drinking water is obtained from Groundwater sources. The water comes from 8 wells within the Wilcox Aquifer; the major aquifer extending along the Texas-Louisiana border to the of Mexico. This aquifer is mostly made of Carrizo sand, which is a mixture of gravel, silt, clay and lignite. A Source Water Susceptibility Assessment for your drinking water sources is currently being updated by the Texas Commission on Environmental Quality. This information describes the susceptibility and types of constituents that may come into contact with your drinking water source based on human activities and natural conditions. 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://dww.tceq.state.tx.us/DWW/ .

For more information on source water assessments and protection efforts at our system, please contact us.

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 contaminates 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) 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, Texas Commission on Environmental Quality 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 of 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.

Questions?

For more information about this report, or any questions about drinking water, please call Liberty Utilities, at (903) 769-2095. Este informe contiene información muy importante sobre su agua potable. Por favor lea este informe o comuniquese con alguien que pueda traducer la informacion.

Testing Results

During the past year, Liberty Utilities (Holly Lake Ranch) Corp., 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.

COPPER AND LEAD—Tested at customer's taps every 3 years. Testing date 2014.						
Contaminant	**EPA's Action Level (AL)**	**Ideal Goal (EPA's MCLG)**	**90th Percentile**	**Samples Exceeding the Action Level**	**Violation**	**Typical Sources**
Lead	90% of homes less than 15 ppb	0 ppm	3.24 ppb	0	No	Corrosion of household plumbing systems: erosion of natural deposits
Copper	90% of homes less than 1.3 ppm	1.3 ppm	0.646 ppm	0	No	Corrosion of household plumbing systems: erosion of natural deposits; Leaching from wood preservatives

INORGANIC CHEMICALS							
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	2014	2 ppm	2 ppm	0.0124 — 0.0661 ppm	0.0661 ppm	No	Erosion of natural deposits, discharge from metal refineries and drilling wastes
Chromium	2014	100 ppb	100 ppb	0.661 — 1.31 ppb	1.31 ppb	No	Discharge from steel and pulp mills; Erosion of natural deposits
Fluoride	2014	4 ppm	4 ppm	0.114 — 0.256 ppm	0.256 ppm	No	Erosion of natural deposit discharge from metal refineries, discharge from mines
Nitrate (as Nitrogen)	2014	10 ppm	10 ppm	0.0 — 0.0335 ppm	0.0335 ppm	No	Erosion of natural deposits, runoff from fertilizer use-leaching from septic tanks, sewage

DISINFECTANTS AND DISINFECTION BY-PRODUCTS—Tested in 2014						
Contaminant	**Highest Level Allowed (EPA's MCL)**	**Ideal Goal (EPA's MCLG)**	**Range of Test Results**	**Highest Level Detected**	**Violation**	**Typical Sources**
Haloacetic Acids	60 ppb	No Goal	10.1 — 11.2 ppb	11	No	By-product of drinking water
Total Trihalome-thanes (TTHM)	80 ppb	No Goal	45.8 — 72.5 ppb	59	No	By-product of drinking water disinfectants

VOLATILE ORGANIC CONTAMINANTS — Tested in 2014						
Contaminant	**Highest Level Allowed (EPA's MCL)**	**Ideal Goal (EPA's MCLG)**	**Range of Test Results**	**Highest Level Detected**	**Violation**	**Typical Sources**
Xylenes	10 ppm	10 ppm	0.0—0.000906 ppm	0.000906 ppm	No	Discharge from petroleum factories; Discharge from chemical factories

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.

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

ppb (parts per billion): One part substance per billion parts water.

Health effects of listed 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.

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.

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 inattention 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 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.

Have you heard of our programs?

E-Bill : View your bill online and stop the clutter 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.

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.