

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2007-0262-MWD-E **TCEQ ID:** RN102739380 **CASE NO.:** 32741

RESPONDENT NAME: Mills Road Municipal Utility District

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	

CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input checked="" type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Municipal Utility District Sewer Treatment Plant, 10128 Peachtree Drive, approximately 3,000 feet southwest of the intersection of Perry Road and Mills Road, northwest of the City of Houston, Harris County

TYPE OF OPERATION: Sewer treatment plant

SMALL BUSINESS: Yes No

OTHER SIGNIFICANT MATTERS: No complaints were received. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on June 11, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Mr. Craig Fleming, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-5806; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

Respondent: Mr. Larry Carney, President, Board of Directors, Mills Road MUD, 3 East Greenway Plaza, Suite 2000, Houston, Texas 77046

Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: January 29, 2007</p> <p>Date of NOE Relating to this Case: February 9, 2007 (NOE)</p> <p>Background Facts: This was a routine record review. One violation was documented.</p> <p>WATER</p> <p>Failed to comply with permitted effluent limitations [30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a), and Texas Pollutant Discharge Elimination System Permit No. 0011907002, Effluent Limitations and Monitoring Requirement No.1].</p>	<p>Total Assessed: \$2,140</p> <p>Total Deferred: \$428 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid (Due) to General Revenue: \$1,712</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that on or before September 30, 2006, Mills Road initiated improved maintenance procedures, removed excess sediment from the clarifier, and repaired the diffusers in the clarifier. Mills Road returned to compliance with the effluent limits December 31, 2006.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision January 9, 2007

TCEQ

DATES	Assigned	20-Feb-2007	Screening	21-Feb-2007	EPA Due	5-Jun-2007
	PCW	21-Feb-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Mills Road Municipal Utility District		
Reg. Ent. Ref. No.	RN102739380		
Facility/Site Region	12-Houston	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	32741	No. of Violations	1
Docket No.	2007-0262-MWD-E	Order Type	1660
Media Program(s)	Water Quality	Enf. Coordinator	J. Craig Fleming
Multi-Media		EC's Team	EnforcementTeam 4
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 32% Enhancement Subtotals 2, 3, & 7

Notes: A 32% enhancement is recommended for having six NOV's for self-reported effluent violations and one NOV for non-similar violations in the past 5 years.

Culpability No 0% Enhancement Subtotal 4

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 25% Reduction Subtotal 5

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes: The respondent came into compliance on December 31, 2006 by conducting maintenance on the facility.

Total EB Amounts 0% Enhancement* Subtotal 6
Approx. Cost of Compliance *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes:

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL 20% Reduction Adjustment

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 21-Feb-2007

Docket No. 2007-0262-MWD-E

PCW

Respondent Mills Road Municipal Utility District

Policy Revision 2 (September 2002)

Case ID No. 32741

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN102739380

Media [Statute] Water Quality

Enf. Coordinator J. Craig Fleming

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	6	30%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	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 (number of judgements or consent decrees meeting criteria)	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 (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	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 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%

Please Enter Yes or No

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) 32%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

A 32% enhancement is recommended for having six NOVs for self-reported effluent violations and one NOV for non-similar violations in the past 5 years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 32%

Screening Date 21-Feb-2007

Docket No. 2007-0262-MWD-E

PCW

Respondent Mills Road Municipal Utility District

Policy Revision 2 (September 2002)

Case ID No. 32741

PCW Revision January 9, 2007

Reg. Ent. Reference No. RN102739380

Media [Statute] Water Quality

Enf. Coordinator J. Craig Fleming

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1), Tex. Water Code § 26.121(a), and TPDES Permit No. 0011907002, Effluent Limitations and Monitoring Requirement No. 1

Violation Description Failed to comply with permitted effluent limitations. See attached table.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

A simplified model was used to evaluate ammonia nitrogen ("NH3-N") to determine whether the discharged amounts of pollutants exceeded levels protective of human health or the environment. As a result of these discharges, human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 2

91 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
single event		

Violation Base Penalty \$2,000

Two quarterly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$73

Violation Final Penalty Total \$2,140

This violation Final Assessed Penalty (adjusted for limits) \$2,140

Economic Benefit Worksheet

Respondent Mills Road Municipal Utility District
Case ID No. 32741
Reg. Ent. Reference No. RN102739380
Media Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,500	1-Jun-2006	31-Dec-2006	0.6	\$73	n/a	\$73

Notes for DELAYED costs
 The estimated cost for additional oversight and sampling which could have reduced or alleviated the exceedances. The Date Required was the date the noncompliance started. The Final Date was the date of compliance.

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs
 NA

Approx. Cost of Compliance \$2,500 **TOTAL** \$73

Effluent Violation Table
 Mill Road MUD
 TPDES Permit No. 0011907002 (Outfall 001A)
 Docket No. 2007-0262-MWD-E

Permitted Effluent Limits	Monitoring Period End Date		
	June 2006	August 2006	September 2006
Ammonia-Nitrogen Total Daily Avg. Limit of 15 (in lbs/day)	C	16.7	24.1
Ammonia-Nitrogen Total Daily Avg. Limit of 3.0 (in mg/L)	3.06	7.7	9.3
Ammonia-Nitrogen Total Daily Max. Limit of 10 (in mg/L)	C	16.6	16.0

Avg. = average	mg/L = milligrams per Liter	lbs/day = pounds per day
C = compliant		

Compliance History

Customer/Respondent/Owner-Operator: CN601365588 Mills Road Municipal Utility District Classification: AVERAGE Rating: 2.09
 Regulated Entity: RN102739380 MILLS ROAD MUD STP Classification: AVERAGE Site Rating: 0.26
 ID Number(s): WASTEWATER PERMIT WQ0011907002
 WASTEWATER PERMIT TPDES0075132
 WASTEWATER PERMIT TX0075132
 WASTEWATER LICENSING LICENSE WQ0011907002
 Location: 10128 PEACHRIDGE DRIVE, APPROXIMATELY 3,000 FEET SOUTHWEST OF THE INTERSECTION OF PERRY ROAD AND MILLS ROAD, NORTHWEST OF THE CITY OF HOUSTON IN HARRIS COUNTY, TEXAS Rating Date: 9/1/2006 Repeat Violator: NO
 TCEQ Region: REGION 12 - HOUSTON
 Date Compliance History Prepared: February 20, 2007
 Agency Decision Requiring Compliance History: Enforcement
 Compliance Period: February 20, 2002 to February 20, 2007

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: J. Craig Fleming Phone: (512) 239-5806

Site Compliance History Components

- | | |
|--|------------|
| 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 of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	02/22/2002	(200885)
2	03/25/2002	(200888)
3	04/17/2002	(200893)
4	05/20/2002	(200897)
5	06/24/2002	(200901)
6	07/25/2002	(200905)
7	08/19/2002	(200909)
8	09/18/2002	(200912)
9	10/23/2002	(200915)
10	11/26/2002	(200919)
11	12/30/2002	(200923)
12	01/23/2003	(200927)
13	02/20/2003	(200886)
14	03/19/2003	(200889)
15	04/17/2003	(200894)
16	05/21/2003	(200898)
17	07/07/2003	(200902)
18	07/28/2003	(200906)
19	08/29/2003	(313484)
20	10/07/2003	(313486)

21 10/13/2003 (313488)
 22 11/19/2003 (313489)
 23 12/19/2003 (313490)
 24 01/28/2004 (313491)
 25 02/20/2004 (313474)
 26 03/11/2004 (313476)
 27 04/26/2004 (313477)
 28 05/19/2004 (313479)
 29 06/24/2004 (313481)
 30 07/12/2004 (359486)
 31 08/25/2004 (359487)
 32 09/13/2004 (359488)
 33 10/25/2004 (359489)
 34 11/18/2004 (359490)
 35 12/16/2004 (359491)
 36 01/21/2005 (386011)
 37 02/17/2005 (386009)
 38 03/08/2005 (386010)
 39 04/18/2005 (423914)
 40 05/17/2005 (376079)
 41 05/31/2005 (423915)
 42 06/22/2005 (423916)
 43 07/27/2005 (423917)
 44 08/17/2005 (444714)
 45 10/14/2005 (444715)
 46 10/14/2005 (444716)
 47 11/28/2005 (475529)
 48 12/21/2005 (475530)
 49 01/23/2006 (475531)
 50 03/03/2006 (475526)
 51 03/22/2006 (475527)
 52 04/17/2006 (475528)
 53 05/17/2006 (502962)
 54 06/26/2006 (502963)
 55 07/20/2006 (502964)
 56 08/14/2006 (525301)
 57 02/15/2007 (538445)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 09/30/2004 (359489)
 Self Report? YES Classification Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter

Date: 04/06/2005 (376079)
 Self Report? NO Classification Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(5)
 30 TAC Chapter 317 317.5(e)(2)[G]
 Description: Failure to properly operate the belt press.

Self Report? NO Classification Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(5)
 Description: Failure to completely fence the plant area.

Self Report? NO Classification Minor
 Citation: 30 TAC Chapter 319, SubChapter A 319.11(d)
 Description: Failure to measure the entire range of flows.

Self Report? NO Classification Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to accurately calculate and report the loading in pounds per day.

Date: 06/30/2005 (423917)
 Self Report? YES Classification Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter

Date: 11/30/2005 (475530)
 Self Report? YES Classification Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter

Date: 06/30/2006 (502964)
 Self Report? YES Classification Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter

Date: 08/31/2006
 Self Report? YES Classification Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter

Date: 09/30/2006
 Self Report? YES Classification Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 TWC Chapter 26 26.121(a)[G]
 Description: Failure to meet the limit for one or more permit parameter

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
MILLS ROAD MUNICIPAL UTILITY
DISTRICT
RN102739380**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

**AGREED ORDER
DOCKET NO. 2007-0262-MWD-E**

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Mills Road Municipal Utility District ("Mills Road") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and Mills Road appear before the Commission and together stipulate that:

1. Mills Road owns and operates a facility to treat and dispose of wastes from the Mills Road Municipal Utility District located at 10128 Peachtree Drive, approximately 3,000 feet southwest of the intersection of Perry Road and Mills Road, northwest of the City of Houston in Harris County, Texas (the "Facility").
2. Mills Road has discharged municipal waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26
3. The Commission and Mills Road agree that the Commission has jurisdiction to enter this Agreed Order, and that Mills Road is subject to the Commission's jurisdiction.
4. Mills Road received notice of the violations alleged in Section II ("Allegations") on or about February 14, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Mills Road of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Two Thousand One Hundred Forty Dollars (\$2,140) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Mills Road has paid One Thousand Seven Hundred Twelve Dollars (\$1,712) of the administrative penalty and Four Hundred Twenty-Eight Dollars (\$428) is deferred contingent upon Mills Road's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Mills Road fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Mills Road to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and Mills Road have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that on or before September 30, 2006, Mills Road initiated improved maintenance procedures, removed excess sediment from the clarifier, and repaired the diffusers in the clarifier. Mills Road returned to compliance with the effluent limits December 31, 2006.
10. 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 Mills Road has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, Mills Road is alleged to have failed to comply with permitted effluent limitations as indicated in the table below, in violation of 30 TEX. ADMIN. CODE § 305.125(1), TEX. WATER CODE § 26.121(a), and Texas Pollutant Discharge Elimination System Permit No. 0011907002, Effluent Limitations and Monitoring Requirement No. 1, as documented during a record review conducted on January 29, 2007.

Effluent Violation Table
TPDES Permit No. 0011907002 (Outfall 001A)

Permitted Effluent Limits	Monitoring Period End Date		
	June 2006	August 2006	September 2006
Ammonia-Nitrogen Total Daily Avg. Limit of 15 (in lbs/day)	C	16.7	24.1
Ammonia-Nitrogen Total Daily Avg. Limit of 3.0 (in mg/L)	3.06	7.7	9.3
Ammonia-Nitrogen Total Daily Max. Limit of 10 (in mg/L)	C	16.6	16.0

Avg. = average	mg/L = milligrams per Liter	lbs/day = pounds per day
C = compliant		

III. DENIALS

Mills Road generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Mills Road pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Mills Road's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Mills Road Municipal Utility District, Docket No. 2007-0262-MWD-E" to:

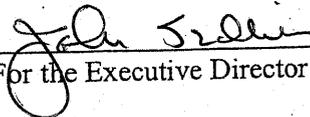
Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. The provisions of this Agreed Order shall apply to and be binding upon Mills Road . Mills Road is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against Mills Road in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed 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.
4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Mills Road, or three days after the date on which the Commission mails notice of the Order to Mills Road, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

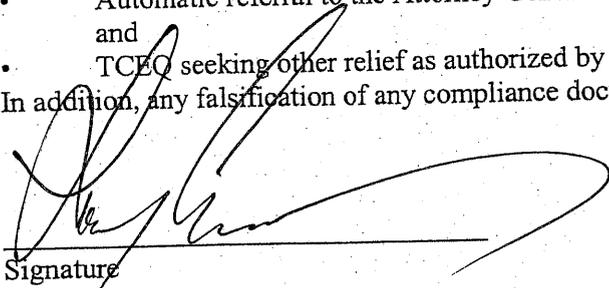
7/25/07
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, 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 my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me;
- and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

21 March 2007

Date

Larry Carney

President, Board of Directors

Name (Printed or typed)

Title

Authorized Representative of
Mills Road Municipal Utility District

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

