EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-2029-PWS-E **TCEQ ID:** RN101194470 **CASE NO.:** 31783

RESPONDENT NAME: Eco Resources, Inc.

ORDER TYPE:		
X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
__AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
X PUBLIC WATER SUPPLY	__PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Pine Trail Shores, 19910 Eastern Hills Drive, Smith County

TYPE OF OPERATION: Public water supply

SMALL BUSINESS: ____ Yes __X__ No

OTHER SIGNIFICANT MATTERS: Three complaints were received by customers of the water system, the first on August 21, 2006, stating that the water went out and when it came back on, it was brown. The two other complaints, received on August 23 and August 25, 2006 after the investigation was complete, alleged the same facts as the first complainant. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: Complaints were received, but the complainants have not expressed a desire to protest this action or to speak at Agenda.

COMMENTS RECEIVED: The *Texas Register* comment period expired on May 7, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Rebecca Clausewitz, Enforcement Division, Enforcement Team 2, MC R-13, (210) 403-4012; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

Respondent: Mr. Patrick Reilly, Vice President, Central Region, Eco Resources, Inc., 9511 Ranch Road 620 North, Austin, Texas 78726

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

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: _X_ Complaint __ Routine __ Enforcement Follow-up __ Records Review **Dates of Complaints Relating to this Case:** August 21, 23, and 25, 2006 **Dates of Investigations Relating to this Case:** August 21 and 22, 2006 **Date of NOE Relating to this Case:** October 23, 2006 (NOE) **Background Facts:** These were complaint investigations. Three violations were documented. **WATER** 1) Failed to issue a boil water notification to the customers of the water supply within 24 hours after the water service was shut off to repair a line break on August 20, 2006 [30 TEX. ADMIN. CODE § 290.46(q)(1)]. 2) Failed to maintain the disinfectant residual monitoring records for the distribution system and make those records available to Commission personnel at the time of an inspection [30 TEX. ADMIN. CODE § 290.46(f)(2) and (f)(3)(B)(iii)]. 3) Failed to maintain the residual disinfectant concentration at a minimum of 0.2 milligrams per liter ("mg/L") of free chlorine throughout the distribution system at all times [30 TEX. ADMIN. CODE §§ 290.46(d)(2)(A) and 290.110(b)(4)].	**Total Assessed:** $561 **Total Deferred:** $112 _X_ Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $449 **Site Compliance History Classification** __ **High** __ **Average** __ **Poor** **Person Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Major Source:** __ Yes _X_ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** 1) The Executive Director recognizes that Eco Resources has implemented the following corrective measures at the Facility: a. On August 21, 2006, Eco Resources issued a boil water notice to the customers of the water supply after 24 hours had elapsed from the start of the water outage, and after being instructed to do so by the Commission; and b. On August 25, 2006, Eco Resources submitted laboratory results to the Commission which showed that all three water samples that were taken had no indicator bacteria present and a disinfectant residual in excess of the minimum of 0.2 mg/L free chlorine. **Ordering Provisions:** 2) The Order will require the Respondent to: a. Within 10 days after the effective date of this Agreed Order, begin maintaining disinfectant residual monitoring records for the entire distribution system and make those records available to Commission personnel upon request; and b. Within 25 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision 2.a.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) — *PCW Revision November 17, 2006*

DATES					
Assigned	30-Oct-2006				
PCW	27-Nov-2006	Screening	21-Nov-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Eco Resources, Inc.		
Reg. Ent. Ref. No.	RN101194470		
Facility/Site Region	5-Tyler	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	31783	No. of Violations	3
Docket No.	2006-2029-PWS-E	Order Type	1660
Media Program(s)	Public Water Supply	Enf. Coordinator	Rebecca Clausewitz
Multi-Media		EC's Team	EnforcementTeam 2
Admin. Penalty $ Limit Minimum	$50	Maximum	$1,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* **$550**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 2% Enhancement — *Subtotals 2, 3, & 7* **$11**

Notes: The compliance history enhancement is due to one prior Notice of Violation ("NOV") containing violations that are dissimilar from the violations in the current enforcement action.

Culpability — No — 0% Enhancement — *Subtotal 4* **$0**

Notes: Respondent does not meet the culpability criteria.

Good Faith Effort to Comply — 0% Reduction — *Subtotal 5* **$0**

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

Notes: The Respondent does not meet the good faith criteria.

0% Enhancement* — *Subtotal 6* **$0**

**Capped at the Total EB $ Amount*

Total EB Amounts	$439
Approx. Cost of Compliance	$1,750

SUM OF SUBTOTALS 1-7 — *Final Subtotal* **$561**

OTHER FACTORS AS JUSTICE MAY REQUIRE — *Adjustment* **$0**

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

Notes:

Final Penalty Amount **$561**

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* **$561**

DEFERRAL — 20% Reduction — *Adjustment* **-$112**

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **$449**

Screening Date	21-Nov-2006	**Docket No.** 2006-2029-PWS-E	**PCW**
Respondent	Eco Resources, Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31783		*PCW Revision November 17, 2006*
Reg. Ent. Reference No.	RN101194470		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Rebecca Clausewitz		

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*)	0	0%
	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) 2%

>> 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

The compliance history enhancement is due to one prior Notice of Violation ("NOV") containing violations that are dissimilar from the violations in the current enforcement action.

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

Screening Date	21-Nov-2006	**Docket No.** 2006-2029-PWS-E	**PCW**
Respondent	Eco Resources, Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31783		*PCW Revision November 17, 2006*
Reg. Ent. Reference No.	RN101194470		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Rebecca Clausewitz		

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 290.46(q)(1)

Violation Description Failed to issue a boil water notification to the customers of the water supply within 24 hours after the water service was shut off to repair a line break on August 20, 2006.

Base Penalty $1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential	x		

Percent 25%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: By not providing a boil water notice within 24 hours of a water outage, customers of the water supply could have been exposed to contaminants which would exceed levels that are protective of human health.

Adjustment $750

$250

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $250

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $0

Statutory Limit Test

Violation Final Penalty Total $255

This violation Final Assessed Penalty (adjusted for limits) $255

Economic Benefit Worksheet

Respondent: Eco Resources, Inc.
Case ID No.: 31783
Reg. Ent. Reference No.: RN101194470
Media: Public Water Supply
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	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)	$1,350	20-Aug-2006	21-Aug-2006	0.0	$0	n/a	$0

Notes for DELAYED costs: The delayed costs include the amount to issue a boil water notice to all connections (approximately 270) in the Pine Trail Shores Water Supply within 24 hours after the water outage began on the morning of August 20, 2006.

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:

Approx. Cost of Compliance: $1,350

TOTAL: $0

Screening Date	21-Nov-2006	**Docket No.** 2006-2029-PWS-E	**PCW**
Respondent	Eco Resources, Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31783		*PCW Revision November 17, 2006*
Reg. Ent. Reference No.	RN101194470		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Rebecca Clausewitz		

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 290.46(f)(2) and (f)(3)(B)(iii)

Violation Description Failed to maintain the water system's disinfectant residual monitoring records and make those records available to Commission personnel at the time of an inspection.

Base Penalty $1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes: 100% of the rule requirement was not met.

Adjustment $900

$100

Violation Events

Number of Violation Events 1 | 92 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $100

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $239

Statutory Limit Test

Violation Final Penalty Total $102

This violation Final Assessed Penalty (adjusted for limits) $102

Economic Benefit Worksheet

Respondent Eco Resources, Inc.
Case ID No. 31783
Reg. Ent. Reference No. RN101194470
Media Public Water Supply
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	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)				0.0	$0	n/a	$0
Notes for DELAYED costs	There are no delayed costs associated with this violation.						
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]	$200	21-Aug-2003	21-Aug-2006	3.9	$39	$200	$239
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs	The avoided costs include the amount to prepare and maintain three years of chlorine residual records for the water supply, calculated for the three year period prior to the investigation date.						

Approx. Cost of Compliance $200

TOTAL $239

Screening Date	21-Nov-2006	**Docket No.** 2006-2029-PWS-E	**PCW**
Respondent	Eco Resources, Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31783		*PCW Revision November 17, 2006*
Reg. Ent. Reference No.	RN101194470		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Rebecca Clausewitz		

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 290.46(d)(2)(A) and 290.110(b)(4)

Violation Description Failed to maintain the residual disinfectant concentration at a minimum of 0.2 milligrams per liter ("mg/L") of free chlorine throughout the distribution system at all times. Specifically, on August 21, 2006, the free chlorine at a residence on Clearwater Circle was measured to be 0.1 mg/L, and on August 22, 2006, the free chlorine residual at a flush valve on Clearwater Circle was measured to be 0.04 mg/L.

Base Penalty $1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential		x	

Percent 10%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: If the water supply is not effectively disinfected, customers of the water supply could be exposed to contaminants which would exceed levels that are protective of human health.

Adjustment $900

$100

Violation Events

Number of Violation Events 2

4 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $200

Two single events are recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $200

Statutory Limit Test

Violation Final Penalty Total $204

This violation Final Assessed Penalty (adjusted for limits) $204

Economic Benefit Worksheet

Respondent Eco Resources, Inc.
Case ID No. 31783
Reg. Ent. Reference No. RN101194470
Media Public Water Supply
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	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)				0.0	$0	n/a	$0
Notes for DELAYED costs	There are no delayed costs associated with this violation.						
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]	$200	21-Aug-2006	22-Aug-2006	0.0	$0	$200	$200
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs	The avoided costs include the amount of additional oversight and maintenance that could have prevented the low chlorine residuals from occurring, calculated for the dates that the chlorine residual was below the 0.2 mg/L minimum.						

Approx. Cost of Compliance $200

TOTAL $200

Compliance History

Customer/Respondent/Owner-Operator:	CN602495863	ECO Resources, Inc.	Classification: AVERAGE	Rating: 2.54
Regulated Entity:	RN101194470	PINE TRAIL SHORES	Classification:	Site Rating:

ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	2120035
	WATER LICENSING	LICENSE	2120035

Location: 19910 EASTERN HILLS DR, SMITH COUNTY, TX

TCEQ Region: REGION 05 - TYLER

Date Compliance History Prepared: November 27, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 27, 2001 to November 27, 2006

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

Name: Rebecca Clausewitz Phone: (210) 403-4012

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? N/A
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 05/26/2005 (378122)
2 06/15/2006 (462617)

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

Date: 05/27/2005 (378122)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.44(d)(2)
Description: Failure to equip in-line booster pumps with automatic pressure cut-off devices so that the pumping units become inoperative at a suction pressure of less than 20 pounds per square inch.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.43(d)(3)
Description: Failure to equip each pressure tank with some sanitary means of determining the air-to-water ratio.

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	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
ECO RESOURCES, INC.	§	
RN101194470	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-2029-PWS-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 Eco Resources, Inc. ("Eco Resources") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and Eco Resources appear before the Commission and together stipulate that:

1. Eco Resources operates a public water supply at 19910 Eastern Hills Drive in Smith County, Texas (the "Facility") that has approximately 270 service connections and serves at least 25 people per day for at least 60 days per year.

2. The Commission and Eco Resources agree that the Commission has jurisdiction to enter this Agreed Order, and that Eco Resources is subject to the Commission's jurisdiction.

3. Eco Resources received notice of the violations alleged in Section II ("Allegations") on or about October 28, 2006.

4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Eco Resources of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

5. An administrative penalty in the amount of Five Hundred Sixty-One Dollars ($561) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Eco Resources has paid Four Hundred Forty-Nine Dollars ($449) of the administrative penalty and One Hundred Twelve Dollars ($112) is deferred contingent upon Eco Resources' 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 Eco Resources fails to

timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Eco Resources to pay all or part of the deferred penalty.

6. 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.

7. The Executive Director of the TCEQ and Eco Resources have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

8. The Executive Director recognizes that Eco Resources has implemented the following corrective measures at the Facility:

   a. On August 21, 2006, Eco Resources issued a boil water notice to the customers of the water supply after 24 hours had elapsed from the start of the water outage, and after being instructed to do so by the Commission; and

   b. On August 25, 2006, Eco Resources submitted laboratory results to the Commission which showed that all three water samples that were taken had no indicator bacteria present and a disinfectant residual in excess of the minimum of 0.2 milligrams per liter ("mg/L") free chlorine.

9. 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 Eco Resources has not complied with one or more of the terms or conditions in this Agreed Order.

10. 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.

11. 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 operator of the Facility, Eco Resources is alleged to have:

1. Failed to issue a boil water notification to the customers of the water supply within 24 hours after the water service was shut off to repair a line break on August 20, 2006, in violation of 30 TEX. ADMIN. CODE § 290.46(q)(1), as documented during an investigation conducted on August 21, 2006.

2. Failed to maintain the disinfectant residual monitoring records for the distribution system and make those records available to Commission personnel at the time of an inspection, in violation of 30 TEX. ADMIN. CODE § 290.46(f)(2) and (f)(3)(B)(iii), as documented during an investigation conducted on August 22, 2006.

3. Failed to maintain the residual disinfectant concentration at a minimum of 0.2 mg/L of free chlorine throughout the distribution system at all times, in violation of 30 TEX. ADMIN. CODE §§ 290.46(d)(2)(A) and 290.110(b)(4), as documented during investigations conducted on August 21 and 22, 2006.

III. DENIALS

Eco Resources generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Eco Resources pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and Eco Resources' 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: Eco Resources, Inc., Docket No. 2006-2029-PWS-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. It is further ordered that Eco Resources shall undertake the following technical requirements:

   a. Within 10 days after the effective date of this Agreed Order, begin maintaining disinfectant residual monitoring records for the entire distribution system and make those records available to Commission personnel upon request, in accordance with 30 TEX. ADMIN. CODE § 290.46; and

   b. Within 25 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

      "I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

   The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Water Section Manager
Tyler Regional Office
Texas Commission on Environmental Quality
2916 Teague Drive
Tyler, Texas 75701-3734

3. The provisions of this Agreed Order shall apply to and be binding upon Eco Resources. Eco Resources is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the operations referenced in this Agreed Order.

4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Eco Resources shall be made in writing to the Executive Director. Extensions are not effective until Eco Resources receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

5. This Agreed Order, issued by the Commission, shall not be admissible against Eco Resources 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.

6. 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.

7. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Eco Resources, or three days after the date on which the Commission mails notice of the Order to Eco Resources, 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

_____ 7/11/07
For the Executive Director 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.

_____ 3/6/07
Signature Date

Patrick Kelly Vice President, Central Region
Name (Printed or typed) Title
Authorized Representative of
Eco Resources, Inc.

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.