

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-0015-MWD-E **TCEQ ID:** RN101612406 **CASE NO.:** 32150
RESPONDENT NAME: Aqua Utilities, Inc.

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
<p>SITE WHERE VIOLATION(S) OCCURRED: Willow Oaks Wastewater Treatment Facility, 1,000 feet southeast of Kuykendahl Road crossing of Willow Creek, 800 feet east of Willow Creek, 26.5 miles northeast of downtown Houston, Harris County</p> <p>TYPE OF OPERATION: Domestic wastewater system</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: No complaints were received. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on May 28, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Harvey Wilson, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-0321; Mr. David Van Soest, Enforcement Division, MC 219, (512) 239-0468 Respondent: Mr. Robert L. Laughman, President, Aqua Utilities, Inc., 2211 Louetta Road, Spring, Texas 77388 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: December 18, 2006</p> <p>Date of NOE Relating to this Case: December 30, 2006 (NOE)</p> <p>Background Facts: This was a routine investigation. One violation was documented.</p> <p>WATER</p> <p>Failed to comply with permit effluent limits [Permit No. WQ0013619001 Effluent Limitations and Monitoring Requirements, 30 TEX. ADMIN. CODE § 305.125(1), and TEX. WATER CODE § 26.121(a)].</p>	<p>Total Assessed: \$1,560</p> <p>Total Deferred: \$312 <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: \$1,248</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>Ordering Provisions:</p> <p>The Order will require the Respondent to, within 30 days after the effective date of this Agreed Order, submit written certification of compliance with the effluent limits of Permit No. WQ0013619001.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

DATES	Assigned	2-Jan-2007	Screening	4-Jan-2007	EPA Due	
	PCW	9-Jan-2007				

RESPONDENT/FACILITY INFORMATION	
Respondent	Aqua Utilities, Inc.
Reg. Ent. Ref. No.	RN101612406
Facility/Site Region	12-Houston
Major/Minor Source	Minor

CASE INFORMATION				
Enf./Case ID No.	32150	No. of Violations	1	
Docket No.	2007-0015-MWD-E	Order Type	1660	
Media Program(s)	Water Quality	Enf. Coordinator	Harvey Wilson	
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 62% Enhancement Subtotals 2, 3, & 7

Notes

Culpability No 0% Enhancement Subtotal 4

Notes

Good Faith Effort to Comply 0% Reduction Subtotal 5

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

Notes

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

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 Reduction Adjustment

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

Notes

PAYABLE PENALTY

Screening Date 4-Jan-2007

Docket No. 2007-0015-MWD-E

PCW

Respondent Aqua Utilities, Inc.

Policy Revision 2 (September 2002)

Case ID No. 32150

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101612406

Media [Statute] Water Quality

Enf. Coordinator Harvey Wilson

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)	12	60%
	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 judgments 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) 62%

>> 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 62% enhancement is recommended because of 12 prior NOVs for similar violations and 1 NOV for a different violation.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 62%

Screening Date 4-Jan-2007

Docket No. 2007-0015-MWD-E

PCW

Respondent Aqua Utilities, Inc.

Policy Revision 2 (September 2002)

Case ID No. 32150

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101612406

Media [Statute] Water Quality

Enf. Coordinator Harvey Wilson

Violation Number 1

Rule Cite(s) Permit No. WQ0013619001, Effluent Limitations and Monitoring Requirements; 30 Tex. Admin. Code § 305.125(1), and Tex. Water Code § 26.121(a)

Violation Description Failed to comply with permit effluent limits. Specifically, the total ammonia nitrogen daily average (mg/L) at Outfall 001A for the monitoring periods ending 08/31/2006 and 09/30/2006 were 6.74 mg/L and 4.98 mg/L respectively and the permit limit is 3 mg/L.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual			X	10%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

A simplified model was used to evaluate total ammonia nitrogen ("NH3-N") to determine whether the discharged amounts of pollutants exceeded levels protective of human health or the environment. Daily average flow and carbonaceous biochemical oxygen demand ("CBOD") values were also considered. 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 1 Number of violation days 61

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

Violation Base Penalty \$1,000

One quarterly event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$125

Violation Final Penalty Total \$1,560

This violation Final Assessed Penalty (adjusted for limits) \$1,560

Economic Benefit Worksheet

Respondent Aqua Utilities, Inc.
Case ID No. 32150
Reg. Ent. Reference No. RN101612406
Media Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	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-Aug-2006	1-Aug-2007	1.0	\$125	n/a	\$125

Notes for DELAYED costs

The estimated cost for additional oversight and sampling which could have reduced or alleviated the exceedances. The Date Required is the day the noncompliance started. The Final Date is the expected compliance date.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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 \$2,500
TOTAL \$125

Compliance History

Customer/Respondent/Owner-Operator:	CN602787509 Aqua Utilities, Inc.	Classification: AVERAGE	Rating: 0.96
Regulated Entity:	RN101612406 WILLOW OAKS WASTEWATER TREATMENT FACILITY	Classification: AVERAGE	Site Rating: 0.72
ID Number(s):	WASTEWATER PERMIT WASTEWATER PERMIT		WQ0013619001 TPDES0083976
Location:	WASTEWATER LICENSING LICENSE 1,000 feet southeast of Kuykendahl Road crossing of Willow Creek, 26.5 miles northwest of downtown Houston in Harris County, Texas		WQ0013619001
TCEQ Region:	REGION 12 - HOUSTON		
Date Compliance History Prepared:	January 26, 2007		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	January 04, 2002 to January 04, 2007		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	Harvey Wilson	Phone:	(512) 239-0321

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | No |
| 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 | 01/24/2002 | (207029) |
| 2 | 12/30/2002 | (207027) |
| 3 | 10/24/2002 | (207022) |
| 4 | 12/21/2005 | (440393) |
| 5 | 09/25/2002 | (207019) |
| 6 | 02/22/2006 | (476570) |
| 7 | 03/20/2006 | (476571) |
| 8 | 08/26/2002 | (207017) |
| 9 | 10/24/2005 | (476572) |
| 10 | 07/25/2002 | (207015) |
| 11 | 11/29/2005 | (476573) |
| 12 | 12/29/2006 | (534638) |
| 13 | 12/20/2005 | (476574) |
| 14 | 01/23/2006 | (476575) |
| 15 | 06/24/2002 | (207012) |
| 16 | 05/30/2002 | (207009) |
| 17 | 04/24/2003 | (207007) |
| 18 | 04/22/2002 | (207006) |
| 19 | 03/21/2002 | (207004) |
| 20 | 02/26/2003 | (207002) |
| 21 | 02/25/2002 | (207001) |
| 22 | 04/19/2005 | (424558) |
| 23 | 03/22/2005 | (386735) |
| 24 | 05/23/2005 | (424559) |

25 12/20/2004 (386736)
 26 06/23/2005 (424560)
 27 01/20/2005 (386737)
 28 07/22/2005 (424561)
 29 03/04/2005 (372073)
 30 09/22/2004 (333595)
 31 04/03/2006 (459105)
 32 04/30/2004 (360747)
 33 08/23/2002 (7031)
 34 08/15/2006 (525909)
 35 05/28/2004 (360748)
 36 09/20/2006 (525910)
 37 01/11/2005 (360749)
 38 01/11/2005 (360750)
 39 10/18/2006 (525911)
 40 09/07/2004 (360751)
 41 09/23/2004 (360752)
 42 10/20/2004 (360753)
 43 11/22/2004 (360754)
 44 04/24/2006 (503554)
 45 05/23/2006 (503555)
 46 06/16/2006 (503556)
 47 07/12/2006 (503557)
 48 03/18/2004 (316140)
 49 03/25/2003 (316141)
 50 04/13/2004 (316142)
 51 08/23/2005 (445291)
 52 09/19/2005 (445292)
 53 05/23/2003 (316143)
 54 06/23/2003 (316144)
 55 07/18/2003 (316145)
 56 05/27/2004 (270592)
 57 08/29/2003 (316146)
 58 10/03/2003 (316147)
 59 10/20/2003 (316148)
 60 12/01/2003 (316149)
 61 01/20/2004 (316150)
 62 01/21/2003 (207030)
 63 02/20/2004 (316151)

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

Dat 02/28/2006 (476571)
 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
 Dat 03/02/2005 (372073)
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(11)(B)
 Description: Failure to submit the 2004 annual sludge report.
 Self Report? NO Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(5)
 Description: Failure to maintain aeration.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(5)
 Description: Failure to maintain the chlorine contact basin.
 Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to maintain the staff gauge.
 Dat 03/31/2003 (207007)
 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
 Dat 03/31/2004 (360747)

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
 Dat 08/31/2006 (525910)

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
 Dat 09/30/2006 (525911)

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
 Dat 05/31/2006 (503556)

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
 Dat 05/27/2004 (270592)

Self Report? NO Classification: Minor
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to maintain the plant. The walls of chlorine contact chamber and aeration basin were rusted.

Self Report? NO Classification: Major
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
 Description: Failure to operate and maintain the plant to prevent effluent violations. Effluent violations for total suspended solids were reported in 04/03, 05/03, 07/03, and 03/04. An ammonia-nitrogen violation was also reported in 04/03. See attachment.
 Dat 02/28/2003 (316141)

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
 Dat 02/29/2004 (316142)

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
 Dat 04/30/2003 (316143)

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
 Dat 05/31/2003 (316144)

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
 Dat 07/31/2003 (316146)

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
AQUA UTILITIES, INC.
RN101612406**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0015-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 Aqua Utilities, Inc. ("Aqua Utilities") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and Aqua Utilities appear before the Commission and together stipulate that:

1. Aqua Utilities owns and operates a domestic wastewater system 1,000 feet southeast of Kuykendahl Road crossing of Willow Creek, 800 feet east of Willow Creek, 26.5 miles northeast of downtown Houston, Harris County, Texas (the "Facility").
2. Aqua Utilities has discharged municipal waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26
3. The Commission and Aqua Utilities agree that the Commission has jurisdiction to enter this Agreed Order, and that Aqua Utilities is subject to the Commission's jurisdiction.
4. Aqua Utilities received notice of the violations alleged in Section II ("Allegations") on or about January 3, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Aqua Utilities of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of One Thousand Five Hundred Sixty Dollars (\$1,560) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations").

Aqua Utilities has paid One Thousand Two Hundred Forty-Eight Dollars (\$1,248) of the administrative penalty and Three Hundred Twelve Dollars (\$312) is deferred contingent upon Aqua Utilities' 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 Aqua Utilities fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Aqua Utilities 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 Aqua Utilities have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
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 Aqua Utilities 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 owner and operator of the Facility, Aqua Utilities is alleged to have failed to comply with permit effluent limits, in violation of Permit No. WQ0013619001 Effluent Limitations and Monitoring Requirements, 30 TEX. ADMIN. CODE § 305.125(1), and TEX. WATER CODE § 26.121(a), as documented during a record review conducted on December 18, 2006. Specifically, the total ammonia nitrogen daily average (mg/L) at Outfall 001A for the monitoring periods ending 08/31/2006 and 09/30/2006 were 6.74 mg/L and 4.98 mg/L respectively and the permit limit is 3 mg/L.

III. DENIALS

Aqua Utilities generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Aqua Utilities pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Aqua Utilities' 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: Aqua Utilities, Inc., Docket No. 2007-0015-MWD-E" to:

The first part of the document discusses the importance of maintaining accurate records and the role of the auditor in ensuring the integrity of the financial statements. It highlights the need for transparency and accountability in the reporting process.

The second part of the document focuses on the specific requirements for the audit report, including the format and content. It provides detailed instructions on how to structure the report and what information must be included to ensure compliance with the relevant standards.

The third part of the document addresses the ethical considerations that auditors must adhere to. It emphasizes the importance of objectivity, independence, and confidentiality in the audit process, and provides guidance on how to handle potential conflicts of interest.

APPENDIX A

This appendix provides a detailed list of the documents and information required for the audit. It includes a checklist of items to be reviewed, such as the company's financial records, internal controls, and supporting documentation. It also outlines the procedures for obtaining and verifying the necessary evidence.

APPENDIX B

This appendix contains a sample audit report template. It provides a clear and concise format for presenting the audit findings, conclusions, and recommendations. The template includes sections for the auditor's name, the date of the audit, and a detailed description of the audit scope and objectives.

The final part of the document provides a summary of the key points discussed throughout the document. It reiterates the importance of following the established procedures and standards to ensure the quality and reliability of the audit process. It also offers some final thoughts on the role of the auditor in promoting financial transparency and trust.

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 Aqua Utilities shall within 30 days after the effective date of this Agreed Order, submit written certification of compliance with the effluent limits of Permit No. WQ0013619001. The certification shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance, be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, 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 Quality Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

3. The provisions of this Agreed Order shall apply to and be binding upon Aqua Utilities. Aqua Utilities 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. If Aqua Utilities fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Aqua Utilities' failure to comply is not a violation of this Agreed Order. Aqua Utilities shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Aqua Utilities shall notify the Executive Director within seven days after Aqua Utilities becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. 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 Aqua Utilities shall be made in writing to the Executive Director. Extensions are not effective until Aqua Utilities receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against Aqua Utilities 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.
7. 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.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Aqua Utilities, or three days after the date on which the Commission mails notice of the Order to Aqua Utilities, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

Aqua Utilities, Inc.
DOCKET NO. 2007-0015-MWD-E
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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

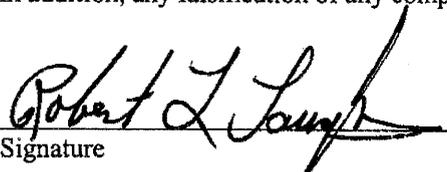
8/9/2007
Date

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.

AB 
Signature

7-25-07
Date

ROBERT LAUGHMAN
Name (Printed or typed)
Authorized Representative of
Aqua Utilities, Inc.

PRESIDENT
Title

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.

