

VIOLATION SUMMARY CHART:

| VIOLATION INFORMATION | PENALTY CONSIDERATIONS | CORRECTIVE ACTIONS TAKEN/REQUIRED |
|---|---|---|
| <p>Type of Investigation:</p> <p><input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date of Complaints Relating to this Case: None</p> <p>Dates of Investigation Relating to this Case: April 20, 2005</p> <p>Date of NOE Relating to this Case: May 20, 2005</p> <p>Background Facts:</p> <p>The EDPRP was filed on December 1, 2005. The Respondent signed an Agreed Order on November 22, 2006.</p> <p>The Respondent in this case does not owe any other penalties according to the Administrative Penalty Database Report.</p> <p>Water Quality</p> <p>Failed to comply with the permitted effluent limitations for total suspended solids ("TSS"), inorganic suspended solids ("ISS"), and five-day carbonaceous biochemical oxygen demand (CBOD₅) as documented on April 20, 2005 [30 TEX. ADMIN. CODE § 305.125(1); TPDES Permit No. 04287, Effluent Limitations and Monitoring Requirements No. 1; and TEX. WATER CODE § 26.121(a)].</p> | <p>Initial Calculated Penalty: \$3,810</p> <p>Total Assessed: \$3,048*</p> <p>Total Deferred: \$0</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid/Due to General Revenue: \$254/\$2,794</p> <p>The Respondent had paid \$254 of the administrative penalty. The remaining amount of \$2,794 of the administrative penalty shall be payable in 11 monthly payments of \$254 each.</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>*Explanation of Initial Calculated Penalty Reduction: This case was settled for less than the penalty amount calculated after considering the risks of litigation.</p> | <p>Ordering Provision(s)</p> <p>Within 60 days, the Respondent shall submit written certification of compliance with the effluent limits of TPDES Permit No. 04287 to include photographs, receipts, and/or other records to demonstrate compliance.</p> |

Penalty Calculation Worksheet (PCW)
 Policy Revision 2 (September 2002) PCW Revision May 19, 2005

| | | | | | | |
|--------------|----------|-------------|-----------|-------------|---------|--|
| DATES | Assigned | 06-Jun-2005 | Screening | 15-Jun-2005 | EPA Due | |
| | PCW | 17-Sep-2007 | | | | |

| | | | |
|--|--------------------------|--------------------|--------------|
| RESPONDENT/FACILITY INFORMATION | | | |
| Respondent | Lonestar Aquafarms, Ltd. | | |
| Reg. Ent. Ref. No. | RN102344074 | | |
| Facility/Site Region | 14-Corpus Christi | Major/Minor Source | Minor Source |

| | | | |
|---------------------------------|-----------------|-------------------|--------------------|
| CASE INFORMATION | | | |
| Enf./Case ID No. | 25950 | No. of Violations | 1 |
| Docket No. | 2005-1063-IWD-E | Order Type | 1660 |
| Media Program(s) | Water Quality | Enf. Coordinator | Catherine Albrecht |
| Multi-Media | | EC's Team | Enforcement Team 1 |
| 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 **Subtotals 2, 3, & 7**
 27% Enhancement

Notes:

Culpability **Subtotal 4**
 No

Notes:

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

| | | |
|---------------|----------------------|-------------------------------|
| | Before NOV | NOV to EDPRP/Settlement Offer |
| Extraordinary | <input type="text"/> | <input type="text"/> |
| Ordinary | <input type="text"/> | <input type="text"/> |
| N/A | x | <i>(mark with a small x)</i> |

Notes:

Economic Benefit **Subtotal 6**
 0% Enhancement*

| | | |
|----------------------------|------------------------------------|-----------------------------------|
| Total EB Amounts | <input type="text" value="\$60"/> | *Capped at the Total EB \$ Amount |
| Approx. Cost of Compliance | <input type="text" value="\$625"/> | |

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 **Adjustment**
 Reduction

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

Notes:

PAYABLE PENALTY

Screening Date 15-Jun-2005

Docket No. 2005-1063-IWD-E

PCW

Respondent Lonestar Aquafarms, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 25950

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN102344074

Media [Statute] Water Quality

Enf. Coordinator Catherine Albrecht

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 <i>(number of NOVs meeting criteria)</i> | 5 | 25% |
| | Other written NOVs | 1 | 2% |
| Orders | Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i> | 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 <i>(number of judgements or consent decrees meeting criteria)</i> | 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 <i>(number of counts)</i> | 0 | 0% |
| Emissions | Chronic excessive emissions events <i>(number of events)</i> | 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 <i>(number of audits for which notices were)</i> | 0 | 0% |
| | Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i> | 0 | 0% |
| Other | <i>Please Enter Yes or No</i> | | |
| | 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)

>> **Repeat Violator (Subtotal 3)**

Adjustment Percentage (Subtotal 3)

>> **Compliance History Person Classification (Subtotal 7)**

Adjustment Percentage (Subtotal 7)

>> **Compliance History Summary**

Compliance History Notes

The enhancement is due to five monthly self-reported effluent violations and one Commission issued NOV for other violations.

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

| | | | | |
|--------------------------------|---|---|-----------------|------------|
| Screening Date | 15-Jun-2005 | Docket No. | 2005-1063-IWD-E | PCW |
| Respondent | Lonestar Aquafarms, Ltd. | <i>Policy Revision 2 (September 2002)</i> | | |
| Case ID No. | 25950 | <i>PCW Revision May 19, 2005</i> | | |
| Reg. Ent. Reference No. | RN102344074 | | | |
| Media [Statute] | Water Quality | | | |
| Enf. Coordinator | Catherine Albrecht | | | |
| Violation Number | 1 | | | |
| Primary Rule Cite(s) | 30 Tex. Admin. Code § 305.125(1), TPDES Permit No. 04287, Effluent Limitations and Monitoring Requirements No. 1, and Tex. Water Code § 26.121(a) | | | |
| Secondary Rule Cite(s) | | | | |
| Violation Description | Failed to comply with the permitted effluent limitations for total suspended solids (TSS), inorganic suspended solids (ISS), and 5-day carbonaceous biochemical oxygen demand (CBOD5), as documented by a TCEQ record review of self-reported data conducted April 20, 2005. (See attached effluent violation table for violation 1.) | | | |

Base Penalty

>> **Environmental, Property and Human Health Matrix**

| | | | | | |
|-----------|----------------------|----------------------|----------------------|-------------------------------------|--|
| | | Harm | | | |
| OR | Release | Major | Moderate | Minor | |
| | Actual | <input type="text"/> | <input type="text"/> | <input checked="" type="checkbox"/> | Percent <input style="width: 50px;" type="text" value="10%"/> |
| Potential | <input type="text"/> | <input type="text"/> | <input type="text"/> | | |

>> **Programmatic Matrix**

| | | | | |
|----------------------|----------------------|----------------------|----------------------|--|
| Falsification | Major | Moderate | Minor | Percent <input style="width: 50px;" type="text"/> |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | |

Matrix Notes A simplified model was used to evaluate CBOD5 to determine whether the discharged amounts of pollutants exceeded levels protective of human health or the environment. TSS and ISS 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 protective levels.

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

| | | |
|----------------------|--------------|-------------------------------------|
| | daily | <input type="text"/> |
| | monthly | <input type="text"/> |
| <i>mark only one</i> | quarterly | <input checked="" type="checkbox"/> |
| <i>use a small x</i> | semiannual | <input type="text"/> |
| | annual | <input type="text"/> |
| | single event | <input type="text"/> |

Violation Base Penalty

Three quarterly events are recommended for the effluent exceedances occurring April 2004 through June 2004, July 2004, and October 2004

Economic Benefit (EB) for this violation

Estimated EB Amount

Statutory Limit Test

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Lonestar Aquafarms, Ltd.
Case ID No. 25950
Reg. Ent. Reference No. RN102344074
Media [Statute] 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) | \$625.00 | 01-Apr-2004 | 25-Feb-2006 | 1.9 | \$60 | n/a | \$60 |

Notes for DELAYED costs: The approximate cost to conduct additional sampling and plant maintenance from the date required (April 1, 2004) through the date of expected compliance (February 25, 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 \$625 TOTAL \$60

Effluent Limit Violation Table for Violation No. 1

| | |
|------------------|---|
| Respondent | Lonestar Aquafarms, Ltd. |
| ID Number(s) | TPDES Permit No. 04287; Enf. Case No. 25950 |
| Docket No. | 2005-1063-IWD-E |
| Enf. Coordinator | Carolyn V. Lind . |

| Effluent Parameter | TSS daily max. conc. | ISS daily ave. conc. | ISS daily max. conc. | CBOD5 daily ave. conc. | CBOD5 daily max. conc. |
|---|-------------------------|-------------------------|---|---------------------------|---------------------------|
| Permit Limit | 90 mg/L | 44 mg/L | 90 mg/L | 30 mg/L | 60 mg/L |
| Month /Year | | | | | |
| April 2004 | c | 45.6 | c | c | c |
| May 2004 | 142 | 59.3 | 100 | c | c |
| June 2004 | 98 | 60 | c | c | c |
| July 2004 | 92 | 48 | c | c | c |
| October 2004 | 165 | 57.5 | 92 | 44 | 122 |
| Total Suspended Solids = TSS Inorganic Suspended Solids - ISS 5 Day Carbonaceous Biochemical Oxygen Demand - CBOD5 c = compliant | | | milligrams per liter - mg/L daily maximum concentration - daily max. conc. daily average concentration - daily ave. conc. | | |

Compliance History

| | | | |
|---|--|-------------------------|---------------------|
| Customer/Respondent/Owner-Operator: | CN601235260 Lonestar Aquafarms, Ltd. | Classification: AVERAGE | Rating: 1.93 |
| Regulated Entity: | RN102344074 LONESTAR AQUAFARMS LTD | Classification: AVERAGE | Site Rating: 0.86 |
| ID Number(s): | WASTEWATER | PERMIT | WQ0004287000 |
| | WASTEWATER | PERMIT | TPDES0123803 |
| Location: | located at the intersection of County Roads 479 and 477, approximately one-half mile from the community of Carancahua, Jackson County, Texas | Rating Date: 9/1/2004 | Repeat Violator: NO |
| TCEQ Region: | REGION 14 - CORPUS CHRISTI | | |
| Date Compliance History Prepared: | July 01, 2005 | | |
| Agency Decision Requiring Compliance History: | Enforcement | | |
| Compliance Period: | July 01, 2000 to July 01, 2005 | | |

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

Name: Carolyn V. Lind Phone: (903) 535-5145

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? | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)? | <u>N/A</u> |
| 5. When did the change(s) in ownership occur? | <u>N/A</u> |

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 | 05/16/2005 | (381139) |
| 2 | 05/31/2005 | (378511) |
| 3 | 02/20/2004 | (328727) |
| 4 | 03/23/2004 | (328728) |
| 5 | 07/14/2003 | (328729) |
| 6 | 08/18/2003 | (328730) |
| 7 | 04/19/2004 | (367885) |
| 8 | 09/15/2003 | (328731) |
| 9 | 05/14/2004 | (367886) |
| 10 | 03/17/2005 | (390519) |
| 11 | 11/20/2003 | (328732) |
| 12 | 11/18/2004 | (390520) |
| 13 | 01/22/2004 | (328733) |
| 14 | 06/10/2004 | (367887) |
| 15 | 01/22/2004 | (328734) |
| 16 | 12/20/2004 | (390521) |
| 17 | 07/22/2004 | (367888) |
| 18 | 01/17/2005 | (390522) |
| 19 | 08/23/2004 | (367889) |
| 20 | 09/20/2004 | (367890) |

21 10/25/2004 (367891)

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

Date: 04/30/2004 (367886) Classification: Moderate
Self Report? YES

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: 10/31/2004 (390520) Classification: Moderate
Self Report? YES

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: 05/31/2004 (367887) Classification: Moderate
Self Report? YES

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: 06/30/2004 (367888) Classification: Moderate
Self Report? YES

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: 07/31/2004 (367889) Classification: Moderate
Self Report? YES

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: 05/16/2005 (381139) Classification: Minor
Self Report? NO

Citation: 30 TAC Chapter 319, SubChapter A 319.11(b)
Rqmt Prov: PERMIT IA
Description: Failure to meet the required holding time for pH as specified in 40 Code of Federal Regulation (CFR) Part 136.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: PERMIT IA
Description: Failure to notify the TCEQ Regional Office in writing of any effluent excursion that deviated from the permitted effluent limitation by more than 40%.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: PERMIT IA
Description: Failure to comply with the effluent limitations as specified in the permit.

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
LONESTAR AQUAFARMS, LTD.;
RN102344074

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2005-1063-IWD-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Lonestar Aquafarms, Ltd. ("Lonestar") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, represented by the Litigation Division, and Lonestar represented by Mr. Fred B. Werkenthin, Jr. of the law firm of Booth, Ahrens & Werkenthin, P.C., appear before the Commission and together stipulate that:

1. Lonestar owns and operates a wastewater treatment facility for the aquaculture facility located at the intersection of County Roads 479 and 477, approximately one-half mile from the community of Carancahua, Jackson County, Texas (the "Facility").
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. WATER CODE ch. 26 and TCEQ rules.
3. The Commission and Lonestar agree that the Commission has jurisdiction to enter this Agreed Order, and that Lonestar is subject to the Commission's jurisdiction.
4. Lonestar received notice of the violations alleged in Section II ("Allegations") on or about May 25, 2005.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Lonestar of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of three thousand forty-eight dollars (\$3,048.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Lonestar has paid two hundred fifty-four dollars (\$254.00) of the administrative penalty. The remaining amount of two thousand seven hundred ninety-four dollars (\$2,794.00) of the administrative penalty shall be payable in 11 monthly payments of two hundred fifty-four dollars (\$254.00) each. The next monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall each be paid not later than 30 days following the due date of the previous payment until paid in full. If Lonestar fails to timely and satisfactorily comply with the payment requirements of this Agreed Order, including the payment schedule, the Executive Director may, at his option, accelerate the maturity of the remaining installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. In addition, the failure of Lonestar to meet the payment schedule of this Agreed Order constitutes the failure by Lonestar to timely and satisfactorily comply with all of the terms of this Agreed Order.
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 Lonestar 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 Lonestar 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

Lonestar is alleged to have violated 30 TEX. ADMIN. CODE § 305.125(1); TPDES Permit No. 04287, Effluent Limitations and Monitoring Requirements No. 1; and TEX. WATER CODE § 26.121(a) by failing to comply with the permitted effluent limitations for total suspended solids ("TSS"), inorganic suspended solids ("ISS"), and five-day carbonaceous biochemical oxygen demand ("CBOD₅") as documented on April 20, 2005.

III. DENIALS

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

IV. ORDER

1. It is, therefore, ordered by the TCEQ that Lonestar pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Lonestar'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 considering or requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Lonestar Aquafarms, Ltd., Docket No. 2005-1063-IWD-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. Within 60 days after the effective date of this Agreed Order, Lonestar shall submit written certification of compliance with the effluent limits of TPDES Permit No. 04287. 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 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 sent to:

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

and

Mr. David Kennebeck, Water Section Manager
Texas Commission on Environmental Quality
Corpus Christi Regional Office
6300 Ocean Drive, Unit 5839
Corpus Christi, Texas 78412-5839

3. The provisions of this Agreed Order shall apply to and be binding upon Lonestar. Lonestar 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.
4. If Lonestar 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, Lonestar's failure to comply is not a violation of this Agreed Order. Lonestar shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Lonestar shall notify the Executive Director within seven days after Lonestar 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 Lonestar shall be made in writing to the Executive Director. Extensions are not effective until Lonestar 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 Lonestar 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) and TEX. GOV'T CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Order to Lonestar, or three days after the date on which the Commission mails notice of the Order to Lonestar, 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

1/17/07

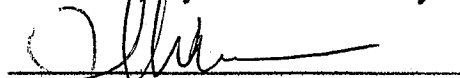
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that 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

11/22/06

Date

John Turner

Name (Printed or typed)
Authorized representative of
Lonestar Aquafarms, Ltd.

General Manager/General Partner

Title