

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2005-1956-MWD-E TCEQ ID: RN103764213 CASE NO.: 27387
RESPONDENT NAME: THE MEADOWS AT QUAIL RUN GP, LLC

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 VIOLATIONS OCCURRED: 120 Las Palomas Drive, La Vernia, Wilson County</p> <p>TYPE OF OPERATION: Wastewater collection system</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: 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 26, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST:</p> <p>TCEQ Attorney: Ms. Kari L. Gilbreth, Litigation Division, MC 175, (512) 239-1320 Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873</p> <p>TCEQ Enforcement Coordinator: Ms. Rebecca Clausewitz, Water Enforcement Division, MC R-13, (210) 403-4012</p> <p>TCEQ Regional Contact: Mr. Tom Haberle, San Antonio Regional Office, MC R-13, (210) 403-4050</p> <p>Respondent: Mr. Hank Harenberg, Member/Partner, 120 Las Palomas Drive, Wilson County, San Antonio, Texas 78121</p> <p>Respondent's Attorney: Mr. Mark H. Zeppa, Attorney, Law Offices of Mark H. Zeppa, PC, Independent Water & Sewer Companies of Texas (IWSCOT), 4833 Spicewood Springs Road, Suite 202, Austin, Texas 78759-8436</p>		

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 checked="" type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: None</p> <p>Dates of Investigation Relating to this Case: March 22, 2005</p> <p>Date of NOE Relating to this Case: October 24, 2005</p> <p>Background Facts:</p> <p>This case was referred to the Litigation Division on March 20, 2006. The EDRP was filed 3 times before service was perfected. The final EDRP was filed January 9, 2008, after the registered agent was located. The Respondent signed an Agreed Order April 2, 2008.</p> <p>MWD:</p> <ol style="list-style-type: none"> Failed to have at least one operator for the sewage collection system that holds a minimum of a Class I license [30 TEX. ADMIN. CODE § 30.350(n)]. Failed to submit a summary transmittal letter and all engineering design plans and reports concerning the technical specifications of the sewage collection to the Commission, and failed to obtain Commission approval of the sewage collection system prior to utilizing it. [30 TEX. ADMIN. CODE § 317.1(a)(2), (a)(3)(D), and (c)]. 	<p>Total Assessed: \$27,300</p> <p>Total Deferred: \$0</p> <p><input type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>Total Paid to General Revenue: \$27,300</p> <p>The Respondent has paid the \$27,300 administrative penalty in full.</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input checked="" type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input checked="" type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent's wastewater discharge permit was issued by the TCEQ on July 26, 2006 (Texas Pollutant Discharge Elimination System Permit No. WQ0014672001).</p> <p>Ordering Provisions:</p> <p>The Respondent shall undertake the following technical requirements:</p> <ol style="list-style-type: none"> Within 30 days, begin operating the sewage collection system under the supervision of an individual with a minimum Class I license. Within 45 days, submit written certification, including detailed supporting documentation such as photographs, receipts, and/or other records, which demonstrates compliance.



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision May 19, 2005

DATES	Assigned	31-Oct-2005	Screening	21-Nov-2005	EPA Due	
	PCW	21-Feb-2006				

RESPONDENT/FACILITY INFORMATION	
Respondent	The Meadows at Quail Run GP, LLC
Reg. Ent. Ref. No.	RN103764213
Facility/Site Region	13-San Antonio
Major/Minor Source	Minor Source

CASE INFORMATION			
Enf./Case ID No.	27387	No. of Violations	2
Docket No.	2005-1956-MWD-E	Order Type	1660
Media Program(s)	Water Quality	Enf. Coordinator	Rebecca Clausewitz
Multi-Media		EC's Team	Enforcement Team 2
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 Enhancement Subtotals 2, 3, & 7

Notes: The enhancement is due to the poor performer person classification and one prior agreed order containing a denial of liability, Docket No. 2001-0259-MLM-E, for violations that occurred at the site.

Culpability Enhancement Subtotal 4

Notes: The culpability criteria was not met.

Good Faith Effort to Comply Reduction Subtotal 5

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

Notes: The Respondent is not yet in compliance.

Economic Benefit Enhancement* Subtotal 6

Total EB Amounts	\$3,963	*Capped at the Total EB \$ Amount
Approx. Cost of Compliance	\$8,600	

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: No deferral is offered because settlement was not achieved during the 60-day settlement period.

PAYABLE PENALTY

Screening Date 21-Nov-2005	Docket No. 2005-1956-MWD-E	PCW
Respondent The Meadows at Quail Run GP, LLC		<i>Policy Revision 2 (September 2002)</i>
Case ID No. 27387		<i>PCW Revision May 19, 2005</i>
Reg. Ent. Reference No. RN103764213		
Media [Statute] Water Quality		
Enf. Coordinator Rebecca Clausewitz		

Compliance History Worksheet

>> **Compliance History Site Enhancement (Subtotal 2)**

Component	Number of...	<i>Enter Number Here</i>	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	1	20%
	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%
<i>Please Enter Yes or No</i>			
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) 20%

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

No

Adjustment Percentage (Subtotal 3) 0%

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

Poor Performer

Adjustment Percentage (Subtotal 7) 10%

>> **Compliance History Summary**

Compliance History Notes

The enhancement is due to the poor performer person classification and one prior agreed order containing a denial of liability, Docket No. 2001-0259-MLM-E, for violations that occurred at the site.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 30%

Screening Date 21-Nov-2005

Docket No. 2005-1956-MWD-E

PCW

Respondent The Meadows at Quail Run GP, LLC

Policy Revision 2 (September 2002)

Case ID No. 27387

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103764213

Media [Statute] Water Quality

Enf. Coordinator Rebecca Clausewitz

Violation Number

Primary Rule Cite(s)

Secondary Rule Cite(s)

Violation Description

Base Penalty

>> Environmental, Property and Human Health Matrix

Harm

Release	Major	Moderate	Minor
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
Potential	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Percent

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Percent

Matrix Notes

If a qualified individual is not operating the wastewater collection facility, human health and the environment could be exposed to a significant amount of raw sewage which would exceed levels that are protective of human health and environmental receptors.

Adjustment

Base Penalty Subtotal

Violation Events

Number of Violation Events

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

Violation Base Penalty

Eight monthly events are recommended from the date of the investigation, March 22, 2005, to the date of screening, November 21, 2005.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent The Meadows at Quail Run GP, LLC
 Case ID No. 27387
 Reg. Ent. Reference No. RN103764213
 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)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: There are no delayed costs associated with this violation.

Item	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal		0.0	\$0	\$0	\$0
Personnel	\$3,600 22-Mar-2005 16-Feb-2006	0.9	\$163	\$3,265	\$3,428
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: The avoided costs include the amount to employ at least one Class I sewage collection system operator for the system, calculated from the date of the investigation to the end of the 60-day settlement period.

Approx. Cost of Compliance **\$3,600**

TOTAL \$3,428

Screening Date 21-Nov-2005 **Docket No.** 2005-1956-MWD-E **PCW**
Respondent The Meadows at Quail Run GP, LLC *Policy Revision 2 (September 2002)*
Case ID No. 27387 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN103764213
Media [Statute] Water Quality
Enf. Coordinator Rebecca Clausewitz
Violation Number 2
Primary Rule Cite(s) 30 Tex. Admin. Code § 317.1(a)(2), (a)(3)(D), and (c)
Secondary Rule Cite(s)
Violation Description Failed to submit a summary transmittal letter and all engineering design plans and reports concerning the technical specifications of the sewage collection system to the Commission and failure to obtain Commission approval of the sewage collection system prior to utilizing it.

Base Penalty \$10,000

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

		Harm			Percent
Release		Major	Moderate	Minor	
OR	Actual				
	Potential				

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor	Percent
	X			

Matrix Notes 100% of the rule requirements were not met.

Adjustment -\$9,000

Base Penalty Subtotal \$1,000

Violation Events

Number of Violation Events 1

<i>mark only one use a small x</i>	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$1,000

One single event is recommended for the March 22, 2005 investigation date.

Economic Benefit (EB) for this violation

Estimated EB Amount \$535

Statutory Limit Test

Violation Final Penalty Total \$1,300

This violation Final Assessed Penalty (adjusted for limits) \$1,300

Economic Benefit Worksheet

Respondent The Meadows at Quail Run GP, LLC
Case ID No. 27387
Reg. Ent. Reference No. RN103764213
Media [Statute] Water Quality
Violation No. 2

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	\$5,000	22-Mar-2005	01-Oct-2006	1.5	\$25	\$510	\$535
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
 The delayed costs include the amount to prepare all technical and engineering reports and plans needed to enable the system to be reviewed and approved by the Commission, calculated from the date of the investigation to the estimated date of compliance.

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

Notes for AVOIDED costs
 There are no avoided costs associated with this violation.

Approx. Cost of Compliance \$5,000 TOTAL \$535

Compliance History

Customer/Respondent/Owner-Operator: CN602920142 THE MEADOWS AT QUAIL RUN GP LLC Classification: POOR Rating: 62.50
Regulated Entity: RN103764213 THE MEADOWS AT QUAIL RUN Classification: POOR Site Rating: 62.50
ID Number(s): WATER QUALITY NON PERMITTED ID NUMBER 130100082
Location: 120 LAS PALOMAS DR, WILSON COUNTY, TX, 78121 Rating Date: 9/1/05 Repeat Violator: NO
TCEQ Region: REGION 13 - SAN ANTONIO
Date Compliance History Prepared: November 28, 2005

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 28, 2000 to November 28, 2005

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? Yes
3. If Yes, who is the current owner? The Meadows at Quail Run GP, LLC
4. If Yes, who was/were the prior owner(s)? Amcor Financial Corporation dba Lake Valley Water Company
5. When did the change(s) in ownership occur? March 2005
6. Comments:

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

Effective Date: 5/23/02 ADMINORDER 2001-0259-MLM-E
Classification: Major
Citation: 30 TAC Chapter 317 317.1(a)(2)
Description: Failure to obtain authorization prior to construction of a sewage collection system and receiving wastewater through the collection system.

Classification: Moderate
Citation: 30 TAC Chapter 325, SubChapter E 325.408(i)
Description: Failure to employ at least one wastewater collection system operator who holds a certificate of competency for operation of a Class I system or a treatment plant operator's certification.

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.)
02/06/2001 (148272)

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

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
THE MEADOWS AT QUAIL RUN
GP, LLC;
RN103764213

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BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2005-1956-MWD-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 The Meadows at Quail Run GP, LLC ("The Meadows") under the authority of TEX. WATER CODE chs. 7, 26 and 37. The Executive Director of the TCEQ, represented by the Litigation Division, and The Meadows, represented by Mark H. Zeppa of the law firm of Law Offices of Mark H. Zeppa, PC, appear before the Commission and together stipulate that:

1. The Meadows owns and operates a wastewater collection system at 120 Las Palomas Drive in La Vernia, Wilson 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 chs. 26 and 37 and TCEQ rules.
3. The Commission and The Meadows agree that the Commission has jurisdiction to enter this Agreed Order, and that The Meadows is subject to the Commission's jurisdiction.
4. The Meadows received notice of the violations alleged in Section II ("Allegations") on or about October 29, 2005.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by The Meadows of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of twenty-seven thousand three hundred dollars (\$27,300.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Meadows has paid twenty-seven thousand three hundred dollars (\$27,300.00) of the administrative 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 The Meadows have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that The Meadows' wastewater discharge permit was issued by the TCEQ on July 26, 2006 (Texas Pollutant Discharge Elimination System Permit No. WQ0014672001).
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that The Meadows has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

The Meadows is alleged to have violated:

1. 30 TEX. ADMIN. CODE § 30.350(n) by failing to have at least one operator for the sewage collection system that holds a minimum of a Class I license.
2. 30 TEX. ADMIN. CODE § 317.1(a)(2), (a)(3)(D), and (c) by failing to submit a summary transmittal letter and all engineering design plans and reports concerning the technical specifications of the sewage collection system to the Commission, and by failing to obtain Commission approval of the sewage collection system prior to utilizing it.

III. DENIALS

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

IV. ORDER

1. It is, therefore, ordered by the TCEQ that The Meadows pay an administrative penalty as set forth in Section I, Paragraph six above. The payment of this administrative penalty and The Meadows' 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: The Meadows at Quail Run GP, LLC, Docket No. 2005-1956-MWD-E" to:

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

2. The Meadows shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, The Meadows shall begin operating the sewage collection system under the supervision of an individual with a minimum of a Class I license, in accordance with 30 TEX. ADMIN. CODE § 30.350.
 - b. Within 45 days after the effective date of this Agreed Order, The Meadows shall submit written certification, including detailed supporting documentation such as photographs, receipts, and/or other records, which demonstrates compliance with Ordering Provisions 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.”

Submit the written certification required by these Ordering Provisions to:

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

with a copy to:

Tom Haberle, Water Section Manager
San Antonio Regional Office
Texas Commission on Environmental Quality
14250 Judson Road
San Antonio, Texas 78233-4480

3. The provisions of this Agreed Order shall apply to and be binding upon The Meadows. The Meadows 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 The Meadows 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, The Meadows’ failure to comply is not a violation of this Agreed Order. The Meadows shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Meadows shall notify the Executive Director within seven days after The Meadows 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 The Meadows shall be made in writing to the Executive Director. Extensions are not effective until The Meadows

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 The Meadows 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 The Meadows, or three days after the date on which the Commission mails notice of the Order to the Meadows, 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

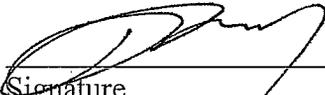
5/19/08
Date

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

3/26/08
Date

HANK HARENBERGS
Name (Printed or typed)
Authorized representative of
The Meadows at Quail Run GP, LLC

Member/Partner
Title