

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2008-1485-MLM-E **TCEQ ID:** RN101441418 **CASE NO.:** 36505
RESPONDENT NAME: Cardinal Meadows Improvement District

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input checked="" type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input checked="" type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input checked="" type="checkbox"/> WATER RIGHTS	<input checked="" type="checkbox"/> PUBLIC WATER UTILITIES
<p>SITE WHERE VIOLATION(S) OCCURRED: Cardinal Meadows Improvement District, located off Highway 69 on Hillebrandt Road, near Beaumont, Jefferson County</p> <p>TYPE OF OPERATION: Public water supply</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. 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 March 23, 2009. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Andrea Linson-Mgbeoduru, Enforcement Division, Enforcement Team 2, MC 169, (512) 239-1482; Ms. Cari-Michel La Caille, Enforcement Division, MC 219, (512) 239-1387 Respondent: Mr. Edward Little, President, Cardinal Meadows Improvement District, 749 Hillebrandt Road, Beaumont, TX 77705, Ms. Myrna Jones, General Manager, Cardinal Meadows Improvement District, 1430 Smoky Lane, Beaumont, TX 77705 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(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: June 30, 2008</p> <p>Date of NOV/NOE Relating to this Case: August 28, 2008 (NOE)</p> <p>Background Facts: This was a routine investigation.</p> <p>WATER</p> <p>1) Failure to monitor the disinfectant residual at representative locations throughout the distribution system at least once every seven days [30 TEX. ADMIN. CODE § 290.110(c)(4)(A)].</p> <p>2) Failure to flush dead-end mains at monthly intervals [30 TEX. ADMIN. CODE § 290.46(1)].</p> <p>3) Failure to submit a drought contingency plan that includes all elements for municipal use by a retail public water supplier [30 TEX. ADMIN. CODE §§ 288.20(a) and 288.30(5)].</p> <p>4) Failure to provide a written planning report for a utility possessing a Certificate of Convenience and Necessity that clearly explains how a retail public utility that has exceeded 85% of its capacity will provide the expected service demands to the remaining areas within the boundaries of its certified area [30 TEX. ADMIN. CODE § 291.93(3) and TEX. WATER CODE § 13.139(d)].</p>	<p>Total Assessed: \$1,804</p> <p>Total Deferred: \$360 <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: \$244 (remaining \$1,200 due in 12 monthly payments of \$100 each)</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input 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:</p> <p>a) Within 30 days after the effective date of this Agreed Order:</p> <p>i) Begin monitoring the disinfectant residual at representative locations in the distribution system at least once every seven days; and</p> <p>ii) Begin flushing the dead-end mains at monthly intervals or as needed if water quality complaints are received or if disinfectant residuals fall below adequate levels.</p> <p>b) Within 45 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 a.</p> <p>c) Within 90 days after the effective date of this Agreed Order:</p> <p>i) Submit a complete drought contingency plan; and</p> <p>ii) Submit an administratively and technically complete report addressing the 85% capacity planning requirement.</p> <p>d) Within 105 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 c.</p>

Additional ID No(s): PWS ID No. 1230020



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 12, 2008

TCEQ

DATES	Assigned	2-Sep-2008	Screening	9-Sep-2008	EPA Due	
	PCW	9-Sep-2008				

RESPONDENT/FACILITY INFORMATION	
Respondent	Cardinal Meadows Improvement District
Reg. Ent. Ref. No.	RN101441418
Facility/Site Region	10-Beaumont
Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	36505	No. of Violations	2
Docket No.	2008-1485-MLM-E	Order Type	1660
Media Program(s)	Public Water Supply	Government/Non-Profit	Yes
Multi-Media	Public Water Utilities	Enf. Coordinator	Andrea Linson-Mgbeodur
		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$50	Maximum	\$1,000

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: Enhancement due to one prior Agreed Order containing a denial of liability, one Notice of Violation ("NOV") with same or similar violations as those in the current enforcement action, and two NOV's with dissimilar violations.

Culpability Enhancement **Subtotal 4**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5**

Economic Benefit Enhancement* **Subtotal 6**

Total EB Amounts
 Approx. Cost of Compliance *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment**

Reduces or enhances the Final Subtotal by the indicated percentage.

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:

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 9-Sep-2008

Docket No. 2008-1485-MLM-E

PCW

Respondent Cardinal Meadows Improvement District

Policy Revision 2 (September 2002)

Case ID No. 36505

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN101441418

Media [Statute] Public Water Supply

Enf. Coordinator Andrea Linson-Mgbeoduru

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>)	1	5%
	Other written NOVs	2	4%
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 submitted</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) 29%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes Enhancement due to one prior Agreed Order containing a denial of liability, one Notice of Violation ("NOV") with same or similar violations as those in the current enforcement action, and two NOVs with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 29%

Screening Date 9-Sep-2008	Docket No. 2008-1485-MLM-E	PCW												
Respondent Cardinal Meadows Improvement District		<i>Policy Revision 2 (September 2002)</i>												
Case ID No. 36505		<i>PCW Revision June 12, 2008</i>												
Reg. Ent. Reference No. RN101441418														
Media [Statute] Public Water Supply														
Enf. Coordinator Andrea Linson-Mgbeoduru														
Violation Number <input type="text" value="1"/>														
Rule Cite(s)	<input type="text" value="30 Tex. Admin. Code § 290.110(c)(4)(A)"/>													
Violation Description	<input type="text" value="Failed to monitor the disinfectant residual at representative locations throughout the distribution system at least once every seven days. Specifically, at the time of the investigation, it was documented that disinfectant residuals were only being collected on a monthly basis."/>													
	Base Penalty	<input type="text" value="\$1,000"/>												
>> Environmental, Property and Human Health Matrix														
OR	Harm													
	Release Major Moderate Minor													
	Actual <input type="text"/> <input type="text"/> <input type="text"/>													
	Potential <input type="text" value="x"/> <input type="text"/> <input type="text"/>	Percent <input type="text" value="25%"/>												
>> Programmatic Matrix														
	Falsification Major Moderate Minor													
	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Percent <input type="text" value="0%"/>												
Matrix Notes	<input type="text" value="Failure to monitor the disinfectant residual could result in customers of the water supply being exposed to significant amounts of undetected contaminants which would exceed levels protective of human health."/>													
	Adjustment	<input type="text" value="\$750"/>												
		<input type="text" value="\$250"/>												
Violation Events														
	Number of Violation Events <input type="text" value="3"/>	<input type="text" value="71"/> Number of violation days												
<i>mark only one with an x</i>	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr><td>daily</td><td><input type="text"/></td></tr> <tr><td>monthly</td><td><input type="text" value="x"/></td></tr> <tr><td>quarterly</td><td><input type="text"/></td></tr> <tr><td>semiannual</td><td><input type="text"/></td></tr> <tr><td>annual</td><td><input type="text"/></td></tr> <tr><td>single event</td><td><input type="text"/></td></tr> </table>	daily	<input type="text"/>	monthly	<input type="text" value="x"/>	quarterly	<input type="text"/>	semiannual	<input type="text"/>	annual	<input type="text"/>	single event	<input type="text"/>	Violation Base Penalty <input type="text" value="\$750"/>
daily	<input type="text"/>													
monthly	<input type="text" value="x"/>													
quarterly	<input type="text"/>													
semiannual	<input type="text"/>													
annual	<input type="text"/>													
single event	<input type="text"/>													
	<input type="text" value="Three monthly events are recommended, calculated for the investigation date, June 30, 2008, to the screening date, September 9, 2008."/>													
Good Faith Efforts to Comply	<input type="text" value="0.0%"/> Reduction	<input type="text" value="\$0"/>												
	Before NOV NOV to EDPRP/Settlement Offer													
	Extraordinary <input type="text"/> <input type="text"/>													
	Ordinary <input type="text"/> <input type="text"/>													
	N/A <input type="text" value="x"/> <input type="text" value="(mark with x)"/>													
Notes	<input type="text" value="The Respondent does not meet the good faith criteria for this violation."/>													
	Violation Subtotal	<input type="text" value="\$750"/>												
Economic Benefit (EB) for this violation														
	Estimated EB Amount <input type="text" value="\$116"/>	Violation Final Penalty Total <input type="text" value="\$968"/>												
	This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$968"/>													

Economic Benefit Worksheet

Respondent Cardinal Meadows Improvement District
Case ID No. 36505
Reg. Ent. Reference No. RN101441418
Media Public Water Supply
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Item Description No commas or \$

Delayed Costs

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$110	30-Jun-2008	9-Sep-2008	1.11	\$6	\$110	\$116
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

The avoided costs include the amount to perform weekly monitoring of the disinfectant residual in the system (\$10 per week). The date required is the investigation date. The final date is the screening date.

Approx. Cost of Compliance \$110

TOTAL \$116

Screening Date 9-Sep-2008	Docket No. 2008-1485-MLM-E	PCW				
Respondent Cardinal Meadows Improvement District	<small>Policy Revision 2 (September 2002)</small>					
Case ID No. 36505	<small>PCW Revision June 12, 2008</small>					
Reg. Ent. Reference No. RN101441418						
Media [Statute] Public Water Supply						
Enf. Coordinator Andrea Linson-Mgbeoduru						
Violation Number <input type="text" value="2"/>						
Rule Cite(s)	30 Tex. Admin. Code § 290.46(l)					
Violation Description	Failed to flush dead-end mains at monthly intervals.					
Base Penalty		<input type="text" value="\$1,000"/>				
>> Environmental, Property and Human Health Matrix						
OR	Harm					
	Release	Major	Moderate	Minor		
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>		
Potential	<input type="text"/>	x	<input type="text"/>			
		Percent	<input type="text" value="10%"/>			
>> Programmatic Matrix						
		Falsification	Major	Moderate	Minor	
		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
					Percent	<input type="text" value="0%"/>
Matrix Notes	Failure to flush all dead-end mains monthly, or more often to maintain acceptable water quality, could result in the customers of the water system becoming exposed to a significant amount of pollutants, which would not exceed levels that are protective of human health or the environment.					
		Adjustment		<input type="text" value="\$900"/>		
				<input type="text" value="\$100"/>		
Violation Events						
Number of Violation Events		<input type="text" value="1"/>		Number of violation days		
		<input type="text" value="71"/>				
<small>mark only one with an x</small>	daily	<input type="text"/>		Violation Base Penalty <input type="text" value="\$100"/>		
	monthly	<input type="text"/>				
	quarterly	x				
	semiannual	<input type="text"/>				
	annual	<input type="text"/>				
	single event	<input type="text"/>				
One quarterly event is recommended, calculated from the investigation date, June 30, 2008, to the screening date, September 9, 2008.						
Good Faith Efforts to Comply			<input type="text" value="0.0%"/> Reduction		<input type="text" value="\$0"/>	
			<small>Before NOV</small>		<small>NOV to EDPRP/Settlement Offer</small>	
Extraordinary	<input type="text"/>		<input type="text"/>			
Ordinary	<input type="text"/>		<input type="text"/>			
N/A	x		<small>(mark with x)</small>			
Notes	The Respondent does not meet the good faith criteria for this violation.					
		Violation Subtotal		<input type="text" value="\$100"/>		
Economic Benefit (EB) for this violation			Statutory Limit Test			
Estimated EB Amount		<input type="text" value="\$106"/>		Violation Final Penalty Total		
				<input type="text" value="\$129"/>		
				This violation Final Assessed Penalty (adjusted for limits)		
				<input type="text" value="\$129"/>		

Economic Benefit Worksheet

Respondent Cardinal Meadows Improvement District
Case ID No. 36505
Reg. Ent. Reference No. RN101441418
Media Public Water Supply
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
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)	\$100	30-Jun-2008	9-Sep-2008	1.11	\$6	\$100	\$106

Notes for AVOIDED costs

The avoided cost includes the amount to flush the dead-end mains monthly, or more frequently to maintain acceptable water quality. The date required is the investigation date. The final date is the screening date.

Approx. Cost of Compliance \$100

TOTAL \$106



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 12, 2008

DATES	Assigned	2-Sep-2008	Screening	9-Sep-2008	EPA Due	
	PCW	9-Sep-2008				

RESPONDENT/FACILITY INFORMATION			
Respondent	Cardinal Meadows Improvement District		
Reg. Ent. Ref. No.	RN101441418		
Facility/Site Region	10-Beaumont	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	36505	No. of Violations	1
Docket No.	2008-1485-MLM-E	Order Type	1660
Media Program(s)	Water Rights	Government/Non-Profit	Yes
Multi-Media	Public Water Supply	Enf. Coordinator	Andrea Linson-Mgbeodur
		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$5,000

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: Enhancement due to one prior Agreed Order containing a denial of liability, one Notice of Violation ("NOV") with same or similar violations as those in the current enforcement action, and two NOV's with dissimilar violations.

Culpability Enhancement **Subtotal 4**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5**

Economic Benefit Enhancement* **Subtotal 6**

Total EB Amounts
 Approx. Cost of Compliance
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal**

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage.

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:

Deferral offered for expedited settlement.

PAYABLE PENALTY

Screening Date 9-Sep-2008

Docket No. 2008-1485-MLM-E

PCW

Respondent Cardinal Meadows Improvement District

Policy Revision 2 (September 2002)

Case ID No. 36505

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN101441418

Media [Statute] Water Rights

Enf. Coordinator Andrea Linson-Mgbeoduru

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)	1	5%
	Other written NOVs	2	4%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	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 (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) 29%

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

N/A

Adjustment Percentage (Subtotal 3) 0%

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

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Enhancement due to one prior Agreed Order containing a denial of liability, one Notice of Violation ("NOV") with same or similar violations as those in the current enforcement action, and two NOVs with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 29%

Screening Date 9-Sep-2008	Docket No. 2008-1485-MLM-E	PCW			
Respondent Cardinal Meadows Improvement District	<i>Policy Revision 2 (September 2002)</i>				
Case ID No. 36505	<i>PCW Revision June 12, 2008</i>				
Reg. Ent. Reference No. RN101441418					
Media [Statute] Water Rights					
Enf. Coordinator Andrea Linson-Mgbeoduru					
Violation Number	1				
Rule Cite(s)	30 Tex. Admin. Code §§ 288.20(a) and 288.30(5)				
Violation Description	Failed to submit a drought contingency plan that includes all elements for municipal use by a retail public water supplier.				
Base Penalty		\$5,000			
>> Environmental, Property and Human Health Matrix					
OR	Harm				
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
		Percent	0%		
>> Programmatic Matrix					
		Falsification	Major	Moderate	Minor
		<input type="text"/>	x	<input type="text"/>	<input type="text"/>
		Percent	10%		
Matrix Notes	100% of the rule requirement was not met.				
		Adjustment	\$4,500		
					\$500
Violation Events					
		Number of Violation Events	1		Number of violation days
				71	
<i>mark only one with an x</i>	daily	<input type="text"/>			
	monthly	<input type="text"/>			
	quarterly	<input type="text"/>			
	semiannual	<input type="text"/>			
	annual	<input type="text"/>			
	single event	x			
		Violation Base Penalty	\$500		
		One single event is recommended.			
Good Faith Efforts to Comply					
		0.0%	Reduction		\$0
		Before NOV NOV to EDPRP/Settlement Offer			
Extraordinary	<input type="text"/>				
Ordinary	<input type="text"/>				
N/A	x	(mark with x)			
Notes	The Respondent does not meet the good faith criteria for this violation.				
		Violation Subtotal	\$500		
Economic Benefit (EB) for this violation			Statutory Limit Test		
		Estimated EB Amount	\$33		Violation Final Penalty Total
				\$645	
		This violation Final Assessed Penalty (adjusted for limits)			
		\$645			

Economic Benefit Worksheet

Respondent Cardinal Meadows Improvement District
Case ID No. 36505
Reg. Ent. Reference No. RN101441418
Media Water Rights
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
--	-----------	---------------	------------	-----	----------------	---------------	-----------

Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$600	30-Jun-2008	31-Jul-2009	1.08	\$33	n/a	\$33

Notes for DELAYED costs

The delayed cost includes the amount necessary to submit a drought contingency plan. The date required is the investigation date. The final date is the estimated compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$600

TOTAL \$33

Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002) PCW Revision June 12, 2008

TCEQ				
DATES	Assigned	2-Sep-2008	Screening	9-Sep-2008
	PCW	9-Sep-2008	EPA Due	

RESPONDENT/FACILITY INFORMATION			
Respondent	Cardinal Meadows Improvement District		
Reg. Ent. Ref. No.	RN101441418		
Facility/Site Region	10-Beaumont	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	36505	No. of Violations	1
Docket No.	2008-1485-MLM-E	Order Type	1660
Media Program(s)	Public Water Utilities	Government/Non-Profit	Yes
Multi-Media	Public Water Supply	Enf. Coordinator	Andrea Linson-Mgbeodur
		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$500

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$50
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	26.0% Enhancement	Subtotals 2, 3 & 7	\$13
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Notes: Enhancement due to one prior Agreed Order containing a denial of liability, and three NOV's with dissimilar violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
--	-------------------	-----

Economic Benefit	0.0% Enhancement	Subtotal 6	\$0
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Total EB Amounts \$81
 Approx. Cost of Compliance \$1,500
 *Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$63
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
---	------	-------------------	-----

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount	\$63
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$63
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DEFERRAL	20.0% Reduction	Adjustment	-\$12
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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	\$51
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Screening Date 9-Sep-2008

Docket No. 2008-1485-MLM-E

PCW

Respondent Cardinal Meadows Improvement District

Policy Revision 2 (September 2002)

Case ID No. 36505

PCW Revision June 12, 2008

Reg. Ent. Reference No. RN101441418

Media [Statute] Public Water Utilities

Enf. Coordinator Andrea Linson-Mgbeoduru

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	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	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 (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) 26%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement due to one prior Agreed Order containing a denial of liability, and three NOVs with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 26%

Screening Date 9-Sep-2008		Docket No. 2008-1485-MLM-E		PCW	
Respondent Cardinal Meadows Improvement District		<i>Policy Revision 2 (September 2002)</i>			
Case ID No. 36505		<i>PCW Revision June 12, 2008</i>			
Reg. Ent. Reference No. RN101441418					
Media (Statute) Public Water Utilities					
Enf. Coordinator Andrea Linson-Mgbeoduru					
Violation Number	1				
Rule Cite(s)	30 Tex. Admin. Code § 291.93(3) and Tex. Water Code § 13.139(d)				
Violation Description	Failed to provide a written planning report for a utility possessing a Certificate of Convenience and Necessity that clearly explains how a retail public utility that has exceeded 85% of its capacity will provide the expected service demands to the remaining areas within the boundaries of its certified area. Specifically, at the time of the investigation, it was documented that the Respondent has reached 97% capacity and has not submitted a planning report.				
Base Penalty				\$500	
>> Environmental, Property and Human Health Matrix					
OR	Harm				
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
				Percent <input type="text" value="0%"/>	
>> Programmatic Matrix					
		Falsification	Major	Moderate	Minor
		<input type="text"/>	<input checked="" type="text" value="X"/>	<input type="text"/>	<input type="text"/>
				Percent <input type="text" value="10%"/>	
Matrix Notes	100% of the rule requirement was not met.				
Adjustment				\$450	
				\$50	
Violation Events					
Number of Violation Events		<input type="text" value="1"/>	Number of violation days		
		<input type="text" value="71"/>			
mark only one with an x	daily	<input type="text"/>			
	monthly	<input type="text"/>			
	quarterly	<input type="text"/>			
	semiannual	<input type="text"/>			
	annual	<input type="text"/>			
	single event	<input checked="" type="text" value="X"/>			
One single event is recommended.				Violation Base Penalty <input type="text" value="\$50"/>	
Good Faith Efforts to Comply					
		0.0% Reduction		\$0	
		Before NOV	NOV to EDPRP/Settlement Offer		
Extraordinary	<input type="text"/>	<input type="text"/>			
Ordinary	<input type="text"/>	<input type="text"/>			
N/A	<input checked="" type="text" value="X"/>	(mark with x)			
Notes	The Respondent does not meet the good faith criteria for this violation.				
Violation Subtotal				\$50	
Economic Benefit (EB) for this violation					
		Statutory Limit Test			
Estimated EB Amount		<input type="text" value="\$81"/>	Violation Final Penalty Total <input type="text" value="\$63"/>		
This violation Final Assessed Penalty (adjusted for limits)				<input type="text" value="\$63"/>	

Economic Benefit Worksheet

Respondent: Cardinal Meadows Improvement District

Case ID No.: 36505

Reg. Ent. Reference No.: RN101441418

Media: Public Water Utilities

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
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Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$1,500	30-Jun-2008	31-Jul-2009	1.08	\$81	n/a	\$81

Notes for DELAYED costs

The delayed cost includes the amount necessary to submit a planning report. The date required is the investigation date. The final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$81

Compliance History

Customer/Respondent/Owner-Operator:	CN600623987	Cardinal Meadows Improvement District	Classification: AVERAGE	Rating: 18.75
Regulated Entity:	RN101441418	CARDINAL MEADOWS IMPROVEMENT DISTRICT	Classification:	Site Rating:
ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION		1230020
	WATER LICENSING	LICENSE		1230020
Location:	LOCATED OFF HIGHWAY 69 ON HILLEBRANDT ROAD, NEAR BEAUMONT, JEFFERSON COUNTY, TX			
TCEQ Region:	REGION 10 - BEAUMONT			
Date Compliance History Prepared:	September 10, 2008			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	September 02, 2003 to September 02, 2008			

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

Name: Andrea Linson-Mgbeoduru Phone: 512-239-1482

Site Compliance History Components

- | | |
|--|------------|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | <u>N/A</u> |
| 4. If Yes, who was/were the prior owner(s)? | <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.
- Effective Date: 11/11/2004 ADMINORDER 2002-0855-PWS-E
- Classification: Moderate
- Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)[G]
~~5A-THG Chapter 341, SubChapter A-341-033(d)~~
- Description: Failing to collect monthly water samples for bacteriological analysis and submit the results to the TCEQ for the months of August through December 2001, January 2002, and January 2003.
- Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter F 290.109(g)(4)
 30 TAC Chapter 290, SubChapter F 290.122(c)
- Description: Failed to provide public notification for the failure to collect water samples for the months of August through December 2001 and January 2002.
- 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.)
N/A
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
- Date: 02/23/2005 (347820)
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.45(f)(1)
 30 TAC Chapter 290, SubChapter D 290.45(f)(5)
- Description: Failure to provide a copy of a purchase water contract during the investigation.
- Self Report? NO Classification: Minor
- Citation: 30 TAC Chapter 290, SubChapter D 290.46(n)(2)
- Description: Failure to have an accurate and up-to-date distribution map.
- Self Report? NO Classification: Moderate
- Citation: 30 TAC Chapter 288, SubChapter B 288.20

Description: Failure to have an adopted drought contingency plan available for review at the time of the investigation.

Date: 03/15/2007 (644267)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.109(f)(4)

Description: BACT - MONITORING/REPORTING VIOLATIONS

Date: 06/01/2007 (644778)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 290, SubChapter F 290.122(b)(1)(A)

Description: PUBLIC NOTICE

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
CARDINAL MEADOWS
IMPROVEMENT DISTRICT
RN101441418

§
§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2008-1485-MLM-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 Cardinal Meadows Improvement District ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 341 and TEX. WATER CODE chs. 11 and 13. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a public water supply located off Highway 69 on Hillebrandt Road, near Beaumont, Jefferson County, Texas (the "Facility") that has approximately 59 service connections and serves at least 25 people per day for at least 60 days per year.
2. The Respondent owns and operates, in Texas and for compensation, equipment or facilities for the transmission, storage, distribution, sale, or provision of potable water to the public or for the resale of potable water to the public for any use. The Respondent is not exempt from regulation under TEX. WATER CODE ch. 13 or the rules of the commission.
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about September 2, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of One Thousand Eight Hundred Four Dollars (\$1,804) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Two Hundred Forty-Four Dollars (\$244) of the administrative penalty and Three Hundred Sixty Dollars (\$360) is deferred contingent upon the Respondent's timely and satisfactory compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, including the payment schedule, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

The remaining amount One Thousand Two Hundred Dollars (\$1,200) of the administrative penalty shall be payable in 12 monthly payments of One Hundred Dollars (\$100) 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 the Respondent fails to timely and satisfactorily comply with the payment requirements of this Agreed Order, the Executive Director may, at the Executive Director's 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 the Respondent to meet the payment schedule of this Agreed Order constitutes the failure by the Respondent to timely and satisfactorily comply with all 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 the Respondent 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 the Respondent 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, the Respondent is alleged to have:

1. Failed to monitor the disinfectant residual at representative locations throughout the distribution system at least once every seven days, in violation of 30 TEX. ADMIN. CODE § 290.110(c)(4)(A), as documented during an investigation conducted on June 30, 2008.

2. Failed to flush dead-end mains at monthly intervals, in violation of 30 TEX. ADMIN. CODE § 290.46(l), as documented during an investigation conducted on June 30, 2008.
3. Failed to submit a drought contingency plan that includes all elements for municipal use by a retail public water supplier, in violation of 30 TEX. ADMIN. CODE §§ 288.20(a) and 288.30(5), as documented during an investigation conducted on June 30, 2008.
4. Failed to provide a written planning report for a utility possessing a Certificate of Convenience and Necessity that clearly explains how a retail public utility that has exceeded 85% of its capacity will provide the expected service demands to the remaining areas within the boundaries of its certified area, in violation of 30 TEX. ADMIN. CODE § 291.93(3) and TEX. WATER CODE § 13.139(d), as documented during an investigation conducted on June 30, 2008.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Cardinal Meadows Improvement District, Docket No. 2008-1485-MLM-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 the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order:
 - i. Begin monitoring the disinfectant residual at representative locations in the distribution system at least once every seven days, in accordance with 30 TEX. ADMIN. CODE § 290.110; and
 - ii. Begin flushing the dead-end mains at monthly intervals or as needed if water quality complaints are received or if disinfectant residuals fall below adequate levels, in accordance with 30 TEX. ADMIN. CODE § 290.46.
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described in 2.d below, and include detailed supporting documentation including

photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a.

- c. Within 90 days after the effective date of this Agreed Order:
- i. Submit a complete drought contingency plan, as required by 30 TEX. ADMIN. CODE §§ 288.20 and 288.30, to:

Water Rights Permitting and Availability Section
Water Supply Division, MC 160
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- ii. Submit an administratively and technically complete report addressing the 85% capacity planning requirement, in accordance with 30 TEX. ADMIN. CODE § 291.93 and TEX. WATER CODE § 13.139, to:

Utilities & Districts Section
Water Supply Division, MC 153
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- d. Within 105 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 No. 2.c.i and 2.c.ii.~~ 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
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703-1892

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

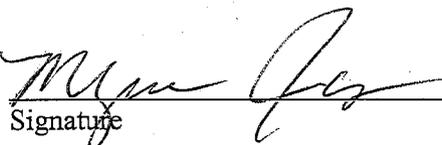
Date 3/12/2009

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 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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- 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;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

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



Signature

Date 12/29/08



Name (Printed or typed)
Authorized Representative of
Cardinal Meadows Improvement District

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.

