

Executive Summary – Enforcement Matter – Case No. 51437
Beacon Estates Water Supply Corporation
RN101917573
Docket No. 2015-1612-MWD-E

Order Type:

Findings Agreed Order

Findings Order Justification:

People or environmental receptors have been exposed to pollutants which exceed levels that are protective.

Media:

MWD

Small Business:

No

Location(s) Where Violation(s) Occurred:

Beacon Estates WWTP, located approximately 800 feet east of Farm-to-Market ("FM") Road 359; approximately three miles north of the intersection of FM Road 359 and FM Road 1458, Waller County

Type of Operation:

Wastewater treatment facility

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: The complainant has expressed an interest in this matter but does not wish to speak at Agenda.

Texas Register Publication Date: August 5, 2016

Comments Received: No

Penalty Information

Total Penalty Assessed: \$31,500

Amount Deferred for Expedited Settlement: \$0

Amount Deferred for Financial Inability to Pay: \$27,900

Total Paid to General Revenue: \$100

Total Due to General Revenue: \$3,500

Payment Plan: 35 payments of \$100 each

Supplemental Environmental Project ("SEP") Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Satisfactory

Site/RN - Satisfactory

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

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Beacon Estates Water Supply Corporation
RN101917573
Docket No. 2015-1612-MWD-E

Investigation Information

Complaint Date(s): July 13, 2015, July 17, 2015, and July 29, 2015

Complaint Information: Alleged strong odors from the Facility and wastewater discharge causing the receiving creek to cloud.

Date(s) of Investigation: July 16, 2015 and July 21, 2015

Date(s) of NOE(s): October 6, 2015

Violation Information

Failed to properly operate and maintain the Facility and all of its systems of collection, treatment, and disposal, and take all reasonable steps to minimize or prevent any discharge that has a reasonable likelihood of adversely affecting human health or the environment [TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System Permit No. WQ0014963001, Operational Requirements No. 1 and Permit Conditions No. 2.d.].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

By November 4, 2015, the Respondent:

- a. Replaced the chlorine meter pump and catwalk floor;
- b. Returned the air blowers to operation by adding four one-inch air lines to the aeration basin and adjusted the backpressure;
- c. Repaired the traveling bridge clarifier; and
- d. Demonstrated compliance with the *Escherichia coli* single grab limit on the discharge monitoring report ending September 30, 2015.

Technical Requirements:

N/A

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

SOAH Referral Date: N/A

Hearing Date(s): N/A

Settlement Date: N/A

Executive Summary – Enforcement Matter – Case No. 51437
Beacon Estates Water Supply Corporation
RN101917573
Docket No. 2015-1612-MWD-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Farhaudd Abbaszadeh, Enforcement Division, Enforcement Team 1, MC 169, (512) 239-0779; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

TCEQ SEP Coordinator: N/A

Respondent: Enrique Velasco, President, Beacon Estates Water Supply Corporation, 513 West Navigation Street, Brookshire, Texas 77423

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	12-Oct-2015	Screening	21-Oct-2015	EPA Due	
	PCW	21-Oct-2015				

RESPONDENT/FACILITY INFORMATION			
Respondent	Beacon Estates Water Supply Corporation		
Reg. Ent. Ref. No.	RN101917573		
Facility/Site Region	12-Houston	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	51437	No. of Violations	1
Docket No.	2015-1612-MWD-E	Order Type	Findings
Media Program(s)	Water Quality	Government/Non-Profit	Yes
Multi-Media		Enf. Coordinator	Farhaud Abbaszadeh
		EC's Team	Enforcement Team 1
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$22,500
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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	50.0% Adjustment	Subtotals 2, 3, & 7	\$11,250
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Notes: Enhancement for one NOV with same/similar violations, one order with denial of liability, and one order without denial of liability.

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	-\$2,250
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts	\$40
Estimated Cost of Compliance	\$1,901

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$31,500
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount	\$31,500
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$31,500
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DEFERRAL	0.0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

No deferral is recommended for Findings Orders.

PAYABLE PENALTY	\$31,500
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Screening Date 21-Oct-2015

Docket No. 2015-1612-MWD-E

PCW

Respondent Beacon Estates Water Supply Corporation

Policy Revision 4 (April 2014)

Case ID No. 51437

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101917573

Media [Statute] Water Quality

Enf. Coordinator Farhaud Abbaszadeh

Compliance History Worksheet

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

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("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	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	1	25%
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 judgments 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%

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) 50%

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

No

Adjustment Percentage (Subtotal 3) 0%

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

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

Enhancement for one NOV with same/similar violations, one order with denial of liability, and one order without denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 50%

>> **Final Compliance History Adjustment**

Final Adjustment Percentage *capped at 100% 50%

Screening Date 21-Oct-2015

Docket No. 2015-1612-MWD-E

PCW

Respondent Beacon Estates Water Supply Corporation

Policy Revision 4 (April 2014)

Case ID No. 51437

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN101917573

Media [Statute] Water Quality

Enf. Coordinator Farhaud Abbaszadeh

Violation Number 1

Rule Cite(s) Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System Permit No. WQ0014963001, Operational Requirements No. 1 and Permit Conditions No. 2.d

Violation Description Failed to properly operate and maintain the Facility and all of its systems of collection, treatment, and disposal and take all reasonable steps to minimize or prevent any discharge that has a reasonable likelihood of adversely affecting human health or the environment, as documented during an investigation conducted on July 16, 2015 and July 21, 2015. Specifically, both air blowers and the traveling bridge clarifier were not operational, which resulted in insufficiently treated wastewater being discharged into the receiving stream. Additionally, samples collected from the receiving stream on July 21, 2015 reported Escherichia coli ("E. coli") results of 120,000 most probable number per 100 milliliters.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual	x		
Potential			

Percent 30.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes Human health or the environment has been exposed to pollutants which exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$17,500

\$7,500

Violation Events

Number of Violation Events 3 90 Number of violation days

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$22,500

Three monthly events are recommended from the investigation end date (July 21, 2015) to the screening date (October 21, 2015).

Good Faith Efforts to Comply

10.0%

Reduction \$2,250

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

Notes The Respondent achieved compliance by November 4, 2015.

Violation Subtotal \$20,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$40

Violation Final Penalty Total \$31,500

This violation Final Assessed Penalty (adjusted for limits) \$31,500

Economic Benefit Worksheet

Respondent Beacon Estates Water Supply Corporation
Case ID No. 51437
Reg. Ent. Reference No. RN101917573
Media 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
No commas or \$							

Delayed Costs

Equipment	\$1,901	16-Jul-2015	4-Nov-2015	0.30	\$2	\$39	\$40
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

Actual cost to replace the chlorine meter pump and catwalk floor; return the air blowers to operation by adding four one-inch air lines to the aeration basin and adjust the back pressure; repair the traveling bridge clarifier; and demonstrate compliance with E. coli single grab limits. Date required is the investigation date. The final date is the 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

\$1,901

TOTAL

\$40



Compliance History Report

PUBLISHED Compliance History Report for CN601047749, RN101917573, Rating Year 2015 which includes Compliance History (CH) components from September 1, 2010, through August 31, 2015.

Customer, Respondent, or Owner/Operator: CN601047749, Beacon Estates Water Supply Corporation **Classification:** SATISFACTORY **Rating:** 9.62

Regulated Entity: RN101917573, BEACON ESTATES WWTP **Classification:** SATISFACTORY **Rating:** 9.62

Complexity Points: 5 **Repeat Violator:** NO

CH Group: 14 - Other

Location: APPROXIMATELY 800 FEET EAST OF FARM-TO-MARKET ROAD 359; APPROXIMATELY 3 MILES NORTH OF THE INTERSECTION OF FARM-TO-MARKET ROAD 359 AND FARM-TO-MARKET ROAD 1458 IN WALLER COUNTY, TEXAS

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

WASTEWATER EPA ID TX0098132

WASTEWATER PERMIT WQ0014963001

WASTEWATER EPA ID TX0132454

Compliance History Period: September 01, 2010 to August 31, 2015 **Rating Year:** 2015 **Rating Date:** 09/01/2015

Date Compliance History Report Prepared: January 26, 2016

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: January 16, 2011 to January 16, 2016

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Farhaud Abbaszadeh

Phone: (512) 239-0779

Site and Owner/Operator History:

- 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/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 06/20/2011 ADMINORDER 2009-1545-MLM-E (Findings Order-Agreed Order Without Denial)
 Classification: Moderate
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
 30 TAC Chapter 305, SubChapter F 305.125(1)
 Rqmt Prov: Effluent Limits PERMIT
 Description: Failure to comply with permit effluent limits as documented by a TCEQ record review of self-reported data.
 Classification: Moderate
 Citation: 30 TAC Chapter 305, SubChapter F 305.125(17)
 Rqmt Prov: Self-reporting Requirements PERMIT
 Description: Failure to submit monitoring results at the intervals specified in the permit as documented by a TCEQ record review.
 Classification: Major
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)

30 TAC Chapter 305, SubChapter D 305.65
30 TAC Chapter 305, SubChapter F 305.125(2)

Description: Failure to maintain a Texas Pollutant Discharge Elimination System (TPDES) Permit as required. Specifically, Beacon Estates Water Supply Corporation did not renew TPDES Permit No. 12848-001, which expired on June 1, 2009 and

is continuing to discharge wastewater to the waters of the State without authorization.

- 2 Effective Date: 10/18/2014 ADMINORDER 2014-0471-MWD-E (1660 Order-Agreed Order With Denial)
Classification: Minor
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)
30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: Eff. Lim. Mon. Req. No. 1 PERMIT
Description: Failed to comply with permit effluent limits as documented by a TCEQ record review of self-reported data.
Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
30 TAC Chapter 319, SubChapter A 319.1
30 TAC Chapter 319, SubChapter A 319.4
30 TAC Chapter 319, SubChapter A 319.5(b)
Rqmt Prov: Mon. Rep. Req. No. 1 PERMIT
Description: Failed to collect and analyze samples for E. coli at the minimum frequency specified in the permit as documented by a TCEQ record review.

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

D. The approval dates of investigations (CCEDS Inv. Track. No.):

Item 1	February 17, 2011	(911247)
Item 2	March 16, 2011	(918537)
Item 3	April 20, 2011	(931787)
Item 4	May 19, 2011	(940283)
Item 5	June 17, 2011	(947647)
Item 6	July 18, 2011	(954914)
Item 7	September 19, 2011	(967646)
Item 8	October 19, 2011	(973569)
Item 9	November 15, 2011	(979697)
Item 10	December 19, 2011	(986550)
Item 11	January 11, 2012	(992930)
Item 12	February 15, 2012	(1000273)
Item 13	March 14, 2012	(1005785)
Item 14	April 11, 2012	(1012375)
Item 15	May 15, 2012	(1033802)
Item 16	June 13, 2012	(1026470)
Item 17	July 16, 2012	(1033803)
Item 18	August 20, 2012	(1040362)
Item 19	September 13, 2012	(1049341)
Item 20	November 07, 2012	(1071100)
Item 21	December 12, 2012	(1071101)
Item 22	January 10, 2013	(1083838)
Item 23	March 22, 2013	(1091647)
Item 24	April 22, 2013	(1097998)
Item 25	July 23, 2013	(1119562)
Item 26	August 27, 2013	(1127302)
Item 27	September 12, 2013	(1127303)
Item 28	September 18, 2013	(1131824)
Item 29	October 10, 2013	(1137594)
Item 30	November 18, 2013	(1143009)

Item 31	December 19, 2013	(1149413)
Item 32	January 13, 2014	(1155520)
Item 33	February 14, 2014	(1162856)
Item 34	May 29, 2014	(1182897)
Item 35	June 17, 2014	(1189762)
Item 36	July 15, 2014	(1189761)
Item 37	July 17, 2014	(1195022)
Item 38	September 04, 2014	(1201851)
Item 39	September 16, 2014	(1208053)
Item 40	October 15, 2014	(1214462)
Item 41	November 17, 2014	(1220687)
Item 42	December 17, 2014	(1226539)
Item 43	February 27, 2015	(1244510)
Item 44	March 19, 2015	(1250905)
Item 45	April 28, 2015	(1257798)
Item 46	May 21, 2015	(1264565)
Item 47	July 23, 2015	(1279197)
Item 48	August 26, 2015	(1285419)
Item 49	October 01, 2015	(1292500)
Item 50	October 30, 2015	(1298662)
Item 51	November 11, 2015	(1304113)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	07/07/2015 (1251797)	CN601047749
	Self Report?	NO	Classification: Moderate
	Citation:	30 TAC Chapter 305, SubChapter F 305.125(5)	
	Description:	Failed to properly operate the clarifier.	
	Self Report?	NO	Classification: Moderate
	Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) Effluent and Monitoring Requirements #1 PERMIT	
	Description:	Failed to maintain compliance with permitted effluent limits.	
	Self Report?	NO	Classification: Minor
	Citation:	2D TWC Chapter 26, SubChapter A 26.121(a)(1) 30 TAC Chapter 305, SubChapter F 305.125(1) Effluent Limitations and Monitoring 1 PERMIT	
	Description:	Failed to maintain compliance with permitted effluent limits.	

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
BEACON ESTATES WATER SUPPLY
CORPORATION
RN101917573

§
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§
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§
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BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2015-1612-MWD-E

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Beacon Estates Water Supply Corporation ("Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

I. FINDINGS OF FACT

1. The Respondent owns and operates a wastewater treatment facility located approximately 800 feet east of Farm-to-Market Road 359; approximately three miles

north of the intersection of Farm-To-Market Road 359 and Farm-To-Market Road 1458 in Waller County, Texas (the "Facility").

2. The Respondent has discharged sewage into or adjacent to any water in the state under TEX. WATER CODE ch. 26.
3. During an investigation conducted on July 16, 2015 and July 21, 2015, TCEQ staff documented that both air blowers and the traveling bridge clarifier were not operational, which resulted in insufficiently treated wastewater being discharged into the receiving stream. Additionally, samples collected from the receiving stream on July 21, 2015 reported *Escherichia coli* ("E. coli") results of 120,000 most probable number per 100 milliliters.
4. The Respondent received notice of the violations on October 8, 2015.
5. The Executive Director recognizes that by November 4, 2015, the Respondent has implemented the following corrective measures:
 - a. Replaced the chlorine meter pump and catwalk floor.
 - b. Returned the air blowers to operation by adding four one-inch air lines to the aeration basin and adjusted the back pressure.
 - c. Repaired the traveling bridge clarifier.
 - d. Demonstrated compliance with the E. coli single grab limit on the Discharge Monitoring Report for the monitoring period ending September 30, 2015.

II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE chs. 7 and 26 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to properly operate and maintain the Facility and all of its systems of collection, treatment, and disposal, and take all reasonable steps to minimize or prevent any discharge that has a reasonable likelihood of adversely affecting human health or the environment, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1) and (5) and Texas Pollutant Discharge Elimination System Permit No. WQ0014963001, Operational Requirements No. 1 and Permit Conditions No. 2.d.
3. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for

violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.

4. An administrative penalty in the amount of \$31,500 is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Revenue Operations Section of TCEQ's Financial Administration Division reviewed financial documentation submitted by the Respondent and determined that the Respondent is unable to pay all or part of the penalty and qualifies for a deferral of all or part of the penalty under TEX. WATER CODE § 7.034. Therefore, \$27,900 of the penalty is deferred contingent upon the Respondent's compliance with all the terms of this Order and shall be waived only upon full compliance with all of the terms and conditions in this Order. If the Respondent fails to comply with any requirement of this Order, including any payment schedule, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

The Respondent has paid \$100 of the undeferred administrative penalty. The remaining amount of \$3,500 of the administrative penalty shall be payable in 35 monthly payments of \$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. 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.

III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of \$31,500 as set forth in Section II, Paragraph 4 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Beacon Estates Water Supply Corporation, Docket No. 2015-1612-MWD-E" to:

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

2. 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.
3. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
4. 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.
5. 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.
6. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
7. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date

Barbara Mowbray
For the Executive Director

10/3/16
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Beacon Estates Water Supply Corporation. I am authorized to agree to the attached Agreed Order on behalf of Beacon Estates Water Supply Corporation, and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Beacon Estates Water Supply Corporation waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

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.

Enrique Velasco
Signature

6-30-2016
Date

Enrique Velasco
Name (Printed or typed)
Authorized Representative of
Beacon Estates Water Supply Corporation

President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order.