

SETTLEMENT AGREEMENT

This Settlement Agreement is made between the Missouri Department of Natural Resources (Department); the Attorney General of Missouri (Attorney General); and the R.D. Sewer Company, L.L.C.

WHEREAS, Chris Koster is the duly elected, qualified, and acting Attorney General of the State of Missouri.

WHEREAS, the Department director or his designee, on behalf of the Missouri Clean Water Commission, administers the provisions of the Missouri Clean Water Law, Chapter 644 of the Revised Statutes of Missouri (as amended).

WHEREAS, the R.D. Sewer Company, L.L.C. is a Missouri limited liability company in good standing with the Missouri Secretary of State.

WHEREAS, Stoddard County Sewer, Inc. (SCS) was a Missouri corporation, now dissolved, formed for the purpose of providing wastewater disposal services to its customers residing in Ecology Acres and Western Heights Subdivisions, located SE ¼, NW ¼, Section 32, T25N, R10E, Stoddard County.

WHEREAS, on December 8, 2008, the Missouri Public Service Commission approved the transfer of SCS's assets and liabilities, including the wastewater treatment facility (WWTF) and collection system serving Ecology Acres and Western Heights Subdivisions, to R.D. Sewer Company, L.L.C.

WHEREAS, on December 18, 2009, the Department transferred Missouri State Operating Permit (MSOP) No. MO-0096881 from SCS to R.D. Sewer Company, L.L.C. Effluent from the WWTF discharges to a tributary to Cane Creek, subject to the requirements and conditions of, MSOP No. MO-0096881.

WHEREAS, § 644.055 RSMo requires MSOP holders to pay annual permit fees and requires persons who fail to pay the required fees to pay interest accrued on the unpaid fees at the rate of two percent for each month that the fee is delinquent.

WHEREAS, neither SCS nor R.D. Sewer Company, LLC paid MSOP fees in the amount of \$2,500 per year plus interest for the years 2007 through 2010 and 2012, which currently total \$20,800.

WHEREAS, § 644.076.1 RSMo makes it unlawful to violate the Missouri Clean Water Law and regulations promulgated pursuant thereto and establishes civil penalties of up to \$10,000 per day per violation.

NOW, THEREFORE, in consideration of the mutual promises contained herein, R.D. Sewer Company, L.L.C., the Attorney General, and the Department stipulate and agree as follows:

1. The provisions of this Settlement Agreement shall apply to and be binding upon R.D. Sewer Company, L.L.C., the Attorney General, and the Department, as well as their successors in interest, and their successors in

office. Further, each party executing this Settlement Agreement shall be responsible for ensuring that their agents, subsidiaries, affiliates, lessees, officers, servants, or any person or entity acting pursuant to, through, or for the parties, adhere to the terms of this Settlement Agreement.

2. Upon execution of this Settlement Agreement by a duly authorized representative of R.D. Sewer Company, L.L.C., R.D. Sewer Company, L.L.C. shall remit payment of MSOP fees due for the years 2009, 2010, and 2012, in the amount of \$7,500. The Department agrees to waive fees, penalties, and interest owed for the years of 2007 and 2008 as well as accrued interest for 2009, 2010, and 2012. The parties agree that R. D. Sewer Company, L.L.C. will pay the fees owed in quarterly installments over the next three (3) years, with the first payment being due on or before December 1, 2012, until the total amount of \$7,500 is paid in full. Each payment shall be made in the form of a check made out to "Missouri Department of Natural Resources" to:

Collections Specialist
Missouri Attorney General's Office
P.O. Box 899
Jefferson City, MO 65102

3. R.D. Sewer Company, L.L.C. agrees to pay their annual MSOP fees in full and on time at all times in the future.

4. Nothing in this Settlement Agreement shall be construed as excusing or forgiving future noncompliance with the Missouri Clean Water Law, Chapter 644 RSMo, and its implementing regulations. In the event that R.D. Sewer Company, L.L.C. fails to comply with any other terms as specified herein, a breach of this Settlement Agreement shall be deemed to have occurred and litigation to require compliance or any other remedies will be pursued, including but not limited to, filing suit for the violations of the Chapter 644 RSMo as alleged in this Settlement Agreement.

5. Execution of this Settlement Agreement shall be complete when the Department has signed and dated the Settlement Agreement. As the last party signing the Settlement Agreement, the Department will promptly distribute copies of the executed Settlement Agreement to the other signatories.

6. Each signatory to this Settlement Agreement avers that he or she has the authority to bind his or her respective party to this Settlement Agreement as evidenced by his or her signature on this Settlement Agreement.

7. The terms stated hereinabove constitute the entire and exclusive agreement of the parties hereto. There are no other obligations of the parties, be they express or implied, oral or written, except those which are

expressly set forth hereinabove. The terms of this agreement supercede all previous memoranda of understanding, notes, conversations, and agreements, express or implied. This agreement may not be modified orally.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first-above written.

R.D. SEWER COMPANY, L.L.C.

By: Rodger Owens DATE: 09-21-12
Rodger Owens

Title: owner

**CHRIS KOSTER
ATTORNEY GENERAL OF MISSOURI**

By: Jessica L. Blome DATE: 9/24/12
Jessica L. Blome
Assistant Attorney General

MISSOURI DEPARTMENT OF NATURAL RESOURCES

By: John Madras DATE: 10/2/12
John Madras, Director
Water Protection Program