

## **SETTLEMENT AGREEMENT**

This Settlement Agreement is made by and among the Missouri Attorney General's Office ("Attorney General"), the Missouri Department of Natural Resources ("Department"), and Hidden Valley Homeowners Group, LLC ("Homeowners Group"). This agreement is deemed to be effective on the date this document is signed and dated by the Department.

WHEREAS, a wastewater treatment facility located along the James River serves the residences of the Hidden Valley Subdivision. The James River flooded in 2008, and the resulting flood waters rendered the wastewater treatment facility inoperable.

WHEREAS, since 2008, the homeowners have individually violated the Missouri Clean Water Law §§ 644.076 and 644.051 RSMo by causing pollution to waters of the state or by permitting water contaminants to discharge to a location where they were reasonably certain to pollute waters of the state every time they discharged wastewater from their homes through the wastewater distribution and collection system to the wastewater treatment system, which discharged raw wastewater to the James River. The James River is waters of the state under the Missouri Clean Water Law.

WHEREAS, in January 2011, the residences incorporated as the Homeowners Group with the Missouri Secretary of State. Since its incorporation, the Homeowners Group has worked with the Department and

Attorney General to close the inoperable wastewater treatment facility and construct a new, compliant wastewater treatment facility for the subdivision.

WHEREAS, the Department, the Attorney General and the Homeowners Group desire to amicably resolve all disputes or claims, which could be made against the Homeowners Group for violations of the Missouri Clean Water Law and regulations.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the Department, the Attorney General, and the Homeowners Group agree as follows:

1. The provisions of this Agreement shall apply to and be binding upon the parties executing this Agreement, their agents, subsidiaries, affiliates, and lessees, including the officers, agents, servants, corporations and any persons acting under, through, or for the parties agreeing hereto.

2. **Civil Penalty:** The Homeowners Group, in compromise and satisfaction of the allegations or claims relating to the above-referenced claimed violations, agrees, without admitting liability or fault, to pay the sum of \$8,000.00 as a civil penalty. The parties agree to suspend collection of the entire civil penalty of \$8,000.00 as long as the Homeowners Group completes the schedule of compliance set forth in this Agreement. If the Homeowners Group fails to complete the schedule of compliance, then the Homeowners Group agrees to pay the \$8,000.00 up-front civil penalty by check made

payable to the “*State of Missouri (Stone County)*” and mailed along with the Settlement Agreement to: Collections Specialist, Missouri Attorney General Office, P.O. Box 899, Jefferson City, MO 65102-0889.

3. **Schedule of Compliance:** In the period of time from the effective date of this Agreement until a new wastewater treatment facility (WWTF) is completed, the Homeowners Group agrees to operate and maintain the existing WWTF at all times in compliance with the conditions and requirements of Missouri State Operating Permit (MSOP) No. MO-0099325. The Homeowners Group further agrees to maintain all components of the existing facility in an operable condition, even if this requires the purchase and installation of new parts or equipment, or repair of the facility. The Homeowners Group agrees construct a new WWTF that will enable the effluent to comply with the Missouri Clean Water Law and its implementing regulations and all conditions and requirements of MSOP No. No. MO-0099325. The Homeowners Group further agrees to provide the required reports, plans and specifications prepared and sealed by a professional engineer licensed to practice in the State of Missouri pursuant to the following schedule:

A. Within thirty (30) days of the effective date of this Agreement, the Homeowners Group agrees to submit to the Department a complete Antidegradation submittal prepared pursuant to the Missouri

Antidegradation Rule and Implementation Procedure; and use these evaluations to recommend one of the alternatives that will result in compliance with the Missouri Clean Water Law and its implementing regulations. The engineering report shall be developed in accordance with Missouri Clean Water Regulation 10 CSR 20-8.

B. Within fifteen (15) days of receipt of Department comments on the Homeowners Group's preliminary engineering report, the Homeowners Group shall respond to and adequately address, to the Department's satisfaction, all of the Department's comments on the engineering report.

C. Within ninety (90) days of the Department's approval of the engineering report, the Homeowners Group shall submit to the Department for review and approval, a complete application for a construction permit including the applicable fee, design summary, plans and specifications signed and sealed by a professional engineer for improvements that will enable the effluent to comply with final effluent limitations contained in MSOP No. No. MO-0099325

D. Within fifteen (15) days of receipt of Department comments on the Homeowners Group's construction permit application, the

- Homeowners Group shall respond to and adequately address, to the Department's satisfaction, all of the Department's comments on the construction permit application.
- E. Within one hundred eighty (180) days of the date the Department issues the Homeowners Group a construction permit, the Homeowners Group shall complete construction of the improvements as approved by the Department. Additionally, the Homeowners Group shall sever their connections to the existing WWTF and connect their homes to the new WWTF.
- F. Within thirty (30) days of completing construction, the Homeowners Group shall submit to the Department a Statement of Work Complete Form, signed, sealed and dated by a professional engineer certifying that the project is complete and operable in accordance with Department approved plans and specifications, and a complete application with the applicable fee to modify MSOP No. No. MO-0099325.
- G. Within thirty (30) days of completing construction of the improvements, the Homeowners Group shall achieve compliance with the final effluent limitations contained in part "A" of MSOP No. No. MO-0099325.

H. Immediately upon becoming aware that a deadline or milestone as set forth in this Agreement will not be completed by the required deadline, the Homeowners Group shall notify the Department by telephone or electronic mail i) identifying the deadline that will not be completed; ii) identifying the reason for failing to meet the deadline; and iii) proposing an extension to the deadline. Within five (5) days of notifying the Department, the Homeowners Group shall submit to the Department for review and approval a written request containing the same basic provisions of i, ii, and iii listed above. The Department may grant an extension if it deems appropriate. Failure to submit a written notice to the Department may constitute a waiver of the Homeowners Group' right to request an extension and may be grounds for the Department to deny the Homeowners Group an extension.

4. **Additional Relief:** In addition to the relief set forth in paragraph 4, the Homeowner's Group agrees to file a deed restriction with the Stone County Recorder of Deeds that limits connection to the new wastewater treatment facility to those homes constructed within the Hidden Valley Estates Subdivision as of the effective date of this Settlement Agreement. The deed restriction must include a notice to potential purchasers that the new wastewater treatment facility does not have the

capacity to treat additional wastewater unless upgraded according to the Missouri Clean Water Law and regulations. The Homeowners Group will work with the Department and Attorney General to draft the deed restriction, which must be filed within thirty (30) days of completion of the Schedule of Compliance.

5. The Department and the Attorney General agree not to bring or cause to be brought any civil action against the Homeowners Group for penalties arising out of the above-referenced claimed violations of the Missouri Clean Water Law and/or regulations provided that the Homeowners Group comply with the terms herein.

6. The Homeowners Group agrees to comply with the Missouri Clean Water Law and regulations for all future operations, including all reporting requirements under the Missouri Clean Water Law, regulations, and Missouri State Operating Permit No. MO-0099325.

7. The terms stated herein 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 out in this Settlement Agreement. The terms of this Settlement Agreement supersede all previous memoranda of understanding, notes, conversations, and agreements whether express or implied. This agreement may not be modified orally.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as follows:

**MISSOURI DEPARTMENT OF  
NATURAL RESOURCES**

BY: John Madras  
**John Madras, Director  
Water Protection Program**

DATE: 7/3/13

**HIDDEN VALLEY  
HOMEOWNERS GROUP, LLC**

By: Pat Stevens  
Printed Name: Pat Stevens  
TITLE: Secretary  
DATE: 6/11/13

**CHRIS KOSTER  
Attorney General**

BY: Jessica L Blome  
**Jessica L Blome  
Assistant Attorney General**  
DATE: 6/22/13