

A TCEQ representative from Lathrop conducted an investigation of the City's wastewater treatment facility on February 17th, 2011 and documented multiple violations which included: violation of provisions of the Discharge Permit and various other TCEQ regulations concerning operation of our wastewater treatment facility.

The City received notification of the violations by letter on May 17th, 2011. Instead of a bulk of action on the part of the City, the Commission/Staff of TCEQ filed an enforcement action against the City on February 17th, 2011. Among other things the action for the enforcement action recommended an abatement penalty of \$21,600.00 and costs including provisions requiring corrective action to begin. The Commission could have assessed penalties amounting to \$10,000 per day for certain violations and \$25,000.00 per day for others.

During the time period between the original investigation and the enforcement action the course of action recommended for the City was to construct a new wastewater treatment facility to meet the City's discharge permit. The cost of this new system was estimated to be in the \$1,000,000 price range.

The City applied for a water bond grant to construct this facility but was unsuccessful in obtaining a grant and was only offered a low interest loan to make these improvements. This is something the City could not afford.

As the date of the denial of the grant the City had a new City Manager and shortly thereafter a new Public Works Director. The new City Manager set about negotiating an agreed upon Order with TCEQ and along with the new Public Works Director completing all required provisions in order for the City to not only come into compliance with all regulations but also to eliminate the \$21,600.00 abatement penalty.

The total cost for all corrective action on the part of the City was \$45,000.00. The City did not receive funding from TCEQ/Staff to correct the problems.

On September 17th, 2011 the City received notification from TCEQ that all requirements of the Discharge Permit have been satisfied. This was the