



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TEXAS 75202-2733

JUN 08 2012

CERTIFIED MAIL—RETURN RECEIPT REQUESTED: 7005 1820 0003 7453 8304

Mr. Kenneth Holzheuser
Hobco Incorporated
d/b/a Arenosa Creek Estates
1911 Sea Eagle View
Austin, TX 78738-5380

Re: PWS ID Number: TX2350042
Docket Number: SDWA-06-2012- 1240

Dear Mr. Holzheuser:

Enclosed is an Administrative Order (Order) issued to the Hobco Incorporated, doing business as Arenosa Creek Estates, for violation of the Safe Drinking Water Act (Act), 42 U.S.C. § 300f, et seq., and its implementing regulations, 40 C.F.R. Part 141. The Environmental Protection Agency (EPA) finds that you own or operate the public water system (PWS) identified in the Order and are therefore subject to these regulations.

This Order requires immediate compliance with the Maximum Contaminant Levels (MCLs) for combined radium 226 and radium 228 and gross alpha particles as set forth in Section 1412 of the Act, 42 U.S.C. § 300g-1. If immediate compliance is not possible, you must submit a treatment alternative with a construction and/or repair schedule that will achieve compliance no later than eighteen (18) months from the effective date of the enclosed Order. Compliance with the MCLs is based on a running annual average. As described in the enclosed Order, Hobco Incorporated is required to deliver drinking water that meets the national standards for combined radium 226 and 228 and gross alpha particles and to conduct quarterly monitoring to ensure compliance with the MCLs. Please be aware that failure to comply with this Order may subject you to additional enforcement action by EPA, including the initiation of legal proceedings to seek monetary penalties.

EPA also wants you to be aware of a new process in Texas that was created to help facilities secure technical assistance and funding to address these types of issues. The Texas Water Infrastructure Coordination Committee (TWICC) was formed with representation from stakeholders, funding entities, and federal and state partners to identify water and wastewater infrastructure and compliance issues and to seek affordable, sustainable and innovative funding strategies for the protection of public health. If you feel your system could benefit from the TWICC, please let us know so that we can discuss the matter with you.

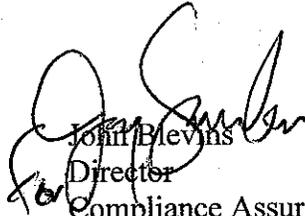
The PWS is also required to comply with all applicable Texas regulations in Title 30 Texas Administrative Code (TAC) Chapter 290, Subchapter D. Most treatment options require the submittal of engineering plans and specifications to the Texas Commission on Environmental Quality (TCEQ) for review and approval as indicated in 30 TAC § 290.39(j). The engineering plans and specifications and any pilot study report must be prepared by a Texas licensed professional engineer as required in 30 TAC §§ 290.39(d)(1) and 290.42(g), respectively. Please send engineering submittals to the TCEQ's Public Drinking Water Section address referenced in paragraph H of the Order and include the EPA Docket Number.

Re: Hobco Incorporated
Administrative Order

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If you need assistance, or have questions regarding the Order, please contact Mr. Mehdi Taheri, of my staff, at (214) 665-2298.

Sincerely,


John Blevins
Director
Compliance Assurance and
Enforcement Division

Enclosure

cc: Mr. Bryan Sinclair
Director, Enforcement Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Ms. Linda Brookins
Director, Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

Mr. Phil Powell, Operator
Arenosa Creek Estates Water System
P.O. Box 424
Inez, TX 77968



U.S. ENVIRONMENTAL PROTECTION AGENCY-REGION 6
FINDINGS OF VIOLATION AND COMPLIANCE ORDER

In the Matter of: Arenosa Creek Estates Water System
Owned/Operated by the Hobco Incorporated d/b/a Arenosa Creek Estates, Respondent
Docket No. SDWA-06-2012-1240, PWS ID # TX2350042

STATUTORY AUTHORITY

The following findings are made and Order issued under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA"), by Section 1414(g) of the Safe Drinking Water Act ("Act"), 42 U.S.C. § 300g-3(g). The Administrator delegated the authority to issue this Order to the Regional Administrator of EPA Region 6 who further delegated such authority to the Director of the Compliance Assurance and Enforcement Division.

FINDINGS

1. Hobco Incorporated, doing business as Arenosa Estates ("Respondent"), is a "person," as defined by Section 1401(12) of the Act, 42 U.S.C. § 300f(12).

2. At all times relevant to the violations alleged herein ("relevant time period"), Respondent owned or operated a public water system ("PWS"), as defined by Section 1401(4) of the Act, 42 U.S.C. § 300f(4), located in, Victoria County, Texas ("facility"), designated as PWS number TX2350042.

3. As a PWS and a "supplier of water," Respondent is subject to the regulations promulgated by EPA pursuant to Section 1412 of the Act, 42 U.S.C. § 300g-1, entitled National Primary Drinking Water Regulations.

4. During the relevant time period, Respondent's PWS was a "community water system" as defined by Section 1401(15) of the Act, 42 U.S.C. § 300f(15).

5. The Texas Commission on Environmental Quality ("TCEQ") and the EPA have enforcement authority for the PWS provisions of the Act in the State of Texas. TCEQ and EPA have consulted regarding this Order, and it has been agreed that EPA would initiate this enforcement action.

6. During the relevant time period, Respondent's PWS was required to conduct monitoring to determine compliance regarding, combined radium 226 and radium 228, and gross alpha particles, which are radionuclides. Respondent is required to comply with an MCL of 5 pCi/L for combined radium 226 and radium 228 and an MCL of 15 pCi/L for gross

alpha particles as specified in 40 C.F.R. § 141.66 (b), and in 40 C.F.R. § 141.66(c), respectively. Respondent monitored for combined radium 226 and radium 228 and gross alpha particles in the last four quarters, resulting in a combined annual average of 8.28 pCi/L for combined radium 226 and radium 228 in violation of the MCL specified in 40 C.F.R. § 141.66(b), and resulting in a combined annual average of 23.65 pCi/L for gross alpha particles in violation of the MCL specified in 40 C.F.R. § 141.66(c).

7. Respondent is required to comply with the combined radium 226 and radium 228, and gross alpha particles requirements of the Act, as set forth in Section 1412 of the Act, 42 U.S.C. § 300g-1.

ORDER

Based on these findings and pursuant to the authority of Section 1414(g) of the Act, 42 U.S.C. § 300g-3(g) EPA orders Respondent to take the following actions:

A. If Respondent has not provided public notice, as required by 40 C.F.R. § 141.201, regarding the violations specified in paragraph 6, the Respondent shall, within thirty (30) days of issuance of this Order, provide a public notice of the violations as set forth in 40 C.F.R. § 141.201. Respondent shall submit a copy of the public notice for combined radium 226 and radium 228, and gross alpha particles to EPA and TCEQ within forty (40) days of the effective date of this Order.

B. Within one hundred and twenty (120) days of the effective date of this Order, Respondent shall submit to EPA a detailed plan to bring the System into compliance with the MCLs for combined radium 226 and radium 228 and gross alpha particles. The plan shall include: 1) a system modification proposal; 2) a cost analysis of system modifications; and 3) a construction schedule for the project. The schedule shall include specific milestone dates and a final compliance date that is no later than eighteen (18) months from the effective date of this Order. The plan must be submitted to EPA for acceptance before construction can commence.

C. Once EPA accepts, in writing, the plan submitted by Respondent, the accepted plan shall be incorporated into this

Order, including the schedule for construction, and Respondent shall comply with the terms specified in the plan.

D. Respondent must achieve and maintain compliance with 40 C.F.R. §§ 141.66(b) and 141.66(c) by the date specified in the plan, or not later than eighteen (18) months after the effective date of this Order.

E. Within ninety (90) days of the effective date of this Order, Respondent shall submit to EPA an initial report on the progress made to bring the PWS into compliance with the combined radium 226 and radium 228 and gross alpha particle MCLs. Following the initial report, a quarterly progress report shall be submitted to EPA within ten (10) days after the end of each calendar quarter. Respondent shall notify EPA when all improvements have been completed.

F. The reporting required by this Order must be provided by the Respondent to EPA at the following address:

Mr. Mehdi Taheri
Water Enforcement Branch (6EN-W)
U.S. EPA, Region 6
1445 Ross Avenue, Suite 1200
Dallas, TX 75202-2733

G. Regarding Part A in the Order Section, Respondent shall submit a copy of the public notice to TCEQ at the following addresses:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

and

Public Drinking Water Section
Water Supply Division, MC 155
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

H. Within fifteen (15) calendar days of the effective date of this Order, Respondent shall contact Mr. Mehdi Taheri, in writing, informing him whether Respondent will comply with the terms of this Order.

GENERAL PROVISIONS

This Order is effective upon receipt by Respondent.

This Order does not constitute a waiver, suspension, or modification of the requirements of 40 C.F.R. Part 141 or other applicable federal and state requirements, which remain in full force and effect. Issuance of this Order is not an election by EPA to forego any civil or any criminal action otherwise authorized under the Act.

Violation of any term of this Order may subject Respondent to an administrative civil penalty of up to \$32,500 under Section 1414(g) of the Act, 42 U.S.C. § 300g-3(g), or a civil penalty of not more than \$37,500 per day per violation, assessed by an appropriate United States District Court under Section 1414(g)(3)(A) of the Act, 42 U.S.C. § 300g-3(g)(3)(A).

This Order shall be binding on the PWS cited herein and all its successors and assignees. No change in ownership of the PWS shall alter the responsibility of the PWS under this Order.

June 8, 2012
Date

John Blevins
John Blevins
Director
Compliance Assurance and
Enforcement Division