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STATE OF MISSOURI  
DEPARTMENT OF NATURAL RESOURCES

Mat Blunt, Governor • Doyle Childers, Director

Missouri Public  
Service Commission

5.200 Lost Valley Resort  
Ralls County  
NOV #WP0362NE  
#NE0824

www.dnr.mo.gov

August 24, 2007

Mr. Ken Jaeger  
27948 Ted Hunt Road Unit 2  
Los Fresnos, TX 78566

NOTICE OF VIOLATION

Dear Mr. Jaeger:

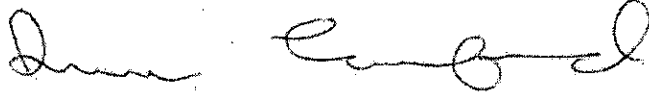
On July 26, 2007, the Missouri Department of Natural Resources' Northeast Regional Office received an environmental report concerning a sewage release at the Lost Valley Subdivision in Ralls County, Missouri. The report indicated that the responsible party was discharging wastewater from the land application field and that the wastewater was entering a creek.

An investigation of the environmental report was conducted by Mr. Darryl McCullough of the Missouri Department of Natural Resources' Northeast Regional Office on July 26, 2007. The investigation is referenced as #NE0824. Enclosed are the Report of Investigation and Notice of Violation #WP0362NE, which is being issued for violations of the Missouri Clean Water Law and Missouri Clean Water Commission Regulations.

If you have any questions regarding this letter, please direct your response to Mr. Paul Dickerson at (573) 751-1300 in the Missouri Department of Natural Resources, Water Pollution Control Branch, P. O. Box 176, Jefferson City, MO 65102.

Sincerely,

NORTHEAST REGIONAL OFFICE

  
Irene Crawford  
Regional Director

IC/dmp

Enclosures: Report of Investigation, Notice of Violation #WP0362NE

c: Mr. Paul Dickerson, Water Pollution Control Branch  
Mr. Harry Bozoian, Attorney General's Office  
Mr. James F. Lemon



OPC Exhibit No. 12  
Case No(s) SO-2008-0358  
Date 6-23-08 Rptr KF

OPC -12

**REPORT OF INVESTIGATION  
LOST VALLEY RESORT LAGOON  
RALLS COUNTY, MISSOURI  
#NE0824  
August 24, 2007**

**INTRODUCTION**

On July 26, 2007, the Missouri Department of Natural Resources' Northeast Regional Office received an environmental report concerning a sewage release at the Lost Valley Subdivision in Ralls County. The report indicated that the responsible party was discharging wastewater from the land application field and that the wastewater was entering a creek.

An investigation of the environmental report was conducted by Mr. Darryl McCullough of the Missouri Department of Natural Resources' Northeast Regional Office on July 26, 2007. The investigation is referenced as #NE0824. This report presents the findings and observations made during the investigation.

**COMPLIANCE ISSUES**

**Compliance Determination**

Based upon the observations made at the time of the investigation, it has been determined the Lost Valley Resort lagoon is in non-compliance with the Missouri Clean Water Law and Missouri Clean Water Commission Regulations.

**Notice of Violation**

Notice of Violation #WP0362NE is being issued to Mr. Ken Jaeger and Blue Lagoon Sewer System, Inc. for:

1. On July 26, 2007, operated, used, or maintained a water contaminant source, domestic sewage from a lagoon, which discharges to an unnamed tributary to Salt River, waters of the state, without a Missouri State Operating Permit (MSOP) [Sections 644.051.2 and 644.076.1, RSMo, and 10 CSR 20-6.010(1)(A) and (5)(A)].
2. Caused pollution of an unnamed tributary to Salt River, waters of the state, or placed or caused or permitted to be placed a water contaminant in a location where it is reasonably certain to cause pollution of waters of the state [Sections 644.051.1(1) and 644.076.1, RSMo].

**FACILITY DESCRIPTION AND HISTORY**

On January 13, 2005, the Northeast Regional Office received an environmental report that the wastewater was close to overflowing the lagoon berm. An investigation was conducted on January 13, 2005, and a Notice of Violation was issued to Mr. Ken Jaeger and Blue Lagoon Sewer System, Inc., for failure to comply with the Missouri Clean Water Law and Missouri Clean Water Commission Regulations. The facility had been previously referred to the Attorney General's Office for continual violations of the Missouri Clean Water Law and Missouri Clean Water Commission Regulations.

**Report of Investigation  
Lost Valley Resort Lagoon  
August 24, 2007  
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On May 3, 2005, a hearing of preliminary injunction was conducted in the Circuit Court of Ralls County, Missouri. On that date, a Judgement and Order of Preliminary Injunction against Mr. Jaeger was issued. The Judgement and Order of Preliminary Injunction against Mr. Jaeger specified several conditions related to lagoon pump down and maintenance. These conditions included that the Missouri Department of Natural Resources' Northeast Regional Office be notified each day that land application would be conducted; that records of land application be kept; that Mr. Jaeger own and maintain all necessary equipment, fuel, and labor to conduct all land application activities and for the operation of the lagoon, lift station and collection lines; that Mr. Jaeger mow and maintain the lagoon berm, maintain a parameter fence, provide a locked entry gate to the lagoon, and to install and maintain appropriate warning signs on the parameter lagoon fence. The order also specified that Mr. Jaeger shall immediately employ, maintain and/or hire a representative to operate and maintain the lagoon, collection system, and land application area. Mr. Jaeger was also ordered to provide this employee's name to the Missouri Department of Natural Resources. Additionally, the order specified that the water level in the lagoon must be lowered to achieve two feet of freeboard by May 15, 2005, and that the water level must be lowered to within two feet of the bottom of the lagoon by September 30<sup>th</sup> of each year.

The legal description of the lagoon is the SW¼, SE¼, Section 14, Township 55 North, Range 7 West, in Ralls County. The lagoon is located on the east side of Highway J, approximately one mile north of Clarence Cannon Dam.

**DISCUSSION OF INVESTIGATION AND OBSERVATIONS**

On July 26, 2007, I arrived at the Lost Valley Resort lagoon at approximately 1145 to investigate the environmental report. At the time of arrival, I parked near the "Lost Valley Resort City Hall" building. Upon exiting the vehicle, I met Mr. Ken Jaeger and discussed the concern reported to our office. Mr. Jaeger then drove to the lagoon to shut off the irrigation pump. I followed Mr. Jaeger to the lagoon and briefly observed the lagoon. I immediately walked to the small creek adjacent to the entry gate to the lagoon. A small flow of water was observed in the creek. No wastewater was entering the creek on the west side of the creek. We then traveled to the land application field. A small discernable flow was observed coming from the north end of the field and stopping at a point at the edge of the creek along the south end of the field. Although I did not observe that any of the effluent had entered the stream at this location, the effluent had pooled on the top of the streambank. All risers were observed to be spaced out across the north end of the land application field. I advised Mr. Jaeger to move the risers farther to the east side of the field, since it appeared that the west side of the field was fully saturated. Mr. Jaeger then went to the risers and began removing them from their present location. I began to walk along the entire west perimeter of the land application field. The field had previously been mowed, and small areas of woody vegetation near the edge of the field had been cleared. In multiple locations along the mowed areas, I observed liquid, presumably effluent previously land applied as the area had not received any recent rain.

After walking approximately half way along the west boundary of the field, I observed a person standing at the north property boundary of the field. The person called for me to come to his location. I walked up to meet the person and recognized him as Mr. Mike Knepper. Mr. Knepper stated that he could not go on Mr. Jaeger's property. Mr. Knepper stated that wastewater from the land application field was entering the creek and pointed to the location where he believed this to be taking place. After discussions with Mr. Knepper, I resumed walking along the west edge of the land application field. I observed a location where a small stream of wastewater was flowing from the field and entering the stream. The streambed was dry above this location, and a small discernable flow was observed downstream of this location.

I then walked over to discuss my observations with Mr. Jaeger who was removing the irrigation risers in preparation of moving them to a new location. When I told him where the wastewater was entering the stream, Mr. Jaeger immediately walked over to a three-way valve that he had in the supply line supplying the irrigation risers. Mr. Jaeger determined that one of the ball valves was partially open. This allowed wastewater to flow through a line that did not have any risers attached to it. I walked to the end of this line and observed that wastewater had been allowed to flow from this open ended line. The flow from this line had saturated an area along the west side of the application area and then entered the stream. Photographs of the effluent entering the stream were taken.

I recommended to Mr. Jaeger that he visually monitor the land application field while land applying. Mr. Jaeger stated that he periodically checks the land application. I also told Mr. Jaeger that he should observe all the land application equipment prior to turning it on to assure that everything is in working order. I told Mr. Jaeger that it is important to rotate the area where he is land applying, to monitor, and not overapply, in order to help prevent run-off. I also reminded Mr. Jaeger that he needed to keep records of his land application activities. I stated to Mr. Jaeger that his records need to show the date, time, hours of application, and the gallons applied. Mr. Jaeger stated that he keeps these records, and that he would supply them to the Northeast Regional Office.

During the conversation, Mr. Jaeger alleged that someone might have tampered with the valve that was found open, because he has never had that problem before. Mr. Jaeger stated that he has had problems before when someone put salt in his pump. I told Mr. Jaeger that I would recommend he continuously monitor the land application while in progress and prior to beginning operation, especially if he was concerned about people tampering with his equipment.

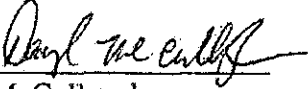
#### **RECOMMENDATIONS**

1. An appropriate warning sign needs to be installed on the north side of the lagoon.
2. The sprinklers in the land application field must be moved periodically, to assure uniform distribution of wastewater over the entire land application area.

**Report of Investigation  
Lost Valley Resort Lagoon  
August 24, 2007  
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3. Application field should be continuously monitored to assure run off from the land application field does not occur.
4. Submit records of land application activities to the Northeast Regional Office.

SUBMITTED BY:

  
Darryl McCullough  
Environmental Specialist III  
Northeast Regional Office

DM/ps



MISSOURI DEPARTMENT OF NATURAL RESOURCES  
NOTICE OF VIOLATION


		VIOLATION NUMBER <b>WP0362NE</b>	
DATE AND TIME ISSUED August 24, 2007			
SOURCE (NAME, ADDRESS, PERMIT NUMBER, LOCATION) Mr. Ken Jaeger and Blue Lagoon Sewer System, Inc.			
Unpermitted SW ¼, SE ¼, Sec. 14, T55N, R7W Ralls County			
MAILING ADDRESS 27948 Ted Hunt Road, Unit 2		CITY Los Fresnos	STATE TX
		ZIP 78566	
NAME OF OWNER OR MANAGER Mr. Ken Jaeger		TITLE OF OWNER OR MANAGER Owner	
LAW, REGULATION OR PERMIT VIOLATED Sections 644.051.1(1), 644.051.2 and 644.076.1, RSMo 10 CSR 20-6.010(1)(A) and (5)(A)			
NATURE OF VIOLATION		DATE(S):	TIME(S):
On July 26, 2007, operated, used, or maintained a water contaminant source, domestic sewage from a lagoon, which discharges to an unnamed tributary to Salt River, waters of the state, without a Missouri State Operating Permit (MSOP).			
Caused pollution of an unnamed tributary to Salt River, waters of the state, or placed or caused or permitted to be placed a water contaminant in a location where it is reasonably certain to cause pollution of waters of the state.			
SIGNATURE (PERSON RECEIVING NOTICE)  Sent By Mail		SIGNATURE (PERSON ISSUING NOTICE) 	
TITLE OR POSITION		TITLE OR POSITION Environmental Specialist III	



Photo #: P7260191

Date/Time Taken: July 26, 2007

By: Darryl McCullough *DM*

Program: WPC

File: 5.200 Lost Valley

Facility: Lost Valley Resort

Location: SW 1/4, SE 1/4, Sec. 14, Twp. 55N, Range 7W, Hall's County

Description: Effluent flowing from north end of field to south end of field.



Photo #: P7260192

Date/Time Taken: July 26, 2007

By: Darryl McCullough *DM*

Program: WPC

File: 5.200 Lost Valley

Facility: Lost Valley Resort

Location: SW 1/4, SE 1/4, Sec. 14, Twp. 55N, Range 7W, Hall's County

Description: Effluent flowing from north end of field to south end of field.





Photo #: P7260193

Date/Time Taken: July 26, 2007

By: Darryl McCullough *DM*

Program: WPC

File: 5200 Lost Valley

Facility: Lost Valley Resort

Location: SW 1/4, SE 1/4, Sec. 14, Twp. 55N, Range 7W, Falls County

Description: Effluent flowing from north end of field toward creek along west side of field.



Photo #: P7260194

Date/Time Taken: July 26, 2007

By: Darryl McCullough *DM*

Program: WPC

File: 5200 Lost Valley

Facility: Lost Valley Resort

Location: SW 1/4, SE 1/4, Sec. 14, Twp. 55N, Range 7W, Falls County

Description: Effluent flowing from north end of field toward creek along west side of field.





Photo #: P7260199

Date/Time Taken: July 26, 2007

By: Darryl McCullough *DM*

Program: WPC

File: 5.200 Lost Valley

Facility: Lost Valley Resort

Location: SW 1/4, SE 1/4, Sec. 14, Twp. 55N, Range 71W, Falls County

Description: Effluent flowing from north end of field toward creek along west side of field.



Photo #: P7260200

Date/Time Taken: July 26, 2007

By: Darryl McCullough *DM*

Program: WPC

File: 5.200 Lost Valley

Facility: Lost Valley Resort

Location: SW 1/4, SE 1/4, Sec. 14, Twp. 55N, Range 71W, Falls County

Description: Effluent flowing in creek along west side of field.