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Missouri Public
Service Commission

Mat Blunt, Governor • Doyle Childers, Director

STATE OF MISSOURI
DEPARTMENT OF NATURAL RESOURCES

www.dnr.mo.gov

5.200 Lost Valley Resort
Ralls County
NOV #NER2008022015345604
#NE08484

February 22, 2008

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

NOTICE OF VIOLATION

Dear Mr. Jaeger:

On February 19, 2008, 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 alarm was sounding on the lift station and sewage water was being released from a manhole cover. The report also alleged that it appeared that the waste water level in the lagoon was about to overtop the emergency spillway.

An investigation of the environmental report was conducted by Mr. Darryl McCullough of the Missouri Department of Natural Resources' Northeast Regional Office on February 19, 2008. A follow-up visit was conducted on February 20, 2008 as part of the investigation. The investigation is referenced as #NE08484. Enclosed are the Report of Investigation and Notice of Violation #NER2008022015345604, which is being issued for violations of the Missouri Clean Water Law and Missouri Clean Water Commission Regulations.

Immediate actions are needed to address the violations. Please be advised that the Northeast Regional Office will continue to monitor the conditions at the Lost Valley Subdivision, to document any further violations of the Missouri Clean Water Law and Missouri Clean Water Commission Regulations.

RECEIVED
2008 FEB 27 PM 12:24
WATER PROTECTION PROGRAM



OPC -14

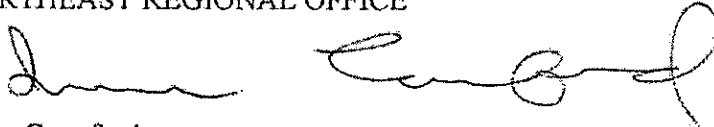
OPC Exhibit No. 14
Case No(s) SO-2008-0358
Date 6-23-08 Rptr KF

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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

A handwritten signature in cursive script, appearing to read 'Irene Crawford', written in black ink.

Irene Crawford
Regional Director

IC/dmp

Enclosures: Report of Investigation
Notice of Violation #NER2008022015345604

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

**REPORT OF INVESTIGATION
LOST VALLEY RESORT LAGOON
RALLS COUNTY
#NE08484
February 22, 2008**

INTRODUCTION

On February 19, 2008, 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 alarm was sounding on the lift station and sewage water was being released from a manhole cover. The report also alleged that it appeared that the waste water level in the lagoon was about to overtop the emergency spillway.

An investigation of the environmental report was conducted by Mr. Darryl McCullough of the Missouri Department of Natural Resources' Northeast Regional Office on February 19, 2008. A follow-up visit was conducted on February 20, 2008 as part of the investigation. The investigation is referenced as #NE08484. This report presents the findings and observations made during the investigation and follow-up visit.

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 #NER2008022015345604 is being issued to Mr. Ken Jaeger and Blue Lagoon Sewer System, Inc. for:

1. Since/On February 19 and 20, 2008, 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].

Required Actions:

- Immediately stop the discharge by pumping and hauling wastewater from the lift station to a permitted wastewater treatment facility.

**Report of Investigation
Lost Valley Resort Lagoon
February 22, 2008
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- Repair or replace all pumps in the lift station to assure the lift station remains operable.
- Immediately begin pumping and hauling wastewater from the lagoon to a permitted wastewater treatment facility to prevent a discharge from the lagoon.
- Submit records of all gallons of wastewater hauled from the facility, including documentation of the permitted treatment facility accepting the wastewater, to the Northeast Regional Office.
- Submit all land application records for land application conducted during 2007, to the Northeast Regional Office.

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. 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.

On May 3, 2005, a hearing of preliminary injunction was conducted in the Circuit Court of Ralls County, Missouri. On that date, a Judgment and Order of Preliminary Injunction against Mr. Jaeger was issued. The Judgment and Order of Preliminary Injunction against Mr. Jaeger specified several conditions related to lagoon pump down and maintenance. These conditions included that the Department of Natural Resources 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 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 30th 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 February 19, 2008, I arrived at the Lost Valley Resort lagoon at approximately 1100 hours to investigate the environmental report. At the time of my arrival, I parked near the "Lost Valley City Hall" building. No one was at the site when I arrived. Upon exiting the vehicle, I walked to the lift station serving the development. The lift station alarm was sounding. I observed that wastewater was within a few inches of the top of the wet well in the lift station. I immediately walked to the small creek adjacent to the lift station. A small flow of water was observed in the creek. Wastewater was observed flowing from a sewer manhole located approximately 50 feet south of the lift station. This wastewater was observed to be entering the creek immediately south of the manhole. Photographs of the effluent entering the stream were taken.

I then traveled to the lagoon. The water level in the lagoon was within an inch or two of running over the emergency spillway. Due to extremely cold temperatures, the surface of the lagoon was frozen. Photographs of the water level in the lagoon were taken.

After observing the conditions at the site, I called Mr. Ken Jaeger. I explained the conditions observed at the site. Mr. Jaeger stated that he was in Texas, but that he would make arrangements to have the lift station pumped out and the pump repaired. After discussions with Mr. Jaeger by telephone, I left the site at approximately 1245 hours.

I returned to the site at 1405 hours. No one was on site and all conditions at the site appeared the same. I called Mr. Jaeger to determine his plans for stopping the discharge. He stated that he would have O'Brien Pumping Service from New London, Missouri, pump and haul the wastewater. He further stated that Mr. Alvin Thompson would repair the lift station pump after the wastewater was pumped down. I remained at the site until 1530 hours. No one had arrived at the site at that time.

On February 20, 2008, I arrived at the site at 1005 hours. No one was at the site at the time of my arrival. Shortly thereafter, a truck labeled as O'Brien Pumping Service arrived at the site. The truck proceeded to the lagoon. I made contact with the operator of the truck and introduced myself. I asked him what his plans were, and he stated that Mr. Jaeger had instructed him to pump waste from the lift station and haul it to the on-site lagoon. He further stated that he had wastewater already loaded on the truck from a different location and planned to dump it into the lagoon as instructed by Mr. Jaeger. After observing the high water level in the lagoon, the operator made the decision to haul the wastewater already on his truck to the Hannibal Wastewater Treatment Facility. Mr. Thompson then arrived at the site. Mr. Thompson called Mr. Jaeger and discussed the conditions at the site. Mr. Jaeger agreed that the wastewater from the lift station would be hauled to the Hannibal Wastewater Treatment Facility. The operator from O'Brien Pumping Service stated that he thought it would take five loads to empty the lift station, and that he would not be able to haul that many loads to Hannibal in one day. The operator for O'Brien Pumping Service then left the site.

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After discussions with Mr. Thompson, contact was again made with Mr. Jaeger by telephone. Mr. Thompson had proposed building a berm with soil at the north end of the lagoon immediately past the emergency spillway. I explained to Mr. Jaeger that constructing a berm either by bulldozing soil at the site or by hauling it in from another area would be considered construction without a permit and that it would be a violation of Missouri Clean Water Law and Missouri Clean Water Commission Regulations. I also explained to Mr. Jaeger that a discharge from the emergency spillway on the lagoon would be a violation of Missouri Clean Water Law and Missouri Clean Water Commission Regulations. I also explained to Mr. Jaeger that allowing wastewater to enter the stream would also be considered a violation of Missouri Clean Water Law and Missouri Clean Water Commission Regulations.

Mr. Jaeger and Mr. Thompson asked if they could place sandbags in the emergency spillway to prevent a discharge. I explained to them that placing anything in the emergency spillway could cause a safety issue, and would only cause the lagoon to overtop at another location.

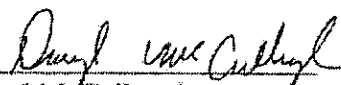
I recommended to Mr. Jaeger that he immediately pump the lift station down to stop the current discharge and to facilitate repair of the lift station pump. I also recommended that he begin pumping wastewater from the lagoon and haul it to a permitted wastewater treatment facility.

I left the site at 1155 hours. The discharge at the manhole cover was still occurring at the time of my departure.

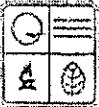
RECOMMENDATIONS

1. Evaluate the area along the west side of the lagoon to assure that storm water does not enter the lagoon during excessive storm events.
2. Evaluate whether there is inflow or infiltration occurring at the lift station serving the homes at the subdivision.

SUBMITTED BY:


Darryl McCullough
Environmental Specialist III
Northeast Regional Office

DM/ps



MISSOURI DEPARTMENT OF NATURAL RESOURCES
NOTICE OF VIOLATION

TRACKING NUMBER

NER 2008022015345604

DATE ISSUED 02-22-2008		TIME ISSUED		REGION/PROGRAM Northeast Regional Office (NERO)	
SOURCE (NAME, ADDRESS, PERMIT NUMBER, LOCATION) Mr. Ken Jaeger and Blue Lagoon Sewer System, Inc. Monroe City, Missouri 63456					
Unpermitted					
SW1/4, SE1/4, Section 14, Township 55N, Range 7W, Ralls County					
MAILING ADDRESS 27948 Ted Hunt Road, Unit 2		CITY Out of State Los Fresnos		STATE TX	ZIP CODE 78566
NAME OF OWNER OR MANAGER Mr. Ken Jaeger		TITLE OF OWNER OR MANAGER Owner		COUNTY Ralls	
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):	
			02-19-2008	11:00:00 AM	
			02-20-2008	10:00:00 AM	
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)			SIGNATURE (PERSON ISSUING NOTICE) <i>Dan R. Cuthbert</i>		
TITLE OR POSITION By Mail			TITLE OR POSITION Environmental Specialist III		



Photo #: P2190173

By: Darryl McCullough *DM*

File: 5.200

Facility: Lost Valley

Location: SW ¼, SE ¼, Section 14, Township 55 N, Range 7 W, Ralls County.

Description: Wastewater flowing from manhole cover.

Date/Time Taken: February 19, 2008

Program: WPC



Photo #: P2190175

By: Darryl McCullough *DM*

File: 5.200

Facility: Lost Valley

Location: SW ¼, SE ¼, Section 14, Township 55 N, Range 7 W, Ralls County.

Description: Wastewater flowing from manhole cover.

Date/Time Taken: February 19, 2008

Program: WPC



Photo #: P2190174

Date/Time Taken: February 19, 2008

By: Darryl McCullough

Program: WPC

File: 5.200

Facility: Lost Valley

Location: SW ¼, SE ¼, Section 14, Township 55 N, Range 7 W, Ralls County.

Description: Wastewater flowing from manhole cover. Unnamed tributary in background.



Photo #: P2190176

Date/Time Taken: February 19, 2008

By: Darryl McCullough

Program: WPC

File: 5.200

Facility: Lost Valley

Location: SW ¼, SE ¼, Section 14, Township 55 N, Range 7 W, Ralls County.

Description: Visual and audio alarm activated on lift station control box.



Photo #: P2190177

By: Darryl McCullough

File: 5.200

Facility: Lost Valley

Location: SW ¼, SE ¼, Section 14, Township 55 N, Range 7 W, Ralls County.

Description: Wastewater within a few inches of top of lift station.

Date/Time Taken: February 19, 2008

Program: WPC



Photo #: P2190178

By: Darryl McCullough

File: 5.200

Facility: Lost Valley

Location: SW ¼, SE ¼, Section 14, Township 55 N, Range 7 W, Ralls County.

Description: Water level in lagoon within an inch or two of discharging at emergency spillway.

Date/Time Taken: February 19, 2008

Program: WPC



Photo #: P2190179

By: Darryl McCullough *DM*

File: 5.200

Facility: Lost Valley

Location: SW ¼, SE ¼, Section 14, Township 55 N, Range 7 W, Ralls County.

Description: Water level in lagoon within an inch or two of discharging at emergency spillway.

Date/Time Taken: February 19, 2008

Program: WPC



Photo #: P2190180

By: Darryl McCullough *DM*

File: 5.200

Facility: Lost Valley

Location: SW ¼, SE ¼, Section 14, Township 55 N, Range 7 W, Ralls County.

Description: Water level in lagoon within an inch or two of discharging at emergency spillway.

Date/Time Taken: February 19, 2008

Program: WPC



Photo #: P2190185

By: Darryl McCullough *DM*

File: 5.200

Facility: Lost Valley

Location: SW 1/4, SE 1/4, Section 14, Township 55 N, Range 7 W, Ralls County

Description: Wastewater flowing from manhole cover. Unnamed tributary in background.

Date/Time Taken: February 20, 2008

Program: WPC



Photo #: P2190186

By: Darryl McCullough *DM*

File: 5.200

Facility: Lost Valley

Location: SW 1/4, SE 1/4, Section 14, Township 55 N, Range 7 W, Ralls County

Description: Wastewater flowing from manhole cover.

Date/Time Taken: February 20, 2008

Program: WPC



Photo #: P2190187

By: Darryl McCullough *DMC*

File: 5.200

Facility: Lost Valley

Location: SW $\frac{1}{4}$, SE $\frac{1}{4}$, Section 14, Township 55 N, Range 7 W, Ralls County

Description: Wastewater flowing from manhole cover. Unnamed tributary in background.

Date/Time Taken: February 20, 2008

Program: WPC