BEFORE THE

OHIO ENVIRONMENTAL PROTECTION AGENCY

MAY 14 2002

ENTERED DIRECTOR'S JOURNAL

In the Matter of:

Cordell Regional Utilities, Inc.
Timberlake Subdivision
6790 Brooks-Millers Rd.
Circleville, Ohio 43113

Respondent

Director's Final Findings
and Orders

JURISDICTION

Pursuant to Ohio Revised Code ("ORC") Section 6111.03, the Director of the Ohio Environmental Protection Agency ("Ohio EPA") hereby makes the following Findings and issues the following Orders.

PARTIES BOUND

These Director's Final Findings and Orders ("Orders") shall apply to and be binding upon the Cordell Regional Utilities, Inc., ("Respondent"), and successors in interest liable under Ohio law. No change in ownership relating to the Facility shall in any way alter Respondent's obligations under these Orders. Respondent's obligations under these Orders may be altered only by the written action of the Director of Ohio EPA.

FINDINGS

1. Respondent, incorporated to do business in Ohio and serving as a public utility, supplies water and wastewater service for the Timberlake Subdivision, Pleasant Township, Franklin County, Ohio.

2. Respondent owns and operates a wastewater treatment plant ("Facility"), and pursuant to NPDES permit no. 4PU0003, discharges to Big Darby Creek via Hellbranch Run.

3. Big Darby Creek and Hellbranch Run are defined as "waters of the state" by ORC Section 6111.01.

4. Since 1998, Respondent has failed to provide adequate repairs and replacements to the Facility, in that the Facility has failing mechanical devices, as well as structural defects.
5. Ohio EPA documented during the total maximum daily load calculation for Big Darby Creek, that wastewater from the Facility bypassed the sand filters and chlorine contact tank due to excessive clean water inflow and infiltration, depositing sludge in Hellbranch Run, and then into Big Darby Creek.

6. Pursuant to technical assistance provided in June, 1998, November, 1998 and July, 2001, inspection reports, as well through site visits, Respondent has been informed by Ohio EPA that Respondent must provide maintenance to plant equipment and the collection system in order to return to compliance with the NPDES permit. Specifically, Respondent was instructed to repair the sand filters and aeration basins, and provide a plan to reduce the inflow and infiltration or build a wastewater treatment plant to treat all of the wastewater.

7. In April, 2001, the NPDES permit was renewed with a compliance schedule to provide repairs and remove inflow and infiltration.

8. On June 19, 2001, Respondent filed with the Public Utilities Commission of Ohio ("PUCO"), an abbreviated application for authority to increase and adjust its rates and charges for supplying water and wastewater service within its service area. The percent increase requested was 17.5%, as set forth below:

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Current Revenue</th>
<th>Proposed Revenue</th>
<th>Revenue Increase</th>
<th>Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Revenue</td>
<td>$44,051</td>
<td>$51,762</td>
<td>$7,711</td>
<td>17.5%</td>
</tr>
<tr>
<td>Sewer Revenue</td>
<td>43,642</td>
<td>51,281</td>
<td>7,639</td>
<td>17.5%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$87,693</td>
<td>$103,043</td>
<td>$15,350</td>
<td>17.5%</td>
</tr>
</tbody>
</table>

Respondent proposed that said revenue be distributed 50.2% for water and 49.8% for sewer.

9. PUCO staff, in the Staff's Report of Investigation, docketed December, 2001, found that every aspect of Respondent's extended aeration, wastewater treatment plant, is in deplorable condition and estimated that a new plant facility would cost well over $1 million dollars and that construction of a equalizing basin, lift station and force main to the Franklin County Darbydale sewer plant may be significantly less expensive. Respondent indicated to PUCO Staff that Respondent would discuss the possibility of the interconnection with Franklin County Officials. PUCO Staff found this to be prudent and recommended that Respondent explore all options.
10. The PUCO Staff recommended a revenue increase range of $3,896 to $5,332, which represents an increase of 4.44% to 6.08%. No objections were filed to the recommendation.

11. Bypasses of partially treated sewage and the sludge deposits in the water of the state are violations of Respondent’s NPDES permit and ORC Sections 6111.04 and 6111.07.

12. Centralized sewers for the Darbydale wastewater works will be available for connection by Respondent within twenty-six months.

13. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with these Orders and to evidence relating to conditions expected to result from compliance with these Orders, and its relation to the benefits to the people of the State to be derived from such compliance in accomplishing the purposes of ORC Chapters 6111.

ORDERS

1. Within nine (9) months after the effective date of these Orders, Respondent shall submit a complete permit-to-install ("PTI") application, approvable detailed plans, and an Antidegradation Addendum, that shall contain a date for starting and completing construction for an equalization basin, force main and metered pump/lift station.

2. Within eighteen (18) months after the receipt of the approved PTI, Respondent shall initiate construction of the equalization basin, force main and metered pump/lift station accordance with its approved PTI.

3. Within (18) months after the receipt of the approved PTI, Respondent shall employee a State of Ohio Class I collection system certified operator.

4. Within twenty-four (24) months after the PTI approval, Respondent shall complete the construction for an equalization basin, force main and metered pump/lift station, in accordance with its approved PTI.

5. Within twenty-six (28) months after the PTI approval, Respondent shall eliminate the discharge to Hellbranch Run from the Facility and abandon the sanitary sewage system.
6. Within fourteen (14) days of completing the requirements in Orders Nos. 2 and 3, Respondent shall notify Ohio EPA in writing of the completion of each Order.

7. All documents required under these Orders, unless specified otherwise, shall be submitted to:

Ohio EPA Central District Office
ATTN: DSW Enforcement Group Leader
3232 Alum Creek Drive
Columbus, Ohio 43207-3417

OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state, and federal laws and regulations. Nothing in these Orders shall be construed as waiving or compromising in any way the applicability and enforcement of any other statutes or regulations applicable to Respondent and the operation of the Facility.

RESERVATION OF RIGHTS

Nothing contained herein shall be construed to prevent Ohio EPA from seeking legal or equitable relief to enforce the terms of these Orders or from taking additional or new administrative, legal or equitable action as deemed appropriate and necessary, including seeking penalties, against Respondent for noncompliance with these Orders or for violations identified in these Orders.

Nothing contained herein shall be construed to prevent Ohio EPA from exercising its lawful authority to require Respondent to perform additional activities pursuant to ORC Chapter 6111, or any other applicable law with respect to violations identified in these Orders or any future acts or omissions of Respondent. Nothing in these Orders shall be construed to limit the authority of Ohio EPA to seek relief for violations not addressed in these Orders.

TERMINATION

Respondent's obligations under these Orders shall be satisfied and terminate when Respondent demonstrates in writing and certifies to the satisfaction of Ohio EPA that Respondent have satisfied all obligations under these Orders, and the Chief of Ohio EPA's DSW acknowledges in writing the termination of these Orders.
This certification shall be submitted by Respondent to the Central Office (Attention: DSW Enforcement Group Leader) and shall be signed by a responsible official of Respondent. A responsible official is as defined in OAC rule 3745-33-03(D)(1) for a corporation, OAC rule 3745-33-03(D)(2) for a partnership, OAC rule 3745-33-03(D)(3) for a sole proprietorship, and OAC rule 3745-33-03(D)(4) for a municipal, state, or other public facility. The certification shall contain the following attestation:

"I certify under the penalty of law that I have personally examined and am familiar with the information contained in or accompanying this certification, and based on my inquiry of those individuals immediately responsible for obtaining the information, I believe the information contained in or accompanying this certification is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine or imprisonment."

**IT IS SO ORDERED:**

[Signature]

Christopher Jones  
Director

MAY 14, 2002  
Date