

May 9, 2013

Anthony and Cynthia Favreau
Watson Ranch Development, LLC
3750 Norwich Ave
Eugene, OR 97408

RE: Notice of Non-Compliance regarding the Watson Ranch Golf public water system,
PWS OR4190859

Mr. and Mrs. Favreau,

Records indicate that you are the owners of Watson Ranch Development, LLC (the Company) and that the Company owns and operates the Watson Ranch Golf (Watson Ranch) water system at 93884 Coos-Sumner Lane in Coos Bay, Oregon. The Company is therefore a water supplier as defined in Oregon Revised Statute (ORS) 448.115(12) and Oregon Administrative Rule (OAR) 333-061-0020(211), and has specific responsibilities as defined in OAR 333-061-0025.

The Watson Ranch water system is a transient non-community public water system serving between 10 and 100 people and is subject to regulation under ORS 448.115 to 448.290 and OAR 333-061-0005 to 333-061-0290.

The Oregon Health Authority, Public Health Division, Center for Health Protection, Drinking Water Services (DWS) has reviewed the operation of the Watson Ranch water system. This review has found that the Company is not in compliance with the following Oregon administrative rules, and is therefore not meeting its responsibilities as a water supplier as prescribed by the Oregon Drinking Water Quality Act (ORS 448.115 to ORS 448.290) and rules.

- Violation No. 1: OAR 333-061-0025 requires water suppliers to take all reasonable actions to assure that the water delivered to water users does not exceed maximum contaminant levels and to assure that water system facilities are free of public health hazards. Water samples collected on February 13 and February 18, 2013 at the Watson Ranch water system indicate that the source water well is contaminated with

E. coli bacteria. The presence of *E. coli* in the source water well at the Watson Ranch water system creates the likelihood that the Watson Ranch water system will exceed the MCL for coliform bacteria, as specified in OAR 333-061-0030(4), and also constitutes a potential public health hazard. Rick Hallmark of Coos County Public Health notified Jeff Dixon at the Watson Ranch water system on February 16, 2013 that a new water source or disinfection treatment could be required if *E. coli* was confirmed in the water system's well. When *E. coli* was confirmed in the well at the Watson Ranch water system on February 18, 2013, corrective action was therefore required to reduce the risk of exceeding the MCL for coliform bacteria, and to resolve the potential public health hazard. The Company however has failed to demonstrate that it has taken all reasonable actions to ensure that water will not exceed the MCL and is free of public health hazards at the Watson Ranch water system, which constitutes a violation of OAR 333-061-0025.

- Violation No. 2: OAR 333-061-0032(6) requires, in part, that water systems using groundwater sources take corrective action when sample results indicate the presence of *E. coli* bacteria in a groundwater source. Two samples collected in February 2013 at the Watson Ranch water system were analyzed and shown to have the presence of *E. coli* bacteria. The Company however has failed to complete corrective action as specified by the rule and has failed to be in compliance with a corrective action plan since being notified of the presence of *E. coli* in Watson Ranch source water samples, which constitutes a violation of OAR 333-061-0032(6).
- Violation No. 3: OAR 333-061-0036(2) requires, in part, that samples be collected and analyzed for arsenic at transient non-community water systems within Oregon. Arsenic sampling results for the Watson Ranch water system have not been reported to DWS to as required by the rule which constitutes a violation of OAR 333-061-0036(2). If water samples were collected and analyzed for arsenic as prescribed by OAR 333-061-0036(2) but the results were not reported to DWS, it would constitute a violation of OAR 333-061-0040(1).
- Violation No. 4: OAR 333-061-0036(6)(w) requires, in part, that sampling for *E. coli* bacteria be conducted at water systems within Oregon utilizing a groundwater source with disinfection treatment that doesn't achieve 4-log inactivation of viruses. A monthly source water assessment sampling schedule was assigned for the Watson ranch water system in May 2011, but since May 2011 results for the required source water sampling have only been reported three times. This constitutes more than ten violations of OAR 333-061-0036(6)(w). If water samples were collected and analyzed for *E. coli* as prescribed by OAR 333-061-0036(6) but the results were not reported to DWS, it would constitute a violation of OAR 333-061-0040(1).

- Violation No. 5: OAR 333-061-0060(1) requires water suppliers to submit construction plans and have them approved before beginning construction of additions or modifications to existing water systems, but the Company did not submit construction plans for the current source water well at the Watson Ranch water system before it was returned to service in 2010. Nor has the Company adequately addressed questions or concerns regarding the well since 2010, which constitutes a violation of OAR 333-061-0060(1).

- Violation No. 6: OAR 333-061-0076(6) requires water suppliers for water systems utilizing only groundwater sources to, within 120 days of written notification, correct any significant deficiencies identified during a sanitary survey, or to be in compliance with a corrective action plan. A sanitary survey was conducted on October 1, 2010 at the Watson Ranch water system, and a letter was mailed to Jeffrey Dixon, water system operator, on December 21, 2010 identifying significant deficiencies found during the survey. As of the date of this letter, the Company has not corrected all of the significant deficiencies identified in the December 21, 2010 letter, nor is the Company in compliance with an action plan to correct the remaining deficiencies. This constitutes a violation of OAR 333-061-0076(6).

ACTIONS REQUIRED TO ACHIEVE COMPLIANCE

Due to the rule violations identified above, the Company is required to complete the following actions relating to the Watson Ranch water system:

- Compliance Action No. 1: The Company must complete, no later than June 30, 2013, all the actions specified in the letter dated April 25, 2013 related to plan review 91-2010 and mailed from James “Jay” MacPherson to Jeffrey Dixon. The letter is enclosed for your convenience.
 - Every action must be completed in accordance with the applicable construction standards prescribed by OAR 333-061-0050 and plan review requirements specified in OAR 333-061-0060.

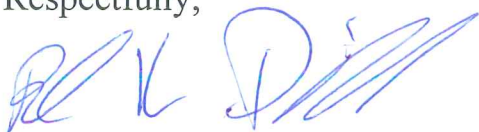
- Compliance Action No. 2: The Company must collect a water sample as prescribed by OAR 333-061-0036(2) at the Watson ranch water system and have it analyzed for arsenic. The sampling results must be reported to DWS in accordance with OAR 333-061-0040(1) no later than June 30, 2013.

- Compliance Action No. 3: The Company must collect water samples at the wellhead sample tap every month, as prescribed by OAR 333-061-0036(6)(w)(C), at the Watson ranch water system and have them analyzed for *E. coli* bacteria. The sampling results must be reported to DWS every month as prescribed by OAR 333-061-0040(1).
- Compliance Action No. 4: The Company must ensure the correction of every significant deficiency identified in the letter dated December 21, 2010 relating to the sanitary survey conducted at the Watson Ranch water system.
 - Every significant deficiency must be corrected no later than June 30, 2013 to the satisfaction of Coos County Public Health.

If the Company does not comply with the deadlines specified in this letter, the continued non-compliance may result in additional enforcement action including the assessment of civil penalties as prescribed by OAR 333-061-0090. Please contact Jay MacPherson at the Oregon Health Authority at (541) 726-2587, extension 57 to discuss the compliance actions specified in this letter.

Thank you for your cooperation.

Respectfully,



Brad K. Daniels
Enforcement Coordinator
Oregon Health Authority, Drinking Water Services

cc: Jeff Dixon, Watson Ranch Golf
Rick Hallmark, Coos County Environmental Health
Jay MacPherson, OHA DWS

Enclosure