ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY

STATE INDUSTRIAL PERMIT INSPECTION FORM

AFIN: 12-00045 Log No.: (N35°27′37.348″ W91°56′14.343″)

Permit No.: 4059-WR-1 Inspection Date: March 2, 2007

Media: Water Inspector: Mike Kennedy

Compliance Status: (OUT)

1A. Name of Facility: River Ranch Resort
Address: 630 River Ranch Road
County: Cleburne

2A. Name of On-Site Representative: No one present at that time

3A. Name of Responsible Official: Mr. Randy Ensminger
Address: P.O. Box 554, Pangburn, AR 72121 Telephone: 501-225-1229 (Office)
501-690-9546 (Cell)

4A. Parent company: Unknown
Address: N/A Telephone: N/A

5A. Description of Process (including type of industry, materials produced, and major by-products): This was a resort facility.

6A. Any complaints registered against this permitted facility? Yes X No
If yes, give date and description of complaint. July 31, 2006, there were 2 large piles of solid waste located where the facility had been torn down. The solid waste piles have since been removed.

7A. Are there any additions, modifications or corrections to the facility since the last inspection? Yes X No
If yes, explain:
1B. Furnish a simplified flow diagram of the treatment system and include main components, flow sequence through plant and calculated or estimated flows

2B. Nearest Stream: Little Red River

3B. Does wastewater from this facility cause adverse effect on the waters of the State: Yes____ No____ X
   If yes, describe:_____________________________________

4B. Are operating records kept as required by permit? Yes____ No____ N/A____ X
   If no, explain:_____________________________________

5B. Are maintenance records kept as required by permit? Yes____ No____ N/A____ X
   If no, explain:_____________________________________

6B. Are Samples routinely taken? Yes____ No____ N/A____ X

7B. Does the sampling program meet the requirements of the permit? Yes____ No____ N/A____ X
   If no, explain:_____________________________________
8B. What laboratory does the facility use? N/A Address: ______ Telephone: ______

1C. Does laboratory procedures and records meet the requirements of the permit? Yes______ No______ N/A ________ X______
If no, explain: ____________________________

2C. Is contaminated runoff a problem? Yes______ No______ N/A ________ X______
If yes, explain: No runoff was observed from the facility on the date of the inspection.

3C. Is sludge disposal required? Yes______ No______ X______ N/A ________
If yes, describe (including final destination): ____________________________

4C. Is the treatment system being properly operated and maintained as required by permit? Yes______ No______ X______ N/A ________
If no, explain: The manhole was full of water; the wires were cut to the control panel for the manhole. The aeration ponds levees had trees and a lot of brush in the levees. There were no signs posted around the disposal area indicating that the area is irrigated with treated wastewater effluent.

SUMMARY OF FINDINGS/COMMENTS

4C. (1) The manhole was full of water.
(2) The wires were cut to the control panel for the manhole.
(3) The aeration ponds levees had trees and a lot of brush in the levees.
Items Number 1, 2, and 3 are in violation of Condition #4 of the permit.
(4) There were no signs posted around the disposal area indicating that the area is irrigated with treated wastewater effluent.
Item #4 is a violation of Condition #23 of the permit.

Inspector Signature: __________________________ Date of Report: March 13, 2007
Signature of Reviewer: ________________________ Date of Review: April 2, 2007
March 30, 2007

Mr. Randy Ensminger
River Ranch Resort
P.O. Box 554
Pangburn, AR 72121

Re: AFIN No. 12-00045          State Permit No. 4059-WR-1

Dear Mr. Ensminger:

On March 2, 2007, I performed a routine compliance inspection of your facility in accordance with the provisions of the Arkansas Water and Air Pollution Control Act and the regulations promulgated thereunder. This inspection revealed the following violations:

1. The manhole was full of water.
2. The wires were cut to the control for the manhole.
3. The aeration ponds levees had trees and brush on them.
4. There were no signs posted around the disposal area indicating that the area is irrigated with treated wastewater effluent.

The first three items are a violation of Condition #4 of the permit. Item #4 is a violation of Condition #23 of the permit.

The above items require immediate corrective action. Please submit a written response to these finding to the State Permits Branch of this Department no later than April 27, 2007. The response should contain documentation describing how the violations were corrected or a plan with a time frame describing how the violations will be corrected.

If I can be of any assistance, please contact me at 870-793-5819.

Sincerely,

Mike Kennedy
District Field Inspector
Water Division

cc: State Permits Branch
Arkansas Department of Environmental Quality (ADEQ)
Official Photograph Sheet

Location: River Ranch Resort approximately 4 miles East of Heber Springs bordering Little Red River (Cleburne County)

Photographer: Mike Kennedy
Witness: N/A

Photo # 1 Of 4
Date: 3-2-07
Time: 1501

Description:
This picture shows that the manhole is full of water.

Photographer: Mike Kennedy
Witness: None

Photo # 2 Of 4
Date: 3-2-07
Time: 1500

Description:
This picture shows the control panel for the manhole. The wires to the control panel have been cut.
### Arkansas Department of Environmental Quality (ADEQ)
#### Official Photograph Sheet

<table>
<thead>
<tr>
<th>Location:</th>
<th>River Ranch Resort approximately 4 miles East of Heber Springs bordering Little Red River (Cleburne County)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photographer:</td>
<td>Mike Kennedy</td>
</tr>
<tr>
<td>Photo #:</td>
<td>3</td>
</tr>
<tr>
<td>Description:</td>
<td>This picture is another closer view of the control panel showing that the wiring has been cut at the bottom of the panel.</td>
</tr>
</tbody>
</table>

| Photographer: | Mike Kennedy | Witness: | None |
| Photo #: | 4 | Of | 4 | Date: | 3-2-07 | Time: | 1515 |
| Description: | This picture shows trees and this brush in one aeration pond levee. The other 2 ponds also had trees and brush in their levees. |
7/2/2007

Mr. Mike Kennedy  
District Field Inspector  
Water Division  
Arkansas Department of Environmental Quality  
P.O. Box 8913  
8001 National Drive  
Little Rock, AR 72219-8913

Subject: River Ranch Resort  AFIN No. 12-00045; State Permit No. 4059-WR-1

Dear Mr. Kennedy:

Please reference your letter dated March 30, 2007 to Mr. Randy Ensminger of River Ranch Properties, LLC regarding the subject site. Mr. Ensminger did not receive your letter and was unaware of your inspection until June 27, 2007. Your inspection and subsequent letter was discovered by Mr. Ensminger inadvertently while searching the internet for unrelated information on June 27, 2007.

Please note your list of violations which are followed by our response and/or corrective actions taken by River Ranch Properties, LLC.

<table>
<thead>
<tr>
<th>Issue No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue No. 1</td>
<td>The manhole was full of water.</td>
</tr>
<tr>
<td>Response to Issue No. 1</td>
<td>The photograph of the manhole in the inspection report is of the lift station. Periodically, water is pumped to our aeration pond for treatment. This allows our pumps to operate as part of our routine maintenance activities. This manhole is now covered and will remain covered which will keep storm water out of our treatment system.</td>
</tr>
<tr>
<td>Issue No. 2</td>
<td>The wires were cut to the control for the manhole.</td>
</tr>
<tr>
<td>Response to Issue No. 2</td>
<td>Although somewhat unsightly, the lift station is continually connected to electrical service and was on the date of your inspection. This service allows River Ranch Resort to run the lift station pump periodically as described in Response to Issue No. 1 above.</td>
</tr>
<tr>
<td>Issue No. 3</td>
<td>The aeration ponds levees had trees and brush on them.</td>
</tr>
<tr>
<td>Response to Issue No. 3</td>
<td>We have initiated activities to clean the trees and brush on the aeration pond levees and will continue to keep the levees trimmed and mowed.</td>
</tr>
</tbody>
</table>
Issue No. 4: There were no signs posted around the disposal area indicating that the area is irrigated with treated wastewater effluent.

Response to Issue No. 4: River Ranch Resort is in the process of a major retrofit. Signage is one of many items to be added or replaced. Posting the disposal area to indicate that it is irrigated with treated wastewater effluent will be accomplished immediately.

We hope these explanations and the description of corrective actions satisfy your concerns regarding the inspection of the site. Please call me directly in the event you have questions regarding our course of action.

Please understand that our delay in responding to your inspection and letter was completely inadvertent. It was neither intentional or from oversight. We simply did not receive your letter.

Thank you for your willingness to assist us in working out a solution to this issue.

Respectfully submitted,

Bernie K. Finch
Finch Environmental, PLC

Cc Cara Hill, P.E., Engineer, State Permits Branch, ADEQ
    David Ashmore, River Ranch Properties, LLC
    Randy Ensminger, River Ranch Properties, LLC