



COMMONWEALTH of VIRGINIA

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**STATE BOARD OF HEALTH
ORDER BY CONSENT
ISSUED TO THE
Nathaniel Greene Development Corporation
FOR THE
Mountain Lakes Water Company Waterworks
PWSID No. 2079590**

This is a Consent Order issued under authority granted by Va. Code § 32.1-26 between the State Board of Health and Nathaniel Greene Development Corporation for the Mountain Lakes Water Company Waterworks for the purpose of resolving certain violations of the Public Water Supplies Law and the applicable regulations.

Section A. Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned below:

1. "Board" means the State Board of Health, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code § 32.1-5.
2. "Commissioner" means the State Health Commissioner, who supervises and manages the Department, as described in Va. Code §§ 32.1-16 and 17.
3. "Community waterworks" means a waterworks that serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents.
4. "Department" or "VDH" means the Department of Health, an agency of the Commonwealth of Virginia, as described in Va. Code § 32.1-16.
5. "Human consumption" means drinking, food preparation, dishwashing, bathing, showering, handwashing, teeth brushing, and maintaining oral hygiene, as described in Va. Code § 32.1-167 and 12VAC5-590-10 of the Regulations.
6. "LFO" means the ODW Lexington Field Office located in Lexington, Virginia.
7. "Mountain Lakes Waterworks" means the Mountain Lakes Water Company Waterworks.

8. "Notice of Alleged Violation" or "NOAV" means a type of notice of alleged violation issued under 12VAC5-590-110 of the Regulations.
9. "ODW" means the VDH Office of Drinking Water.
10. "Order" means this document, also known as a "Consent Order" or "Order by Consent," which the Board is authorized to issue to require any person to comply with the provisions of any law administered by it, the Commissioner or the Department, or any regulations promulgated by the Board, or to comply with any case decision, as defined in Va. Code § 2.2-4001, of the Board or Commissioner.
11. "Owner" means Nathaniel Greene Development Corporation.
12. "Permit" means Waterworks Operation Permit No. 2079590.
13. "Public Water Supplies Law" or "PWSL" means Chapter 6, Article 2 of Title 32.1 of the Va. Code.
14. "Pure water" means water fit for human consumption that is (i) sanitary and normally free of minerals, organic substances, and toxic agents in excess of reasonable amounts and (ii) adequate in quantity and quality for the minimum health requirements of the persons served.
15. "PWSID" means Public Water System Identification.
16. "Regulations" means the Waterworks Regulations, 12VAC5-590-10, *et seq.*
17. "Va. Code" means the Code of Virginia (1950), as amended.
18. "VAC" means the Virginia Administrative Code.
19. "Waterworks" means a system that serves piped water for human consumption to at least 15 service connections or 25 or more individuals for at least 60 days out of the year. Waterworks includes all structures, equipment, and appurtenances used in storage, collection, purification, treatment, and distribution of pure water except the piping and fixtures inside the building where such water is delivered.

Section B. Findings of Fact and Conclusions of Law

1. The Owner owns Mountain Lakes Waterworks. The Owner meets the definition of "owner" in Va. Code § 32.1-167 and 12VAC5-590-10 of the Regulations.
2. Mountain Lakes Waterworks is a community waterworks located in Greene County, Virginia. Mountain Lakes Waterworks serves piped water for human consumption to 854 service connections and approximately 2,304 individuals for at least 60 days out of the year, meeting the definition of a waterworks.

3. On October 20, 2008, ODW issued the Permit to the Owner to operate Mountain Lakes Waterworks in compliance with the PWSL and the Regulations.
4. On March 13, 2024, ODW conducted a sanitary survey of Mountain Lakes Waterworks. During the sanitary survey, ODW observed several significant and minor deficiencies. ODW sent a sanitary survey report to the Owner dated May 13, 2024. The sanitary survey report identified the deficiencies observed during the sanitary survey and provided actions for the Owner to take to resolve the deficiencies.
5. On May 28, 2024, ODW sent the Owner a Notice of Significant Deficiencies, describing the significant deficiencies that ODW identified during the March 13, 2024, sanitary survey. The letter stated that the Owner was required to contact LFO by June 27, 2024, to establish corrective actions and timelines for addressing the significant deficiencies. Pursuant to 12VAC5-590-350.D.3 of the Regulations, the Owner was required to submit to ODW a written Corrective Action Plan detailing the steps necessary to correct the significant deficiencies by July 12, 2024. The letter included a proposed completed Corrective Action Plan for the Owner's review and signature.
6. On July 22, 2024, the Owner submitted a proposed completed Corrective Action Plan, signed on behalf of Mountain Lakes Waterworks. The Owner submitted the Corrective Action Plan after the July 12, 2024, deadline.
7. On July 24, 2024, ODW issued an NOAV to the Owner for failure to submit a Corrective Action Plan to address the significant deficiencies identified during the March 13, 2024, sanitary survey by the July 12, 2024, due date. The Owner was required to distribute to customers a Tier 2 public notice regarding the violation by August 23, 2024. The Owner was required to return the public notice certification form to LFO by September 2, 2024. The Owner has not completed the public notice requirement.
8. On March 27, 2025, ODW conducted a sanitary survey of the waterworks. During the sanitary survey, ODW observed multiple significant and minor deficiencies.
9. On April 3, 2025, ODW issued an NOAV to the Owner because the Owner failed to submit a Comprehensive Emergency Management Plan and a Water Audit and Haul Reports by the July 31, 2024, deadline in the Corrective Action Plan following the March 13, 2024, sanitary survey. While not referenced in the NOAV, the Owner also failed to develop an effective strategy to handle customer complaints and communicate with customers, including webpage development, by July 31, 2024, as required under the Corrective Action Plan to address significant deficiencies from the March 13, 2024, sanitary survey.
10. On May 21, 2025, the Owner provided ODW with an Emergency Management Plan for Extended Power Outages.
11. On June 9, 2025, ODW provided comments to the Owner's Emergency Management Plan for Extended Power Outages. The letter directed the Owner to "revise and

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resubmit” the plan “with sufficient detail customized for Mountain Lakes Water Company, such that it is a useful and accurate resource.” The Owner provided a revised Emergency Management Plan on September 9, 2025, which was approved by LFO.

12. On June 12, 2025, ODW sent the Owner a System Sanitary Survey Report for the March 27, 2025, sanitary survey. The report identified the deficiencies observed during the sanitary survey and provided deadlines for the Owner to resolve the issues. The report identified three significant deficiencies and 33 minor deficiencies.
13. On June 23, 2025, ODW sent the Owner a Notice of Significant Deficiency/Deficiencies letter identifying the three significant deficiencies ODW found during the March 27, 2025, sanitary survey: (1) for Twin Lakes B21 Well 1, the split sanitary seal is very rusted, the seal is not fitted properly, and the gasket is not sealed against the casing; (2) for GML 215 Well 1, the unpermitted second well at the facility was found to be connected by a DHPE pipe to the discharge pipe, which is a cross-connection with an unapproved source; and (3) for the distribution system, records and calculation of leakage were not available at the time of inspection and the operator indicated they haul water on occasion to supplement well production, which suggests significant leakage in the distribution system. The Notice of Significant Deficiency/Deficiencies stated with respect to the distribution system leakage that this deficiency and required actions were included in the Corrective Action Plan dated July 22, 2024. The Notice of Significant Deficiency/Deficiencies included a proposed Corrective Action Plan and stated that the final signed Corrective Action Plan must be submitted to LFO by August 7, 2025.
14. On August 26, 2025, ODW issued an NOAV to the Owner for failure to submit a signed Corrective Action Plan for significant deficiencies that ODW identified in the June 23, 2025, Notice of Significant Deficiency/Deficiencies letter. The Owner was required to complete the Corrective Action Plan and submit it to LFO by August 7, 2025. The Owner submitted the Corrective Action Plan on September 25, 2025, and has returned the identified significant deficiencies to compliance.
15. On December 22, 2025, ODW issued an NOAV to the Owner for failure to provide the required water pressure of 20 pounds per square inch gauge (psig) at service connections.¹ This NOAV was prompted after multiple complaints of poor water pressure, especially in the vicinity of the Old Farm Road Standpipe Tank. Additionally, the Owner is operating water hauling tanker trucks to maintain system-wide pressure; however, system pressure is not reliably maintained even with routine and regular hauling.
16. On December 22, 2025, ODW issued an NOAV to the Owner for failure to resolve certain minor deficiencies by the deadlines stated in the June 12, 2025, System Sanitary Survey Report, referenced above in paragraph B.12. As of the issuance of the NOAV, 25

¹ The December 22, 2025, NOAV amended a December 19, 2025, NOAV. ODW issued an amended NOAV to fix some drafting errors in the December 19 NOAV. The substance of the notice was unchanged in the amended NOAV, however.

of the minor deficiencies were overdue for being addressed. The following table states some of the minor deficiencies identified in the June 12, 2025, System Sanitary Survey Report, including the nature of the deficiency, the corrective action the Owner needed to take, and the due date for compliance stated in the System Sanitary Survey Report. The table includes a notation as appropriate if a listed minor deficiency has been suitably addressed by the Owner.

Location	Minor Deficiency
1. Westwood Sequester and Chlorine Treatment	As reported on November and December 2024 monthly operating reports (MORs), the average entry point free chlorine was 1.85 mg/L. At the time of the sanitary survey, the entry point free chlorine was measured by ODW at 5.3 mg/L. This concentration exceeded the maximum residual disinfectant level goal (MRDLG) and the maximum residual disinfectant level (MRDL) of 4.0 mg/L which applies to distribution system chlorine levels. ODW requires monitoring the free chlorine level at the entry point and operating the chemical feed pump more carefully. Please verify that your chlorine test kit is working according to manufacturer requirements and schedule a follow-up visit with ODW staff to confirm accuracy by July 31, 2025.
2. Twin Lakes B21 Well 1	The problems with this waterworks' electrical wiring are evident in the following well houses: Twin Lakes Well B21, Green Mountain Lakes 215 Well 1. Junction boxes are energized and uncovered, and wires are strung without conduit. A waterworks owner is responsible for ensuring a high degree of capability and reliability (12VAC5-590-360). See photo included with the System Sanitary Survey Report. Note: Repairing electrical control boxes was an action item on the March 2024 sanitary survey and a written plan to address the boxes was required. Repair the wiring to building code standard and provide date-stamped photos of repairs in all of the listed well houses to the Lexington Field Office by July 31, 2025. Photo Number 2 in the System Sanitary Survey Report.
3. Blue Run Well 2	The Blue Run Well 2 is offline due to a failed pump. The pump has to be replaced to restore the capacity of the waterworks. Replace the pump, take bacteriological samples and provide documentation of the purchase, replacement and sample results to the Lexington Field Office by June 30, 2025. ODW notes that the Owner returned this well to service in November 2025 per the Monthly Operation Report.

4. Twin Lakes Q3 Well 2	The check valve is on the old section of line that has been bypassed with HDPE pipe. A check valve is installed downstream of the chlorine injection point. This change in piping bypasses the atmospheric tank. Install a check valve upstream of all chemical injection points and meter and provide a date stamped photo of this installation to the Lexington Field Office by July 31, 2025. Photo Number #3 in the System Sanitary Survey Report.
5. Twin Lakes Q3 Well 2	Twin Lakes Q3 Well 2 did not have a suitable raw water sample tap. 12VAC5-590-379 C 2 states, "The owner shall provide a suitable source water sample tap at each groundwater source." Provide a suitable (threadless recommended) raw water sample tap meeting these requirements on the well discharge upstream of the well blow-off, and report this change to the Lexington Field Office with date stamped photos by November 1, 2025.
6. GML 215 Well 1	This wellhouse had no lights. Repair the electrical wiring in accordance with Building Code and restore lighting. Provide photos of this work to the Lexington Field Office by July 31, 2025.
7. Twin Lakes Q3 Well 1	The Q3WL1 well still does not have an operable meter and the MORs report the meter being inoperable for more than 3 years. 12VAC5-590-1065 D 2 states, "A totalizing water meter to measure water production shall be provided for each well and shall be located upstream of the well blow-off." This deficiency was the subject of a required action in the March 14, 2024, sanitary survey, the report for which was dated May 13, 2024, and had a due date of August 1, 2024, to address the deficiency. Replace the meter with an accurate and functional one and provide a photo of this replacement to the Lexington Field Office by June 30, 2025.
8. Durham Well 2	The wellhouse for Durham Well #2, 3, 5 and 6 shows signs of current or past roof leakage. The ceiling wood is molded or mildewed and sagging. Insulation has fallen from the ceiling onto well piping. Repair the ceiling to remove the mold and contain the insulation. Provide date-stamped photos of these repairs to the Lexington Field Office by July 31, 2025.
9. GML Well 2	A lightning strike damaged the wiring in the building. Temporary power wiring enabled the well to be used, but the well control panel has to be replaced and permanent wiring must be installed in accordance with the Electrical Code. All wiring, including the lighting, must be restored to full functionality. Perform this work and provide date-stamped photos to the Lexington Field Office by July 31, 2025.

10. Twin Lakes Q3 Well 1	Two points of entry of the pump wiring and an airline are not sealed. Seal these points of entry and provide date-stamped photos to the Lexington Field Office by June 30, 2025.
11. Stanardsville Rn2	The lower part of the sanitary seal cap is cracked. Replace the sanitary seal and gasket to restore the integrity of the cap and provide date-stamped photos to the Lexington Field Office by June 30, 2025.
12. Westwood Well 1	The lower portion of the sanitary seal well cap is cracked. Replace the sanitary seal well cap and provide date-stamped photos to the Lexington Field Office by June 30, 2025. Photo Number 4 in the System Sanitary Survey Report.
13. Blue Run Well 1	The well concrete pad is still cracked. This was the subject of a repair requirement in the March 2024 sanitary survey and was due to be reported to the Lexington Field Office by August 1, 2024. 12VAC5-590-360 requires owners to "provide and maintain conditions... that will assure a high degree of...reliability to comply with Part II of [Regulations]." The repair was not performed. Complete the requested repair by July 31, 2025.
14. Durham Well 3	The apron edge is even with or below the upslope ground surface, making it vulnerable to surface water overflow. In addition, a hole is open under the apron. Berm or ditch to divert surface water around the apron and fill in the hole to prevent further erosion under the apron. Provide date-stamped photos of this work to the Lexington Field Office by July 31, 2025. Photo Number 5 in the System Sanitary Survey Report.
15. GML Well 2	The vent screen on GML Well 2 is displaced; one screen is not intact on Twin Lakes Q3 Well 2; one screen on Twin Lakes Q4 Well 2 is missing; Durham #6 screens are missing. Unscreened vents allow the entry of insects and small animals, and the well cap was designed for a screen. 12VAC5-590-360 requires owners to maintain the waterworks such that factors with the potential for impairing the quality of the water delivered to the consumer are mitigated. Replace the screens and provide date-stamped photos of the newly installed screens for all listed wells to the Lexington Field Office by June 30, 2025. Photo Number 6 in the System Sanitary Survey Report.

16. Durham Well 5	The well concrete pad has a large crack, which was discussed in the sanitary survey performed in March of 2024. 12VAC5-590-360 A of the Waterworks Regulations states in relevant part: "The owner shall provide and maintain conditions throughout the entirety of the waterworks in a manner that will assure a high degree of capability and reliability to comply with Part II...of this chapter. This requirement shall pertain to the source water...the owner shall identify and evaluate factors with the potential for impairing the quality of the water delivered to the consumers." A cracked apron may allow surface water to enter the well if the grout is damaged. Repair the concrete well pad meeting the requirements for the Durham #5 well, and report this change to the Lexington Field Office before the well is put back into service.
17. Stanardsville Run2	The apron is cracked across the full width, across the center. This crack was the subject of a repair requirement in the March 2024 sanitary survey, to be performed by August 1, 2024. The repair was not made. Complete the requested repair by July 31, 2025. Photo Number 7 in the System Sanitary Survey Report.
18. Durham Well 2	The following wells: Durham #2, #3, #5 #6, Stanardsville RN1 and RN2 and Westwood, are not equipped with a standard pressure gauge. Install a pressure gauge capable of displaying pressure under all operating conditions. Provide date-stamped photos of these installations to the Lexington Field Office by July 31, 2025.
19. Blue Run Well 1	While the casing itself has been painted and appears to be free of corrosion, the split seal is very rusted and is in poor condition. Replace the sanitary seal and provide date-stamped photos of the new installed seal to the Lexington Field Office by September 30, 2025.
20. Westwood Sequester and Chlorine	<p>Although the chemical feed pump was running, the free chlorine residual was measured by ODW as non-detectable. Please adjust the feed pump to feed a recommended 1.0 mg/L of free chlorine by June 30, 2025.</p> <p>ODW notes that the reported free chlorine residual in the June 2025 and subsequent Monthly Operation Reports met this requirement.</p>

<p>21. Twin Lakes Q3/Q4 Chlorinator</p>	<p>At the time of this sanitary survey, the chemical feed pump was running. ODW measured free chlorine as non-detectable. The operator must troubleshoot whether the sodium hypochlorite solution is not at the proper strength, the chemical feed pump settings are incorrect to deliver the proper dosage, or other issue that is preventing the correct Entry Point free chlorine concentration. ODW recommends a free chlorine residual of 1.0 mg/L. Please correct this by June 30, 2025.</p> <p>ODW notes that the reported free chlorine residual in the June 2025 and subsequent Monthly Operation Reports met this requirement.</p>
<p>22. TP B21 Chlorination</p>	<p>At the time of the sanitary survey, the chemical feed pump was running. ODW measured free chlorine as non-detectable. The operator must troubleshoot whether the sodium hypochlorite solution is not at the proper strength, the chemical feed pump settings are incorrect to deliver the proper dosage, or other issue that is preventing the correct Entry Point free chlorine concentration. ODW recommends a free chlorine residual of 1.0 mg/L. Please correct this by June 30, 2025.</p> <p>ODW notes that the reported free chlorine residual in the June 2025 and subsequent Monthly Operation Reports met this requirement.</p>
<p>23. Blue Run Chlorine & Sequester</p>	<p>The only post treatment sample tap is the blowoff, and an HDPE pipe is connected to it, discharging out the door. Install a suitable entry point sampling tap and report the change with date stamped photos to the Lexington Field Office by October 1, 2025.</p>
<p>24. Blue Run Chlorine & Sequester</p>	<p>One of the peristaltic chemical feed pumps was malfunctioning (on the right). Replace the chemical feed pump and provide date-stamped photos to the Lexington Field Office by June 30, 2025.</p>
<p>25. 108,000-Gallons Standpipe Tank</p>	<p>The 2024 sanitary survey noted observations of weeping holes, possibly due to vandalism. The 2025 sanitary survey was performed during wet conditions; therefore, very slow weeping was difficult to discern. The exterior showed mildew, algae and rust. The overflow pipe was also rusty. Schedule a professional inspection to verify the integrity of the tank by July 31, 2025, and send a copy of the inspection report to the Lexington Field Office by July 31, 2026.</p>

26. Q-3 Hydro Tank – 6,000 Gallons	This tank is currently not functioning as a hydropneumatic tank. There is also no evidence that the pressure tank is being inspected. Have a professional inspection of the tank performed by July 31, 2025, and send a copy of the inspection report to the Lexington Field Office by July 31, 2026.
27. Q-3 Hydro Tank - 6000 Gallons	The tank coating is in poor condition. 12VAC5-590-1081 L of the Waterworks Regulations states, "Proper protection shall be given to metal surfaces by paints or other protective coatings, by cathodic protective devices, or both, in accordance with the NSF/ANSI/CAN Standard 61-2020, AWWA Standards D102-17, D104-17, and D106-20, or an approved equivalent, where applicable." ¹ Provide the Lexington Field Office with a repair/repainting schedule by July 31, 2025.
28. Twin Lakes Q3/Q4 Chlorinator	An adequate entry point tap is not available (see photo included with the System Sanitary Survey Report). 12VAC5-590-770 A of the Waterworks Regulations states in relevant part, "Sample taps shall be provided so that water samples can be obtained from each source water and each entry point to the distribution system." Provide an adequate entry point tap, and report this change to the Lexington Field Office with date stamped photos by June 30, 2025. Photo Number 8 in the System Sanitary Survey Report.
29. Management and Operation	An issue that has been ongoing is the unburied HDPE pipe at the Twin Lakes Q3/A4 wellhouse that was installed as a temporary measure during a main break. It exits the wellhouse wall and lies on the ground, crosses the creek and terminates at its connection to the main. The operators have been asked repeatedly to bury the pipe or remove it. It is not protected from freezing temperatures or accidental breakage in any way. See photos included with the System Sanitary Survey Report. There is no evidence of the previous connection to the permanent piping for which this was a temporary bypass; therefore, it is unclear whether the buried main was reconnected at the well house. Properly bury the HDPE pipe or reestablish the original connection to the buried main and provide evidence of this work to the Lexington Field Office by August 31, 2025. – Photo Numbers 9-11 in System Sanitary Survey Report.

¹ The System Sanitary Survey Report had some typographical errors with respect to the identified Standards quoted from the Waterworks Regulations.

17. In addition to the 29 minor deficiencies identified in paragraph B.16, the June 12, 2025, System Sanitary Survey Report identified other minor deficiencies that the Owner has not yet resolved, including:

Stanardsville Run Chlorine & Sequester	As reported on the monthly operating reports (MORs) for November and December 2024, the average free chlorine was 1.66 mg/L. At the time of the sanitary survey, the free chlorine exceeded ODW's instrument's high range of 8.8 mg/L.
Q-3 Hydro Tank – 6000 Gallons	The tank was not equipped with a sight gauge, and nothing was present to indicate the level in the tank. A pressure gauge on top of the tank was indicating approximately 91-92 psi. Install a sight glass and report the change to the Lexington Field Office with date stamped photos by December 31, 2025.

18. On February 13, 2026, ODW issued an NOAV to the Owner for failure to distribute a Tier 2 public notice to customers. The required public notice related to the April 3, 2025, NOAV. The Owner was required to provide public notice within 30 days of learning of the violation identified in the April 3, 2025, NOAV. The Owner was also required to certify to ODW that public notice was provided within 10 days of providing public notice.
19. On February 13, 2026, ODW issued an NOAV to the Owner for failure to distribute a Tier 2 public notice to customers. The required public notice related to the July 24, 2024, NOAV. The Owner was required to provide public notice within 30 days of learning of the violation identified in the July 24, 2024, NOAV. The Owner was also required to certify to ODW that public notice was provided within 10 days of providing public notice.
20. On February 19, 2026, ODW issued an NOAV to the Owner for failure to provide the required minimum working pressure of 20 pounds per square inch gauge (psig). The NOAV followed ODW's receipt of daily customer complaints regarding poor water pressure from February 9 through February 18, 2026. The Owner admitted the water pressure was down beginning on February 8, 2026. The Owner admitted that the wells were not producing as much water as they used to and that water has been hauled from Albemarle County Service Authority to supplement well production.
21. In addition to the deficiencies identified by ODW in sanitary surveys and the regulatory violations identified in the NOAVs described above, customers of Mountain Lakes Waterworks have consistently complained to ODW about the quality of the water produced by Mountain Lakes Waterworks. The complaints include reports of brown, black and bad smelling water that stains bathroom fixtures, discolors laundry, and results in sediment in the bottom of water heaters, toilet bowls and bathtubs. These symptoms are likely the result of iron and manganese that the Owner has not suitably addressed.

Regulatory Violations

22. The Regulations at 12VAC5-590-350.A state, "Frequent assessments shall be made by the owner of the water supply and waterworks to locate and identify health hazards to the waterworks. The manner and frequency of making these assessments, and the rate at

which discovered health hazards are to be removed, shall be the responsibility of the owner. Every effort shall be made by the owner, to the extent of his jurisdiction, to prevent the degradation of the quality of water supplies.”

The Owner violated 12VAC5-590-350.A of the Regulations due to the Owner’s failure to resolve the following deficiencies at Mountain Lakes Waterworks, as identified by number in the table in paragraph B.16 above: 2, 4, 6, 8-17, 19, 24 and 29. Each identified number constitutes a separate violation of 12VAC5-590-350.A of the Regulations.

23. The Regulations at 12VAC5-590-350.D.3 state, “Within 45 days of the significant-deficiency notification, the owner shall submit to [VDH] a [Corrective Action Plan] with a schedule for meeting the requirements of 12VAC5-590-421 A.”

The Owner violated 12VAC5-590-350.D.3 of the Regulations due to the Owner’s failure to submit a Corrective Action Plan to LFO by the July 12, 2024, deadline following the May 28, 2024, Notice of Significant Deficiencies letter, and by the August 7, 2025, deadline following the June 23, 2025, Notice of Significant Deficiency/Deficiencies letter. The Owner provided the required signed Corrective Action Plans to ODW on July 22, 2024, and September 25, 2025, respectively.

24. The Regulations at 12VAC5-590-360.A state, “The [waterworks] owner shall provide and maintain conditions throughout the entirety of the waterworks in a manner that will assure a high degree of capability and reliability to comply with Part II (12 VAC5-590-340 et seq.) of [the Regulations]. This requirement shall pertain to the source water, transmission, treatment, storage, and distribution system facilities and the operation thereof. The owner shall identify and evaluate factors with the potential for impairing the quality of the water delivered to the consumers. Preventative control measures identified in Part II of [the Regulations] shall be promptly implemented to protect public health.”

The Owner violated 12VAC5-590-360.A of the Regulations due to the Owner’s failure to resolve the following deficiencies at Mountain Lakes Waterworks, as identified by the number in the table in paragraph B.16 above: 1-2, 4, 6-19, 23-29, and as identified in paragraph B.17 above. Each number constitutes a separate violation of 12VAC5-590-360.A of the Regulations. Additionally, the Owner is having to frequently haul water to adequately maintain system pressure. Permanent or routine hauling of water indicates Mountain Lakes Waterworks is not operating in a reliable manner. The Owner is operating tankers to maintain system-wide pressure; however, system pressure is not reliably maintained even with routine and regular hauling.

25. The Regulations at 12VAC5-590-379.C.2 state, “All bacteriological samples under this section shall be collected from the source water before any treatment or chemical addition. a. The owner shall provide a suitable source water sample tap at each groundwater source. b. If conditions indicate that it is not possible to install a source

water sample tap, then an alternate sample location acceptable to [VDH] may be utilized for this monitoring.”

The Owner violated 12VAC5-590-379.C.2 of the Regulations due to Twin Lakes Q3 Well 2 at Mountain Lakes Waterworks not having a suitable raw water sample tap, as explained in item number 5 in the table in paragraph B.16 above.

26. The Regulations at 12VAC5-590-421.A state, in part, “The owner of a groundwater system that...has been notified in writing of a significant deficiency as described in 12VAC5-590-350 D shall meet the requirements of this section.... 4. Within 120 days of receiving written notification from [VDH]...the owner shall either: a. Have completed corrective actions in accordance with the [VDH] approved [Corrective Action Plan] including [VDH] specified interim measures; or b. Be in compliance with a [VDH] approved [Corrective Action Plan] and schedule. (1) Any subsequent modifications to a [VDH] approved [Corrective Action Plan] and schedule shall also be approved by [VDH]. (2) If [VDH] specifies interim measures for protection of the public health pending [VDH's] approval of the [Corrective Action Plan] and schedule or pending completion of the [Corrective Action Plan], then the owner shall comply with these interim measures as well as any schedule specified by [VDH].”

The Owner violated 12VAC5-590-421.A of the Regulations because the Owner failed to address significant deficiencies as required under the Corrective Action Plan resulting from the March 13, 2024, sanitary survey. Specifically, the Owner did not timely submit a satisfactory Comprehensive Emergency Management Plan, did not submit a Water Audit and Water Haul Reports, and did not develop an effective strategy to handle customer complaints and communicate with customers, including webpage development. The Owner submitted a final Comprehensive Emergency Management Plan, which was approved by LFO, on September 9, 2025.

27. The Regulations at 12VAC5-590-510.C state, “All waterworks shall provide a minimum working pressure of 20 psigauge (psig) at all service connections.”

The Owner violated 12VAC5-590-510.C of the Regulations because Mountain Lakes Waterworks experienced pressure below 20 psig on or around December 19, 2025, particularly in the vicinity of the Old Farm Road Standpipe Tank.

Additionally, the Owner violated 12VAC5-590-510.C because Mountain Lakes Waterworks failed to maintain adequate pressure beginning on February 8, 2026.

28. The Regulations at 12VAC5-590-540.C.2 state, in part, “For Tier 2 violations...the owner shall: a. Provide the public notice as soon as practical, but no later than 30 days after the owner learns of the violation, exceedance, or situation.”

The Owner violated 12VAC5-590-540.C.2 of the Regulations because the Owner did not issue the required public notice within 30 days of the July 24, 2024, NOAV, and did not issue the required public notice within 30 days of the April 3, 2025, NOAV. The Owner

has still not completed the public notice requirement for these two violations, which are each separate violations of the Regulations.

29. The Regulations at 12VAC5-590-770.A state, in part, "Sample taps shall be provided so that water samples can be obtained from each source water and each entry point to the distribution system."

The Owner violated 12VAC5-590-770.A of the Regulations because the Twin Lakes Q3/Q4 chlorinator at Mountain Lakes Waterworks does not include an adequate entry point tap, as explained in item number 28 in the table in paragraph B.16 above.

30. The Regulations at 12VAC5-590-1065.D.2 state, "A totalizing water meter to measure water production shall be provided for each well and shall be located upstream of the well blowoff."

The Owner violated 12VAC5-590-1065.D.2 of the Regulations because the Twin Lakes Q3 Well 1 well at Mountain Lakes Waterworks does not have an operable totalizing water meter located upstream of the well blowoff and the monthly operating reports show the meter being inoperable for more than three years, as explained in item number 7 in the table in paragraph B.16 above.

31. The Regulations at 12VAC5-590-1081.L state, "Proper protection shall be given to metal surfaces by paints or other protective coatings, by cathodic protective devices, or both, in accordance with the NSF/ANSI/CAN Standard 61-2020, AWWA Standards D102-17, D104-17, and D106-20, or an approved equivalent, where applicable."

The Owner violated 12VAC5-590-1081.L of the Regulations because the tank coating for the Q-3 Hydro Tank at Mountain Lakes Waterworks is in poor condition, as explained in item number 27 in the table in paragraph B.16 above.

32. Pursuant to Va. Code § 32.1-26, the Board may issue orders requiring compliance with any law or regulation administered by the Board.

Section C. Agreement and Order

Accordingly, by virtue of the authority granted in Va. Code §§ 32.1-26 and 32.1-27, the Board orders the Owner, and the Owner agrees, to:

1. Perform the actions described in Appendix A of this Order.
2. Pay a civil charge of \$7,000 within six months of the effective date of this Order in settlement of the violations cited in this Order.

Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and shall be delivered to:

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Office of Drinking Water
Virginia Department of Health
109 Governor Street, 6th Floor
Richmond, Virginia 23219

The Owner shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Water Supply Assistance Grant Fund. If VDH has to refer collection of monies due under this Order to the Department of Law, the Owner shall be liable for attorneys' fees of 30% of the amount outstanding.

Section D. Administrative Provisions

1. This Order addresses and resolves only those violations specifically identified in Section B of this Order. This Order shall not preclude VDH from taking any action authorized by law, including but not limited to taking any action authorized by law regarding additional, subsequent, or subsequently discovered violations or taking subsequent action to enforce this Order.
2. This Order does not suspend, minimize, or otherwise alter the Owner's obligation to comply with federal, state, and local laws and regulations. The Board does not waive any lawful means of enforcing the laws it administers, the regulations it has adopted, or this Order.
3. The Owner agrees that it has received fair and due process under the Administrative Process Act (Va. Code § 2.2-4000, *et seq.*) and waives its right to further hearings or challenges, whether civil or administrative, regarding the terms, conditions, or issuance of this Order and specifically waives its rights to a hearing under Va. Code §§ 2.2-4019 or 2.2-4020 as a predicate for issuance of this Order. The Owner consents to the issuance of this Order freely, voluntarily, and after an opportunity to consult counsel of its choice.
4. Any plans, reports, schedules, or specifications submitted by the Owner and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.
5. To the fullest extent allowed by law, this Order is binding on the Owner, its agents and legal representatives, heirs, devisees, executors, administrators, and successors in interest, jointly and severally as applicable.
6. The Board may modify, rewrite, or amend this Order with the consent of the Owner. Additionally, the Board may modify, rewrite, or amend this Order on the Board's own motion pursuant to the Administrative Process Act, Va. Code §§ 2.2-4000, *et seq.*, after the Owner has received notice and an opportunity to be heard. Any request by the Owner for modification of this Order shall be submitted to VDH in writing to be considered for approval by the Board or its designee.

7. This Order shall not preclude the Board, the Commissioner, or the Department from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce this Order.
8. Failure by the Owner to comply with any terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or Department as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.
9. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.
10. The Owner shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other unforeseeable circumstances beyond its control and not due to a lack of good faith or diligence on its part. The Owner shall demonstrate that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. The Owner shall notify the Department in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of this Order. Such notice shall set forth:
 - a. The reasons for the delay or noncompliance;
 - b. The projected duration of any such delay or noncompliance;
 - c. The measures taken and to be taken by the Owner to prevent or minimize such delay or noncompliance; and
 - d. The timetable by which the Owner will implement such measures and the date full compliance will be achieved.

Failure by the Owner to notify the Department verbally within 24 hours and in writing within three business days of learning of any condition above, which the Owner intends to assert will result in the impossibility of compliance, shall constitute a waiver by the Owner of any claim to inability to comply with a requirement of this Order.

11. This Order shall become effective on the 15th day after a copy of it is mailed to the Owner by certified mail. Va. Code § 32.1-26.
12. This Order shall continue in effect until:
 - a. The Commissioner or the Commissioner's designee terminates the Order after the Owner has completed all of the requirements of this Order;

- b. The Commissioner or the Commissioner's designee terminates the Order after finding that the circumstances that led to the Order's issuance no longer exist, and that the Order is no longer needed to enforce the PWSL and Regulations to protect the public health;
 - c. The Owner petitions the Commissioner or the Commissioner's designee to terminate the Order after the Owner has completed all of the requirements of the Order and the Commissioner or the Commissioner's designee approves the termination of the Order; or
 - d. The Commissioner or the Commissioner's designee, or the Board, in their sole discretion, terminates the Order upon 30 days written notice to the Owner. Termination of the Order pursuant to this authority without the Owner having satisfied all terms of the Order may result in VDH pursuing further enforcement related to the violations identified in the Order.
13. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve the Owner from its obligation to comply with any statute, regulation, permit condition, other order, certificate, standard, or requirement otherwise applicable.
14. The undersigned representative of the Owner certifies that they are a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind the Owner to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of the Owner.
15. By its signature below, the Owner voluntarily agrees to the issuance of this Order.

It is SO ORDERED this day, March 31, 2026.

STATE BOARD OF HEALTH
Commonwealth of Virginia



B. Cameron Webb, MD, JD
State Health Commissioner

SIGNATURE AND NOTARY PAGE

Nathaniel Greene Development Corporation voluntarily agrees to the issuance of this Order.

LARRY LAMB PRES.
Name/ Title
3-26-2026
Date Signature

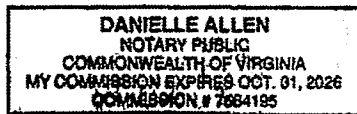
State of Virginia

City/County of Greene

The foregoing document was signed and acknowledged before me this 26 day of

March, 2026, by Larry Lamb who is

President of Nathaniel Greene Development Corporation, signing on behalf of the entity.



[Signature]
Notary Public
7564195
Registration No.

My commission expires: 10/31/26
Notary seal:

Appendix A Corrective Action Plan and Schedule for Compliance

The Owner shall:

- a. Within 15 days of the effective date of this Order, submit to ODW for review and approval a Corrective Action Plan (CAP) and Schedule for Compliance (Schedule) that sets forth actions that the Owner has taken or plans to take, and a schedule within which to take them, to comply consistently with the PWSL and the Regulations and to accomplish the following:
 1. Resolve all identified minor deficiencies set forth in paragraphs B.16 and B.17 of this Order.
 2. Obtain a rate study from a qualified rate analyst who has experience conducting rate studies for community waterworks with at least 500 connections. This study must evaluate the current drinking water rates and model alternative rate structures that would provide sufficient revenue for full recovery of operations and maintenance costs, necessary capital improvements, and the building of reserve funds over at least the next 10 years.

- b. Within 30 days of the effective date of this Order, retain a professional engineering firm that will assign professional engineer(s) who are licensed in Virginia and experienced with engineering of waterworks, to produce an engineering and assessment report for Mountain Lakes Waterworks. The report must contain an independent assessment, and include specific recommendations, regarding: (1) system storage, (2) the distribution system's condition, (3) the condition and capacity of all production wells, including assessments from well yield and drawdown tests, (4) emergency response preparedness, including communication with customers, and (5) the cause of, and remedies to address, discolored and bad smelling water, such as from iron or manganese. Notify ODW in writing within five days of retaining the professional engineering firm, including providing the name of the firm and information to establish that the firm's engineers are licensed in Virginia and experienced in the engineering of waterworks.

- c. Within 150 days of the effective date of this Order, submit to ODW the engineering and assessment report for Mountain Lakes Waterworks required by paragraph b of Appendix A for review and approval. If ODW does not approve the engineering and assessment report, have the professional engineering firm address ODW's comments and revise the engineering and assessment report to fully address ODW's comments. Submit the professional engineering firm's revised engineering and assessment report to ODW within 30 days of the Owner's receipt of written notification from ODW that ODW is not approving the engineering and assessment report as submitted. If the resubmitted engineering and assessment report is still not acceptable to ODW, the Owner is in breach of this Order.

- d. Within 30 days of ODW approving the submitted engineering and assessment report required by paragraph b of Appendix A, submit to ODW for review and approval a proposed engineering Corrective Action Plan (Engineering CAP) and Schedule stating how and when the Owner will implement the recommendations stated in the approved engineering and assessment report. The Engineering CAP and Schedule are separate from the CAP and Schedule required under paragraph a of Appendix A.
- e. Upon ODW approval of the CAP and Schedule, implement the CAP in accordance with the Schedule. The approved CAP and Schedule shall become a part of, and enforceable under, the terms of this Order. If the Owner does not present a CAP and Schedule with terms that are acceptable to ODW such that ODW cannot approve it, and the Owner and ODW are unable to reach agreement on the terms of a mutually agreeable CAP and Schedule, the Board or Commissioner may terminate this Order subject to Section D.12.d of this Order, which may result in further enforcement action against the Owner as stated therein.

Upon ODW approval of the Engineering CAP and Schedule, implement the Engineering CAP in accordance with the Schedule. The approved Engineering CAP and Schedule shall become a part of, and enforceable under, the terms of this Order. If the Owner does not present an Engineering CAP and Schedule with terms that are acceptable to ODW such that ODW cannot approve it, and the Owner and ODW are unable to reach agreement on the terms of a mutually agreeable Engineering CAP and Schedule, the Board or Commissioner may terminate this Order subject to Section D.12.d of this Order, which may result in further enforcement action against the Owner as stated therein.

Notify ODW in writing within five days of completion of any item on the approved CAP and Schedule or the approved Engineering CAP and Schedule.

- f. After initial approval of the CAP and Schedule or the Engineering CAP and Schedule by ODW, submit any proposed amendment to the CAP and Schedule or the Engineering CAP and Schedule to ODW for review, discussion and consideration for approval prior to the Owner taking any action. The Owner shall submit any proposed amendment to the CAP and Schedule or the Engineering CAP and Schedule to ODW at least 30 days prior to expiration of a deadline that the Owner seeks to modify.
- g. Submit to ODW quarterly progress reports regarding actions that the Owner has taken, and plans to take, for each item in the approved CAP and approved Engineering CAP. The Owner shall send the quarterly progress reports to ODW by the 10th day of the month following the end of the reporting period (for example, the report for the second quarter of 2026 would be due to ODW by July 10, 2026).
- h. Upon completion of the CAP, submit to ODW a final report verifying that the CAP has been completed in accordance with the terms of this Order.

Upon completion of the Engineering CAP, submit to ODW a final report verifying that the Engineering CAP has been completed in accordance with the terms of this Order.

- i. Within 15 days of the effective date of this Order, resolve the significant deficiencies contained in the Corrective Action Plan that the Owner submitted on July 22, 2024, following findings made by ODW during the March 13, 2024, sanitary survey, by providing ODW with: (1) a written customer communication plan to handle customer complaints and communicate with customers, including webpage development, and (2) a water audit and water haul reports. If ODW finds the customer communication plan to be inadequate, make any modifications as directed by ODW and resubmit to ODW within 10 days.
- j. Create a customer complaint log to document all customer complaints that the Owner receives, either directly from a customer or from another party. The log must include information about every complaint; actions already taken by the Owner to address every complaint; actions that the Owner plans to take in the future to address every complaint; whether each complaint has been resolved, and if not yet resolved an expected date by which it will be resolved; and further communication that the Owner has had with the customer about the complaint. Provide the log to ODW by Friday at noon every two weeks. ODW, at its sole discretion, may reduce or pause the requirement to provide the log to ODW.
- k. Maintain the storage tank's water level at not less than 50 feet of water above the tank floor at all times, such that the pressure at the Durham wellhouse is at least 45 psig. Notify ODW within two hours upon discovery of the water level tank falling below 50 feet of water above the tank floor by contacting the LFO emergency telephone number. Monitor and log the storage tank's water level at least daily, providing the log to ODW by Friday at noon every two weeks. ODW, at its sole discretion, may reduce or pause this water tank level monitoring and reporting requirement by providing written notice to the Owner. The Owner acknowledges that it has been provided with LFO's emergency telephone number.
- l. Within 15 days of the effective date of this Order, submit to ODW for review and approval a written standard operating procedure to monitor system-wide distribution system pressure, including regular, daily hauling of water to supplement well production, to maintain pressure of at least 45 psig at the Durham wellhouse. If the standard operating procedure as initially submitted to ODW is not approved by ODW, make modifications to the standard operating procedure as directed by ODW and resubmit to ODW within 10 days. Implement the standard operating procedure upon approval by ODW.

Any failure by the Owner to comply with the standard operating procedure as approved by ODW is a breach of this Order.

- m. Monitor and log system-wide distribution system pressure at least daily. Report the pressure monitoring log results to ODW in the monthly operating report for Mountain

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Lakes Waterworks. ODW, at its sole discretion, may reduce or pause this requirement by providing written notice to the Owner.

- n. Within 15 days of the effective date of this Order, submit to ODW for review and approval a written standard operating procedure to ensure water pressure is maintained. If the standard operating procedure as initially submitted to ODW is not approved by ODW, make modifications to the standard operating procedure as directed by ODW and resubmit to ODW within 10 days. The standard operating procedure must include:
1. Daily hauling of water with enhanced monitoring as needed to maintain pressure of at least 45 psig at the Durham wellhouse, as required by paragraph k of Appendix A.
 2. Procedures for promptly responding to water line breaks and equipment failures that may cause or contribute to inadequate pressure.

The Owner may combine this standard operating procedure with the standard operating procedure required by paragraph l of Appendix A when submitting them to ODW for review and approval.

Any failure by the Owner to comply with the standard operating procedure as approved by ODW is a breach of this Order.

- o. Within 15 days of the effective date of this Order, submit to ODW for review and approval a standard operating procedure for customer communications to ensure that customers receive timely information about any events that may negatively impact water quality or water quantity. If the standard operating procedure as initially submitted to ODW is not approved by ODW, make modifications to the standard operating procedure as directed by ODW and resubmit to ODW within 10 days. The standard operating procedure must include:
1. A multi-pronged process for communicating with customers, including, but not limited to, direct electronic communications, social media, use of the website for Mountain Lakes Waterworks, and telephone outreach.
 2. Ensuring that customers' questions, including telephone calls, are received and responded to quickly.
 3. Within one hour of a boil water advisory being implemented, post the advisory at all entrances to the subdivision, notify local media about the boil water advisory, post the boil water advisory to the website for Mountain Lakes Waterworks, post the boil water advisory on social media used by the Owner to communicate with customers, email the boil water advisory to customers, and include any other methods to ensure the boil water advisory is timely communicated to customers.

Any failure by the Owner to comply with the standard operating procedure as approved by ODW is a breach of this Order.

- p. Within 15 days of the effective date of this Order, provide any outstanding public notices in accordance with the Regulations, and provide the required certification of distribution of the public notices to ODW within five days of distribution.
- q. Calculate daily water demand based on well production and water hauling, submitting calculations and information to ODW on the monthly operating report for Mountain Lakes Waterworks.
- r. Double the frequency of routine bacteriological sampling from two routine bacteriological samples per month to four routine bacteriological samples per month. Continue monitoring at this increased frequency until directed otherwise in writing by ODW. Collect these samples at regular intervals throughout the month, not all on the same day.
- s. Monitor and record the free chlorine residual of each delivery of hauled water. Keep a detailed log for one year after delivery, providing the log to ODW in the monthly operating reports or in a separate report if directed to do so by ODW in writing. The log must contain the following:
 - 1. The amount of water hauled and tank size;
 - 2. The source of the hauled water (name of source waterworks) and its point of withdrawal;
 - 3. The dates and times of pick-up and delivery;
 - 4. The amount of chlorine added to the delivery truck's tank;
 - 5. The free chlorine residual in the delivery truck's tank (i.e., the chlorine residual resulting just after filling the tank and adding additional sodium hypochlorite, if necessary);
 - 6. The point of delivery and chlorine residual at time of delivery; and
 - 7. The driver's name (or other person responsible for the tanker).
- t. Report to ODW the amount of water hauled and the delivery dates of such water, including this information on monthly operating reports.
- u. Send all submittals and reports required by this Order to:

VDH - Office of Drinking Water - Lexington Field Office
c/o Compliance Specialist
131 Walker Street
Lexington, Virginia 24450
Email address: ODWFieldOffice2@vdh.virginia.gov

(If the Owner does not send the original documents, they must file the original documents appropriately so if asked to produce the documents they are easy to access.)