

State of Mississippi

WATER POLLUTION CONTROL PERMIT

To Operate a Wastewater Disposal System with No Discharge

THIS CERTIFIES

Hills of the Bear LLC, Hills of the Bear LLC South Facility
County Road 410
Iuka, MS
Tishomingo County

has been granted permission to operate a wastewater disposal system in accordance with the limitations and conditions set forth in this permit. This permit is issued in accordance with the provisions of the Mississippi Water Pollution Control Law (Section 49-17-1 et seq., Mississippi Code of 1972), and the regulations and standards adopted and promulgated thereunder.

Mississippi Environmental Quality Permit Board

Mississippi Department of Environmental Quality

Issued/Modified: NOV 01 2012
Expires: OCT 31 2017

Permit No. MSU070035
Agency Interest # 35968

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Hills of the Bear LLC, Hills of the Bear LLC South Facility

Subject Item Inventory

Permit Number:MSU070035

Activity ID No.: PER20120001

Subject Item Inventory:

| ID | Designation | Description |
|---------|-------------|-----------------------|
| AI35968 | | |
| RPNT1 | MSU070035 | No discharge Facility |

Receiving Stream Relationships:

| Subject Item | Relationship | Receiving Stream |
|--------------|-----------------|----------------------|
| AI 35968 | Discharges Into | Unnamed Tributary of |
| | Then Into | Pickwick Lake |

KEY

ACT = Activity

AREA = Area

CONT = Control Device

IA = Insignificant Activity

RPNT = Release Point

AI = Agency Interest

CAFO = Concentrated Animal Feeding Operation

EQPT = Equipment

MAFO = Animal Feeding Operation

TRMT = Treatment

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Limitation Requirements:

| Condition No. | Parameter | Condition |
|---------------|-----------|--|
| L-1 | | <p>The wastewater treatment and disposal system for this project must protect water quality. This permit is subject to modification if future evidence, monitoring results, or other information indicates that surface water quality is being adversely affected. This permit may be modified to require monitoring of surface water if needed to ensure that water quality is being protected.</p> <p>Operation of the wastewater treatment and disposal system for this project shall cease and connection made to a regional or municipal sewer system when available in the area.</p> <p>The volume of flow (GPD) for the influent to the treatment and land application system shall not exceed 4914 gallons per day (initial 39 lots). Any increase in flow for the influent from 4914 gallons per day (initial 39 lots) must be approved by the Office of Pollution Control.</p> <p>In accordance with the Municipal and Domestic Water and Wastewater System Operator's Certification Act of 1986, this treatment facility must be operated by persons who are certified as qualified to operate the facility.</p> <p>This system may not be put into operation until certification is obtained from the Public Service Commission. [WPC-1 Chapter One]</p> |

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Record-Keeping Requirements:

| Condition No. | Condition |
|---------------|--|
| R-1 | Recording of Results For each measurement or sample taken pursuant to the requirements of this permit, the permittee shall maintain records of all information obtained from such monitoring including: (1) The exact place, date, and time of sampling; (2) The dates the analyses were performed; (3) The person(s) who performed the analyses; (4) The analytical techniques, procedures or methods used; and (5) The results of all required analyses. [WPC-1 Chapter One Section IV.A(29)a] |

Submittal/Action Requirements:

| Condition No. | Condition |
|---------------|---|
| S-1 | Reporting Requirements - Planned Changes The permittee shall give notice to the Permit Board as soon as possible of any planned physical alterations or additions, including but not limited to, a change of operation to the permitted facility. Notice is required in the circumstances that follow: (1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether the facility is a new source in 40 CFR 122.29(b); or (2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are not subject to either effluent limitations in the permit or notification requirements under 40 CFR 122.42(a)(1). (3) The alteration or addition results in a significant change in the permittee's sludge use or disposal practices, and such alteration, addition, or change may justify the application of permit conditions that are different from or absent in the existing permit, including notification of additional use or disposal sites not reported during the permit application process or not reported pursuant to an approved land application plan. [WPC-1 Chapter One Section IV.A(15)a] |

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Submittal/Action Requirements:

| Condition No. | Condition |
|---------------|--|
| S-2 | <p>Reporting Requirements - Anticipated Noncompliance</p> <p>The permittee shall give advance notice to the Permit Board of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements. [WPC-1 Chapter One Section IV.A(15)b]</p> |
| S-3 | <p>Noncompliance Notification - Twenty-Four Hour Reporting</p> <p>(1) The permittee shall report any noncompliance which may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the permittee becomes aware of the circumstances. A written submission shall also be provided within 5 days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and/or prevent recurrence of the noncompliance. The Executive Director may waive the written report on a case-by-case basis for reports under this section if the oral report has been received within 24 hours. [WPC-1 Chapter One Section IV.A(29)e]</p> |
| S-4 | <p>Noncompliance Notification - Other Noncompliance</p> <p>The permittee shall report all instances of noncompliance not reported under the twenty-four hour reporting requirements, at the time monitoring reports are submitted or within 30 days from the end of the month in which the noncompliance occurs. The reports shall contain the same information as is required under the twenty-four hour reporting requirements contained in this permit. [WPC-1 Chapter One Section IV.A(29)f]</p> |
| S-5 | <p>Noncompliance Notification - Other Information</p> <p>Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Permit Board, it shall promptly submit such facts or information. [WPC-1 Chapter One Section IV.A(29)g]</p> |
| S-6 | <p>Expiration of Permit</p> <p>At least 180 days prior to the expiration date of this permit pursuant to the State law and regulation, the permittee who wishes to continue to operate under this permit shall submit an application to the Permit Board for reissuance. The Permit Board may grant permission to submit an application later than this, but no later than the expiration date of the permit. [WPC-1 Chapter One Section V.B(1)]</p> |

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Narrative Requirements:

Definitions:

| Condition No. | Condition |
|---------------|--|
| T-1 | Definitions: General The permittee shall refer to WPC-1, Chapter 1, Section I.A for definitions of any permit term not specified in this permit. [WPC-1 Chapter One Section I.A] |
| T-2 | No Discharge of Wastewater to Surface Water The discharge of any wastewater from this facility to the waters of the State of Mississippi shall constitute a violation of this permit, except as provided in the Bypassing conditions of this permit, or as authorized under separate permit pursuant to Section 402 of the Federal Water Pollution Control Act. [WPC-1 Chapter One Section I.B] |
| T-3 | Representative Sampling Samples and measurements taken as required herein shall be representative of the volume and nature of the monitored wastewater. [WPC-1 Chapter One Section IV.A(28)e] |
| T-4 | Test Procedures Test procedures for the analysis of pollutants shall include those set forth in 40 CFR 136 or alternative procedures approved and/or promulgated by EPA. [WPC-1 Chapter One Section IV.A(30)] |
| T-5 | Records Retention All records and results of monitoring activities required by this permit, including calibration and maintenance records, shall be retained by the permittee for a minimum of three (3) years, unless otherwise required or extended by the Permit Board, copies of which shall be furnished to the Department upon request. [WPC-1 Chapter One Section IV.A(29)a] |

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Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-6 | <p>Falsifying Reports</p> <p>Any permittee who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required by the Permit Board to be maintained as a condition in a permit, or who alters or falsifies the results obtained by such devices or methods and/or any written report required by or in response to a permit condition, shall be deemed to have violated a permit condition and shall be subject to the penalties provided for a violation of a permit condition pursuant to Section 49-17-43 of the Code. [WPC-1 Chapter One Section IV.A(29)d]</p> |
| T-7 | <p>Facility Expansion and/or Modification</p> <p>Any facility expansion, production increases, process modifications, changes in discharge volume or location or other changes in operations or conditions of the permittee which may result in a new or increased discharge of waste, shall be reported to the Permit Board by submission of a new application for a permit pursuant to Section II.A. of the Mississippi Wastewater Regulations, or if the discharge does not violate effluent limitations specified in the permit, by submitting to the Permit Board a notice of a new or increased discharge. [WPC-1 Chapter One Section IV.A(14)]</p> |
| T-8 | <p>Duty to Comply</p> <p>The permittee must comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the Clean Water Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or denial of a permit renewal application. [WPC-1 Chapter One Section IV.A(2)]</p> |
| T-9 | <p>Proper Operation, Maintenance and Replacement</p> <p>The permittee shall at all times properly operate, maintain, and when necessary, promptly replace all facilities and systems of collection, treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance includes adequate laboratory controls and appropriate quality assurance procedures. Proper replacement includes maintaining an adequate inventory of replacement equipment and parts for prompt replacement when necessary to maintain continuous collection and treatment of wastewater. This provision requires the operation of back-up or auxiliary facilities or similar systems that are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit. [WPC-1 Chapter One Section IV.A(18)]</p> |

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| Condition No. | Condition |
|---------------|--|
| T-10 | <p>Duty to Mitigate</p> <p>The permittee shall take all reasonable steps to minimize or prevent any discharge or sludge use or disposal in violation of the permit that has a reasonable likelihood of adversely affecting human health or the environment. [WPC-1 Chapter One Section IV.A(19)]</p> |
| T-11 | <p>Bypassing - Definitions</p> <p>"Bypass" means the intentional diversion of waste streams from any portion of a treatment facility.</p> <p>"Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production. [WPC-1 Chapter One Section IV.A(20)]</p> |
| T-12 | <p>Bypassing -Notice</p> <p>Anticipated bypass- If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten days before the date of the bypass.</p> <p>Unanticipated bypass- The permittee shall submit notice of an unanticipated bypass as required by the twenty-four hour reporting requirements set forth in this permit. [WPC-1 Chapter One Section IV.A(20)]</p> |

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Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-13 | <p>Bypassing- Prohibition of Bypass</p> <p>(1) Bypass is prohibited, and the Commission may take enforcement action against a permittee unless:</p> <p>(i) Bypass was unavoidable to prevent loss of life, personal injury, or sever property damage.</p> <p>(ii) There was no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate back-up equipment should have been installed in the exercise of reasonable engineering judgement to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and</p> <p>(iii) The permittee submitted notices as required under the Twenty-Four Hour reporting requirements set forth in this permit.</p> <p>(2) The Commission may approve an anticipated bypass, after considering its adverse affects, if the Commission determines that it will meet the three conditions listed above in paragraph (1) of this permit condition. [WPC-1 Chapter One Section IV.A(20)]</p> |
| T-14 | <p>Removed Substances</p> <p>Solids, sludges, filter backwash, or other residuals removed in the course of treatment or control of wastewater shall be disposed of in a manner such as to prevent such materials from entering State waters and in a manner consistent with the Mississippi Solid Waste Disposal Act, the Federal Resource Conservation and Recovery Act, and the Mississippi Water Pollution Control Act. [WPC-1 Chapter One Section IV.A(21)]</p> |
| T-15 | <p>Power Failures</p> <p>If electric power is required, in order to maintain compliance with the conditions and prohibitions of the permit, the permittee shall either:</p> <p>(1) Provide an alternative power source to operate the wastewater control facilities; or, if such alternative power source is not in existence, and no date for its implementation appears in the permit,</p> <p>(2) Halt, reduce, or otherwise control production and/or all wastewater flows upon reduction, loss, or failure of the primary source of power to the wastewater control facilities. [WPC-1 Chapter One Section IV.A(22)]</p> |

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Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-16 | <p>Inspection and Entry</p> <p>The permittee shall allow any authorized Commission representative to enter the permittee's premises at any reasonable time, to have access to and copy any applicable records, to inspect process facilities, treatment works, monitoring methods or equipment or to take samples, as authorized by Section 49-17-21 of the Code. In the event of investigation during an emergency response action, a reasonable time shall be any time of the day or night. Follow-up investigations subsequent to the conclusion of the emergency event shall be conducted at reasonable times. [WPC-1 Chapter One Section IV.A(17)]</p> |
| T-17 | <p>Transfer of Ownership or Control</p> <p>This permit is not transferable to any person without proper modification of this permit following procedures found in WPC-1, Chapter 1, Section V.C. [WPC-1 Chapter One Section V.C]</p> |
| T-18 | <p>Signatory Requirements</p> <p>All applications, reports, or information submitted to the Permit Board shall be signed and certified. [WPC-1 Chapter One Section II.C]</p> |
| T-19 | <p>Signatory Requirements - Application Signatures</p> <p>All permit applications shall be signed as follows:</p> <p>(1) For a corporation: by a responsible corporate officer. For the purpose of this Section, a responsible corporate officer means: (i) a president, secretary, treasurer or vice president of the corporation in charge of a principal business function, or any other person who performs similar policy - or decision-making function for the corporation, or (ii) the manager of one or more manufacturing, production, or operating facilities employing more than 250 persons or having gross annual sales or expenditures exceeding 25 million (in second quarter 1980 dollars), if authority to sign documents has been assigned or delegated to the manager in accordance with corporate procedures.</p> <p>(2) For a partnership or sole proprietorship: by a general partner or the proprietor, respectively; or</p> <p>(3) For a municipality, State, Federal, or other public agency: by either a principal executive officer or ranking elected official. [WPC-1 Chapter One Section II.C]</p> |

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AI0000035968 (continued):

Narrative Requirements:

| Condition No. | Condition |
|---------------|--|
| T-20 | <p>Signatory Requirements -Reports and Other Information</p> <p>All reports required by the permit and other information requested by the Permit Board shall be signed by a person described by the application signature requirements in this permit or by a duly authorized representative of that person. A person is a duly authorized representative only if:</p> <ol style="list-style-type: none">(1) The authorization is made in writing by a person described by the application signature requirements;(2) The authorization specifies either an individual or a position having responsibility for the overall operation of the regulated facility or activity, such as the position of plant manager, operator of a well or a well field, superintendent, position having overall responsibility for environmental matters for the company. (A duly authorized representative may thus be either a named individual or any individual occupying a named position.); and(3) The written authorization is submitted to the Permit Board. [WPC-1 Chapter One Section II.C] |
| T-21 | <p>Signatory Requirements - Changes to Authorization</p> <p>If an authorization under the signatory requirements of this permit is no longer accurate because a different individual or position has responsibility for the overall operation of the facility, a new authorization satisfying the signatory requirements of this permit must be submitted to the Permit Board prior to or together with any reports, information, or applications. [WPC-1 Chapter One Section II.C]</p> |
| T-22 | <p>Signatory Requirements - Certification</p> <p>Any person signing a document under the signatory requirements stated in this permit shall make the following certification:</p> <p>"I certify under penalty of law that this document and all attachments were prepared under the direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations." [WPC-1 Chapter One Section II.C]</p> |

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Facility Requirements

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Narrative Requirements:

| Condition No. | Condition |
|---------------|---|
| T-23 | <p>Availability of Records</p> <p>Except for information deemed to be confidential under the Mississippi Code Ann. 49-17-39 and 40 CFR 123.41, file information relating to this permit shall be made available for public inspection and copying during normal business hours at the office of the Department of Environmental Quality in Jackson, Mississippi. Written request must be provided in accordance with policies developed by the Commission and must state, specifically, records proposed for review, date proposed for review and copying requirements. [WPC-1 Chapter One Section III.E]</p> |
| T-24 | <p>Duty to Provide Information</p> <p>The permittee shall furnish to the Permit Board within a reasonable time any relevant information which the Permit Board may request to determine whether cause exists for modifying, revoking and reissuing, or terminating the permit, or to determine compliance with the permit. The permittee shall also furnish to the Permit Board upon request, copies of records required to be kept by the permit. [WPC-1 Chapter One Section IV.A(16)]</p> |
| T-25 | <p>Civil and Criminal Liability</p> <p>(1) Any person who violates a term, condition or schedule of compliance contained within this permit or the Mississippi Water Pollution Control Law is subject to the actions defined by law.</p> <p>(2) Except as provided in permit conditions on "Bypassing" and "Upsets" (Part II. A.7 and 8), nothing in this permit shall be construed to relieve the permittee from civil or criminal penalties for noncompliance.</p> <p>(3) It shall not be the defense of the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit. [WPC-1 Chapter One Section IV.A(24)]</p> |
| T-26 | <p>Oil and Hazardous Substance Liability</p> <p>Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties to which the permittee is or may be subject to under Section 311 of the Federal Water Pollution Control Act and applicable provisions under Mississippi Law pertaining to transportation, storage, treatment, or spillage of oil or hazardous substances. [WPC-1 Chapter One Section IV.A(23)]</p> |

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Facility Requirements

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Narrative Requirements:

| Condition No. | Condition |
|---------------|---|
| T-27 | <p>Property Rights</p> <p>The issuance of this permit does not convey any property rights in either real or personal property, or any exclusive privileges, nor does it authorize any injury to private property or any invasion of personal rights, nor any infringement of Federal, State, or local laws or regulations. [WPC-1 Chapter One Section V.E]</p> |
| T-28 | <p>Severability</p> <p>The provisions of this permit are severable. If any provision of this permit, or the application of any provision of this permit to any circumstances, is challenged or held invalid, the validity of the remaining permit provisions and/or portions thereof or their application to other persons or sets of circumstances, shall not be affected thereby. [WPC-1 Chapter One Section IV.A(25)]</p> |
| T-29 | <p>Protection of Confidential Information</p> <p>(1) Pursuant to Miss. Code Ann. ' 49-17-39 and 40 CFR 123.41, the Permit Board shall make available to the public all information contained on any form and all public comments on such information. Effluent data and information concerning air or water quality shall also be made available to the public. Information that is determined by the Commission to be trade secrets shall not be disclosed to the public without prior consent of the source of such information. When a claim of confidentiality is made by a person in accordance with the provisions of Miss. Code Ann. ' 49-17-39, a recommendation on the questions of confidentiality shall be made by the Commission and forwarded to the Regional Administrator (or his/her designee) of EPA for his concurrence in such determination of confidentiality. [WPC-1 Chapter One Section III.F]</p> |
| T-30 | <p>Protection of Confidential Information (continued)</p> <p>(2) A copy of a State, UIC, or NPDES permit application, public notice, fact sheet, draft permit and other forms relating thereto, including written public comment and other reports, files and information relating to the application not classified as confidential information by the Commission pursuant to Part II. B.13.a), shall be available for public inspection and copying during normal business hours at the office of the Department in Jackson, Mississippi. [WPC-1 Chapter One Section III.F]</p> |

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Narrative Requirements:

| Condition No. | Condition |
|---------------|---|
| T-31 | <p>Protection of Confidential Information (continued)</p> <p>(3) Upon determination by the Commission that information submitted by a permit applicant is entitled to protection against disclosure as trade secrets, the information shall be so labeled and otherwise handled as confidential. Copies of the information and a notice of the Commission's action shall be forwarded to the Regional Administrator (or his/her designee). In making its determination of entitlement to protection as a trade secret, the Commission shall follow the procedure set forth in Miss. Code Ann. ' 49-17-39. In the event the Commission denies the claim of confidentiality, the applicant shall have, upon notification thereof, the right to appeal the Commission's determination in the same manner provided for other orders of the Commission. No disclosure, except to EPA, shall be allowed until any appeal from the determination of the Commission is completed. [WPC-1 Chapter One Section III.F]</p> |
| T-32 | <p>Spill Prevention and Best Management Plans</p> <p>Any permittee which has above ground bulk storage capacity, of more than 1320 gallons or any single container with a capacity greater than 660 gallons, of materials and/or liquids (including but not limited to, all raw, finished and/or waste material) with chronic or acute potential for pollution impact on waters of the State and not subject to Mississippi Hazardous Waste Management Regulations or 40 CFR 112 (Oil Pollution Prevention) regulations shall provide secondary containment as found in 40 CFR 112 or equivalent protective measures such as trenches or waterways which would conduct any tank releases to a permitted treatment system or sufficient equalization or treatment capacity needed to prevent chronic/acute pollution impact. [WPC-1 Chapter One Section IV.A(12)a]</p> |
| T-33 | <p>Reopener Clause</p> <p>This permit shall be modified, or alternately, revoked and reissued, to comply with any applicable effluent standard, limitation or storm water regulation issued or approved under Section 301(b)(2)(C), and (D), 304(b)(2), 307(a)(2) and 402(p) of the Federal Water Pollution Control Act if the effluent standard, limitation or regulation so issued or approved:</p> <ol style="list-style-type: none">1. Contains different conditions or is otherwise more stringent than any effluent limitation in the permit; or2. Controls any pollutant not limited in the permit. [WPC-1 Chapter One Section IV.F(1)] |

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Narrative Requirements:

| Condition No. | Condition |
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| T-34 | <p>Closure Requirements</p> <p>Should the permittee decide to permanently close and abandon the premises upon which it operates, it shall provide a Closure Plan to the Permit Board no later than 90 days prior to doing so. This Closure Plan shall address how and when all manufactured products, by-products, raw materials, stored chemicals, and solid and liquid waste and residues will be removed from the premises or permanently disposed of on site such that no potential environmental hazard to the waters of the State will be presented. Closure plan(s) submitted to and approved by Mississippi Department of Environmental Quality for compliance with other environmental regulations will satisfy the closure requirements for those items specifically addressed in the closure plan(s) as long as the closure does not present a potential for environmental hazard to waters of the State. [WPC-1 Chapter One Section IV.A(11)]</p> |
| T-35 | <p>Permit Actions</p> <p>The permit may be modified, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a modification of planned changes or anticipated noncompliance, does not stay any permit condition. [WPC-1 Chapter One Section V.C(5)]</p> |

GENERAL INFORMATION

Hills of the Bear LLC, Hills of the Bear LLC South Facility
County Road 410
Iuka, MS
Tishomingo County

Alternate/Historic Identifiers

| ID | Alternate/Historic Name | User Group | Start Date | End Date |
|-----------|---|--------------------|------------|------------|
| 35968 | Hills of the Bear, LLC | Official Site Name | 7/20/2007 | |
| MSU070035 | Hills of the Bear LLC, Hills of the Bear LLC South Facility | Water - SOP | 11/8/2007 | 10/31/2012 |
| MSR104740 | Hills of the Bear LLC, Hills of the Bear LLC South Facility | GP-Construction | 3/10/2008 | 5/31/2010 |
| MSU070035 | Hills of the Bear LLC, Hills of the Bear LLC South Facility | Water - SOP | 11/1/2012 | 10/31/2017 |

Basin: Tennessee River Basin

Location Description:

General Facility Description: Hills of the Bear LLC, Hills of the Bea South Facility

Relevant Documents: Plans, Specs, SW NOI Plan, Cover Page, Domestic WW State Operating Application