

Page 1 of 2

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2007-0912-MLM-E TCEQ ID: RN105161939 CASE NO.: 33752
RESPONDENT NAME: F. A. Nunnelly Company

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input checked="" type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input checked="" type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input checked="" type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: Bulverde Library, Bulverde Crossing Road, 2,750 feet southeast of Old Boerne Road, Bulverde, Comal County</p> <p>TYPE OF OPERATION: Commercial construction site</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on October 8, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Deana Holland, Enforcement Division, Enforcement Team 1, MC 169, (512) 239-2504; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Douglas F. Nunnelly, Secretary/Treasurer, F. A. Nunnelly Company, 2922 North Pan Am Expressway, San Antonio, Texas 78208 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: February 14, 2007</p> <p>Date of NOV/NOE Relating to this Case: May 8, 2007 (NOE)</p> <p>Background Facts: This was a routine investigation. Two violations were documented.</p> <p>WATER/WASTE</p> <p>1) Failed to obtain authorization to discharge storm water associated with construction activities and failed to develop and implement a storm water pollution prevention plan [30 TEX. ADMIN. CODE § 281.25(a)(4) and 40 CODE OF FEDERAL REGULATIONS § 122.26(c)].</p> <p>2) Failed to prevent the unauthorized disposal of municipal solid waste. Specifically, tracked and accumulated sediment, clumps of dirt, and muddy tire tracks were observed on the road off-site and adjacent to the construction exit [30 TEX. ADMIN. CODE § 330.15(a) and TEX. WATER CODE § 26.121(c)].</p>	<p>Total Assessed: \$1,500</p> <p>Total Deferred: \$300 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$1,200</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Site:</p> <p>a. Developed and implemented a storm water pollution prevention plan by March 13, 2007;</p> <p>b. Submitted narrative and photographic compliance documentation that indicated that accumulations of sediment on the road off-site and adjacent to the construction exit had been removed by March 13, 2007; and</p> <p>c. Submitted a properly completed Notice of Intent on March 13, 2007.</p>

Additional ID No(s): 0



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

TCEQ

DATES	Assigned	4-Jun-2007	Screening	8-Jun-2007	EPA Due	
	PCW	9-Jun-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	F. A. Nunnally Company		
Reg. Ent. Ref. No.	RN105161939		
Facility/Site Region	13-San Antonio	Major/Minor Source	Minor

CASE INFORMATION				
Enf./Case ID No.	33752	No. of Violations	2	
Docket No.	2007-0912-MLM-E	Order Type	1660	
Media Program(s)	Water Quality	Enf. Coordinator	Deana Holland	
Multi-Media	Municipal Solid Waste	EC's Team	EnforcementTeam 1	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$2,000
---	-------------------	---------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	0% Enhancement	Subtotals 2, 3, & 7	\$0
---------------------------	----------------	--------------------------------	-----

Notes: No enhancement due to Average Performer classification.

Culpability	No	0% Enhancement	Subtotal 4	\$0
--------------------	----	----------------	-------------------	-----

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply	25% Reduction	Subtotal 5	\$500
------------------------------------	---------------	-------------------	-------

Before NOV NOV to EDRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes: The Respondent came into full compliance on March 13, 2007.

Total EB Amounts	\$11	0% Enhancement*	Subtotal 6	\$0
Approx. Cost of Compliance	\$3,000	*Capped at the Total EB \$ Amount		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$1,500
-----------------------------	-----------------------	---------

OTHER FACTORS AS JUSTICE MAY REQUIRE

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes: [Empty box]

Adjustment	\$0
-------------------	-----

Final Penalty Amount	\$1,500
-----------------------------	---------

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty	\$1,500
-------------------------------	---------

DEFERRAL

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

20% Reduction	Adjustment	-\$300
---------------	-------------------	--------

PAYABLE PENALTY	\$1,200
------------------------	---------

Screening Date 8-Jun-2007

Docket No. 2007-0912-MLM-E

PCW

Respondent F. A. Nunnally Company

Policy Revision 2 (September 2002)

Case ID No. 33752

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN105161939

Media [Statute] Water Quality

Enf. Coordinator Deana Holland

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

No enhancement due to Average Performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 0%

Screening Date 8-Jun-2007

Docket No. 2007-0912-MLM-E

PCW

Respondent F. A. Nunnely Company

Policy Revision 2 (September 2002)

Case ID No. 33752

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN105161939

Media [Statute] Water Quality

Enf. Coordinator Deana Holland

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 281.25(a)(4) and 40 Code of Federal Regulations § 122.26(c).

Violation Description Failed to obtain authorization to discharge storm water associated with construction activities and failure to develop and implement a storm water pollution prevention plan, as documented during an investigation conducted on February 14, 2007.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
		x			10%

Matrix Notes 100% of the rule requirement was not met.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1 Number of violation days 27

mark only one with an x	daily	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$1,000

One monthly event is recommended from the date of the investigation (February 14, 2007) to the date of compliance (March 13, 2007).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$7

Violation Final Penalty Total \$750

This violation Final Assessed Penalty (adjusted for limits) \$750

Economic Benefit Worksheet

Respondent F. A. Nunnely Company
Case ID No. 33752
Reg. Ent. Reference No. RN105161939
Media Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$2,000	14-Feb-2007	13-Mar-2007	0.1	\$7	n/a	\$7

Notes for DELAYED costs

The estimated cost of preparing and implementing a storm water pollution prevention plan and submitting a Notice of Intent ("NOI"). Date required is the date of the investigation and the final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$2,000	TOTAL	\$7
----------------------------	---------	--------------	-----

Screening Date 8-Jun-2007

Docket No. 2007-0912-MLM-E

PCW

Respondent F. A. Nunnely Company

Policy Revision 2 (September 2002)

Case ID No. 33752

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN105161939

Media [Statute] Water Quality

Enf. Coordinator Deana Holland

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 330.15(a) and Tex. Water Code § 26.121(c)

Violation Description

Failed to prevent the unauthorized disposal of municipal solid waste. Specifically, tracked and accumulated sediment, clumps of dirt, and muddy tire tracks were observed on the road off-site and adjacent to the construction exit during the investigation conducted on February 14, 2007.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

As a result of this violation, human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

27 Number of violation days

daily	
monthly	
quarterly	X
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$1,000

One quarterly event is recommended from the date of the investigation (February 14, 2007) to the date of compliance (March 13, 2007).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$4

Violation Final Penalty Total \$750

This violation Final Assessed Penalty (adjusted for limits) \$750

Economic Benefit Worksheet

Respondent: F. A. Nunnally Company
Case ID No.: 33752
Reg. Ent. Reference No.: RN105181939
Media: Water Quality
Violation No.: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$1,000	14-Feb-2007	13-Mar-2007	0.1	\$4	n/a	\$4

Notes for DELAYED costs

Estimated cost associated with removing and disposing of the contaminated soil and improving best management practices to prevent further unauthorized disposals. Date required is the date of the investigation and the final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$1,000	TOTAL	\$4
----------------------------	---------	--------------	-----

Compliance History

Customer/Respondent/Owner-Operator:	CN602763625 F. A. Nunnelly Company	Classification: AVERAGE BY DEFAULT	Rating: 3.01
Regulated Entity:	RN105161939 BULVERDE LIBRARY	Classification:	Site Rating:
ID Number(s):	EDWARDS AQUIFER	REGISTRATION	13-07010301
Location:	BULVERDE CROSSING RD 2750 FT SE OF OLD BOERNE RD, BULVERDE, TEXAS, COMAL COUNTY		
TCEQ Region:	REGION 13 - SAN ANTONIO		
Date Compliance History Prepared:	June 28, 2007		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	June 09, 2002 to June 09, 2007		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	<u>Deana Holland</u>	Phone:	<u>239-2504</u>

Site Compliance History Components

- | | |
|--|---|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | Yes |
| 3. If Yes, who is the current owner? | <u>BULVERDE AREA
RURAL LIBRARY
DISTRICT</u> |
| 4. If Yes, who was/were the prior owner(s)? | <u>City of Bulverde</u> |
| 5. When did the change(s) in ownership occur? | <u>2/14/2007</u> |

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)
 - 1 03/02/2007 (536208)
 - 2 05/09/2007 (542757)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
- F. Environmental audits.
N/A
- G. Type of environmental management systems (EMSs).
N/A
- H. Voluntary on-site compliance assessment dates.
N/A
- I. Participation in a voluntary pollution reduction program.
N/A
- J. Early compliance.
N/A

Sites Outside of Texas

Project: [Faint Title]

[Faint paragraph of text]

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
F. A. NUNNELLY COMPANY
RN105161939**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0912-MLM-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding F. A. Nunnelly Company ("F. A. Nunnelly") under the authority of TEX. WATER CODE chs. 7 and 26 and TEX HEALTH & SAFETY CODE ch. 361. The Executive Director of the TCEQ, through the Enforcement Division, and F. A. Nunnelly appear before the Commission and together stipulate that:

1. F. A. Nunnelly operates a commercial construction site at Bulverde Crossing Road, 2,750 feet southeast of Old Boerne Road in Bulverde, Comal County, Texas (the "Site").
2. F. A. Nunnelly has caused, suffered, allowed or permitted the discharge of any waste or the performance of any activity in violation of TEX. WATER CODE ch. 26 or any rule, permit, or order of the Commission.
3. The Site involves or involved the management of municipal solid waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.
4. The Commission and F. A. Nunnelly agree that the Commission has jurisdiction to enter this Agreed Order, and that F. A. Nunnelly is subject to the Commission's jurisdiction.
5. F. A. Nunnelly received notice of the violations alleged in Section II ("Allegations") on or about May 13, 2007.
6. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by F. A. Nunnelly of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

7. An administrative penalty in the amount of One Thousand Five Hundred Dollars (\$1,500) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). F. A. Nunnelly has paid One Thousand Two Hundred Dollars (\$1,200) of the administrative penalty and Three Hundred Dollars (\$300) is deferred contingent upon F. A. Nunnelly's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If F. A. Nunnelly fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require F. A. Nunnelly to pay all or part of the deferred penalty.
8. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
9. The Executive Director of the TCEQ and F. A. Nunnelly have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
10. The Executive Director recognizes that F. A. Nunnelly has implemented the following corrective measures at the Site:
 - a. Developed and implemented a storm water pollution prevention plan by March 13, 2007;
 - b. Submitted narrative and photographic compliance documentation that indicated that accumulations of sediment on the road off-site and adjacent to the construction exit had been removed by March 13, 2007; and
 - c. Submitted a properly completed Notice of Intent on March 13, 2007.
11. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that F. A. Nunnelly has not complied with one or more of the terms or conditions in this Agreed Order.
12. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
13. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry should be supported by a valid receipt or invoice. This not only helps in tracking expenses but also ensures compliance with tax regulations. The document further outlines the steps to be followed when recording transactions, from identifying the nature of the expense to the final posting to the ledger.

In the second section, the focus is on the classification of expenses. It provides a detailed list of categories, such as salaries, rent, utilities, and travel. Each category is explained with examples to help the reader understand how to correctly classify their own expenses. The document also mentions the importance of using the correct accounting codes for each entry.

The third part of the document deals with the reconciliation process. It explains how to compare the company's records with bank statements to identify any discrepancies. The document provides a step-by-step guide on how to investigate and resolve these differences, ensuring that the books are balanced and accurate.

The final section discusses the importance of regular audits. It highlights that audits are essential for detecting errors and preventing fraud. The document provides tips on how to conduct an internal audit and how to prepare for an external audit. It also mentions the role of the auditor in providing an independent opinion on the company's financial statements.

In conclusion, the document stresses that maintaining accurate and up-to-date financial records is crucial for the success of any business. It encourages the reader to follow the guidelines provided and to seek professional advice if needed. The document ends with a note on the importance of staying informed about changes in accounting standards and tax laws.

II. ALLEGATIONS

As owner and operator of the Site, F. A. Nunnelly is alleged to have:

1. Failed to obtain authorization to discharge storm water associated with construction activities and failed to develop and implement a storm water pollution prevention plan, in violation of 30 TEX. ADMIN. CODE § 281.25(a)(4) and 40 CODE OF FEDERAL REGULATIONS § 122.26(c), as documented during an investigation conducted on February 14, 2007.
2. Failed to prevent the unauthorized disposal of municipal solid waste, in violation of 30 TEX. ADMIN. CODE § 330.15(a) and TEX. WATER CODE § 26.121(c), as documented during an investigation conducted on February 14, 2007. Specifically, tracked and accumulated sediment, clumps of dirt, and muddy tire tracks were observed on the road off-site and adjacent to the construction exit.

III. DENIALS

F. A. Nunnelly generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that F. A. Nunnelly pay an administrative penalty as set forth in Section I, Paragraph 7 above. The payment of this administrative penalty and F. A. Nunnelly's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: F. A. Nunnelly Company, Docket No. 2007-0912-MLM-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The provisions of this Agreed Order shall apply to and be binding upon F. A. Nunnelly. F. A. Nunnelly is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against F. A. Nunnelly in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.

MEMORANDUM FOR THE RECORD
SUBJECT: [Illegible]

[Illegible text]

4. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.

5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to F. A. Nunnelly, or three days after the date on which the Commission mails notice of the Order to F. A. Nunnelly, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

The following information is provided for your information. The information is for informational purposes only and should not be used for any other purpose. The information is for informational purposes only and should not be used for any other purpose.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

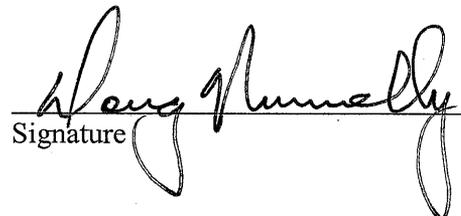
Date 10/18/07

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

Date August 3, 2007

Doug Nunnelly

Name (Printed or typed)
Authorized Representative of
F. A. Nunnelly Company

Secretary/Treasurer

Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

