EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1868-PST-E **TCEQ ID:** RN101832533 **CASE NO.:** 31425

RESPONDENT NAME: Hagg, Inc. dba Speedy Mart

ORDER TYPE:		
X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
__AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	X PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Speedy Mart, 9401 Harwin Drive, Houston, Harris County

TYPE OF OPERATION: Convenience store with retail sales of gasoline

SMALL BUSINESS: __X__ Yes ____ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on April 23, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Mr. Colin Barth, Enforcement Division, Enforcement Section IV, MC 128, (512) 239-0086; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

Respondent: Mr. Gulam H. Gulamali, President, Hagg, Inc., 9401 Harwin Drive, Houston, Texas 77036

Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: __ Complaint _X_ Routine __ Enforcement Follow-up __ Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** August 18, 2006 **Date of NOE Relating to this Case:** August 30, 2006 (NOE) **Background Facts:** This was a routine investigation. Two violations were documented. **WASTE** 1) Failed to conduct effective manual or automatic inventory control procedures for all underground storage tanks ("USTs") involved in the retail sale of petroleum substances used as a motor fuel [30 TEX. ADMIN. CODE § 334.48(c)]. 2) Failed to provide proper release detection for the UST system. Specifically, Hagg failed to monitor USTs for releases at a frequency of at least once every month (not to exceed 35 days between each monitoring); provide release detection for the piping associated with the UST system; Hagg failed to conduct annual piping tightness test for pressurized piping; and test the line leak detector at least once per year for performance and operational reliability. Also, Hagg failed to conduct reconciliation of detailed inventory control records at least once a month, sufficiently accurate to detect a release as small as the sum of 1.0% of the total substance flow-through for the month plus 130 gallons [30 TEX. ADMIN. CODE § 334.50(b)(1)(A), 334.50(b)(2), 334.50(b)(2)(A)(i)(III), 334.50(d)(1)(B)(ii) and TEX. WATER CODE § 26.3475(a) and (c)].	**Total Assessed:** $6,600 **Total Deferred:** $1,320 _X_ Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid (Due) to General Revenue:** $264 (remaining $5,016 to be paid in 19 monthly payments of $264 each) **Site Compliance History Classification** **__ High __ Average _X_ Poor** **Person Compliance History Classification** **__ High __ Average _X_ Poor** **Major Source:** __ Yes _X_ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** 1) The Executive Director recognizes that Hagg conducted the line leak detector test on August 19, 2006 **Ordering Provisions:** 2) The Order will require the Respondent to: a. Immediately upon the effective date of this Agreed Order, implement effective manual or automatic inventory control procedures for all USTs; b. Within 30 days after the effective date of this Agreed Order: i. Conduct annual piping tightness test for pressurized piping; ii. Provide proper release detection for the UST system; and c. Within 45 days after the effective date of this Agreed Order, submit written certification and including detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions Nos. 2.a. through 2.b.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) *PCW Revision May 19, 2005*

DATES					
Assigned	05-Sep-2006				
PCW	30-Jan-2007	Screening	06-Oct-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Hagg, Inc. dba Speedy Mart		
Reg. Ent. Ref. No.	RN101832533		
Facility/Site Region	12-Houston	Major/Minor Source	Minor Source

CASE INFORMATION

Enf./Case ID No.	31425	No. of Violations	2
Docket No.	2006-1868-PST-E	Order Type	1660
Media Program(s)	Petroleum Storage Tank	Enf. Coordinator	A. Sunday Udoetok
Multi-Media		EC's Team	Enforcement Team 8
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $5,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 32% Enhancement *Subtotals 2, 3, & 7* $1,600

Notes: An enhancement is given for one Agreed Order, a Notice of Violation for non similar violations, and a Poor Performer classification.

Culpability No 0% Enhancement *Subtotal 4* $0

Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction *Subtotal 5* $0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	*(mark with a small x)*

Notes: The respondent does not meet the good faith criteria.

Economic Benefit 0% Enhancement* *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$1,310
Approx. Cost of Compliance	$3,340

SUM OF SUBTOTALS 1-7 Final Subtotal $6,600

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment $0

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

Notes:

Final Penalty Amount $6,600

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $6,600

DEFERRAL 20% Reduction Adjustment -$1,320

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $5,280

Screening Date 06-Oct-2006 **Docket No.** 2006-1868-PST-E **PCW**
Respondent Hagg, Inc. dba Speedy Mart *Policy Revision 2 (September 2002)*
Case ID No. 31425 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN101832533
Media [Statute] Petroleum Storage Tank
Enf. Coordinator A. Sunday Udoetok

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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability *(number of orders meeting criteria)*	1	20%
	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*	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%
		Please Enter Yes or No	
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) **22%**

>> **Repeat Violator (Subtotal 3)**

No

Adjustment Percentage (Subtotal 3) **0%**

>> **Compliance History *Person* Classification (Subtotal 7)**

Poor Performer

Adjustment Percentage (Subtotal 7) **10%**

>> **Compliance History Summary**

Compliance History Notes An enhancement is given for one Agreed Order, a Notice of Violation for non similar violations, and a Poor Performer classification.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **32%**

Screening Date 06-Oct-2006 **Docket No.** 2006-1868-PST-E **PCW**

Respondent Hagg, Inc. dba Speedy Mart *Policy Revision 2 (September 2002)*

Case ID No. 31425 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN101832533

Media [Statute] Petroleum Storage Tank

Enf. Coordinator A. Sunday Udoetok

Violation Number 1

Primary Rule Cite(s) 30 Tex. Admin. Code § 334.48(c)

Secondary Rule Cite(s)

Violation Description Failed to conduct effective manual or automatic inventory control procedures for all USTs involved in the retail sale of petroleum substances used as a motor fuel.

Base Penalty $10,000

>> **Environmental, Property and Human Health Matrix**

Release	Harm: Major	Moderate	Minor
Actual			
Potential	x		

OR

Percent 25%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment will or could be exposed to pollutants which would exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1

mark only one use a small x	
daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $2,500

One quarterly event is recommended from the August 18, 2006 investigation date to the October 6, 2006 screening date.

Economic Benefit (EB) for this violation

Estimated EB Amount $55

Statutory Limit Test

Violation Final Penalty Total $3,300

This violation Final Assessed Penalty (adjusted for limits) $3,300

Economic Benefit Worksheet

Respondent Hagg, Inc. dba Speedy Mart
Case ID No. 31425
Reg. Ent. Reference No. RN101832533
Media [Statute] Petroleum Storage Tank
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)	$1,000	18-Aug-2006	03-Jun-2007	0.8	$3	$53	$55
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)				0.0	$0	n/a	$0

Notes for DELAYED costs Estimated cost to conduct effective inventory control. Date Required is the date of the investigation and Final Date is the estimated 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 $55

Screening Date 06-Oct-2006 **Docket No.** 2006-1868-PST-E **PCW**

Respondent Hagg, Inc. dba Speedy Mart *Policy Revision 2 (September 2002)*

Case ID No. 31425 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN101832533

Media [Statute] Petroleum Storage Tank

Enf. Coordinator A. Sunday Udoetok

Violation Number 2

Primary Rule Cite(s) 30 Tex. Admin. Code § 334.50(b)(1)(A), 334.50(b)(2), 334.50(b)(2)(A)(i)(III) and 334.50(d)(1)(B)(ii)

Secondary Rule Cite(s) Tex. Water Code § 26.3475(a) and (c)

Violation Description Failed to provide proper release detection for the UST system. Specifically, the respondent failed to monitor USTs for releases at a frequency of at least once every month (not to exceed 35 days between each monitoring); provide release detection for the piping associated with the UST system; conduct annual piping tightness test for pressurized piping; and test the line leak detector at least once per year for performance and operational reliability. Also, the respondent failed to conduct reconciliation of detailed inventory control records at least once a month, sufficiently accurate to detect a release as small as the sum of 1.0% of the total substance flow-through for the month plus 130 gallons.

Base Penalty $10,000

>> **Environmental, Property and Human Health Matrix**

Release	Harm: Major	Moderate	Minor
Actual			
Potential	x		

OR

Percent 25%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment will or could be exposed to pollutants which would exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1

mark only one use a small x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $2,500

One quarterly event is recommended from the August 18, 2006 investigation date to the October 6, 2006 screening date.

Economic Benefit (EB) for this violation **Statutory Limit Test**

Estimated EB Amount $1,255 **Violation Final Penalty Total** $3,300

This violation Final Assessed Penalty (adjusted for limits) $3,300

Economic Benefit Worksheet

Respondent Hagg, Inc. dba Speedy Mart
Case ID No. 31425
Reg. Ent. Reference No. RN101832533
Media [Statute] Petroleum Storage Tank
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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)	$1,190	18-Aug-2006	03-Jun-2007	0.8	$47	n/a	$47

Notes for DELAYED costs Estimated cost to provide proper release detection for the UST system. Date Required is the investigation date and Final Date is the estimated 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	$150	18-Aug-2005	18-Aug-2006	1.0	$8	$150	$158
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)	$1,000	18-Aug-2005	18-Aug-2006	1.0	$50	$1,000	$1,050

Notes for AVOIDED costs Estimated cost to conduct annual line leak detector test and annual piping test for the twelve month period preceding the investigation.

Approx. Cost of Compliance $2,340

TOTAL $1,255

Compliance History

Customer/Respondent/Owner-Operator:	CN602688434	Hagg, Inc. dba Speedy Mart	Classification: POOR	Rating: 48.75
Regulated Entity:	RN101832533	SPEEDY MART	Classification: POOR	Site Rating: 48.75
ID Number(s):	PETROLEUM STORAGE TANK REGISTRATION		REGISTRATION	39751
	AIR NEW SOURCE PERMITS		REGISTRATION	55572
Location:	9401 HARWIN DR, HOUSTON, TX, 77036		Rating Date: 9/1/2006	Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: May 07, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: October 25, 2001 to October 25, 2006

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Colin Barth Phone: 512 239 0086

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? No
3. If Yes, who is the current owner? N/A
4. if Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

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 Effective Date: 12/20/2004 ADMINORDER 2004-0229-PST-E

Classification: Moderate

Citation: 30 TAC Chapter 334, SubChapter C 334.48(c)
Description: Failed to conduct effective manual or automatic inventory control for all UST systems at retail service stations.

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.3475(a)
2D TWC Chapter 26, SubChapter A 26.3475(c)(1)

30 TAC Chapter 334, SubChapter C 334.50(b)(1)(A)
30 TAC Chapter 334, SubChapter C 334.50(d)(1)(B)(ii)

Description: Failed to monitor the USTs for releases at a frequency of at least once every month (not to exceed 35 days between each monitoring). Specifically, Hagg, Inc. failed to conduct inventory control in conjunction with ATG;

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.3475(c)(1)
30 TAC Chapter 334, SubChapter C 334.50(b)(1)(A)

30 TAC Chapter 334, SubChapter C 334.50(d)(4)(A)(ii)(II)

Description: Failed to monitor the USTs for releases at a frequency of at least once every month (not to exceed 35 days between each monitoring). Specifically, Hagg, Inc. failed to perform an automatic test for substance loss from the unleaded tank that can detect a release which equals or exceeds a rate of 0.2 gallons per hour fr

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.3475(a)
30 TAC Chapter 334, SubChapter C 334.50(b)(2)(A)(i)[G]

Description: Failed to equip each separate pressurized line with an automatic line leak detector on all three tanks.

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 06/01/2005 (381252)
2 08/30/2006 (509805)
3 08/31/2006 (510875)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date: 06/01/2005 (381252)

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.246(6)
Description: FAILURE TO MAINTAIN A RECORD OF THE RESULTS OF DAILY INSPECTIONS CONDUCTED.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.246(4)
Description: FAILURE TO MAINTAIN PROOF OF ATTENDANCE AND COMPLETION OF THE TRAINING SPECIFIED.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.245(2)
Description: FAILURE TO VERIFY PROPER OPERATION OF THE STAGE II EQUIPMENT AT LEAST ONCE EVERY TWELVE MONTHS.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.246(1)
Description: FAILURE TO MAINTAIN A COPY OF THE CALIFORNIA AIR RESOURCES BOARD (CARB EXECUTIVE ORDER (S) FOR THE STAGE II VAPOR RECOVERY SYSTEM.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 115, SubChapter C 115.242(3)(A)
Description: FAILURE TO MAINTAIN THE STAGE II VAPOR RECOVERY SYSTEM IN PROPER OPERATING CONDITION AS SPECIFIED BY THE

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

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
HAGG, INC. DBA SPEEDY MART	§	
RN101832533	§	
	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1868-PST-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 Hagg, Inc. dba Speedy Mart ("Hagg") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and Hagg, appear before the Commission and together stipulate that:

1. Hagg owns and operates a convenience store with retail sales of gasoline at 9401 Harwin Drive in Houston, Harris County, Texas (the "Facility").

2. Hagg's five underground storage tanks ("USTs") are not exempt or excluded from regulation under the Texas Water Code or the rules of the Commission.

3. The Commission and Hagg agree that the Commission has jurisdiction to enter this Agreed Order, and that Hagg is subject to the Commission's jurisdiction.

4. Hagg received notice of the violations alleged in Section II ("Allegations") on or about September 4, 2006.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Hagg of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Six Thousand Six Hundred Dollars ($6,600) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Hagg has paid Two Hundred Sixty-Four Dollars ($264) of the administrative penalty and One Thousand Three Hundred Twenty Dollars ($1,320) is deferred contingent upon Hagg's timely and satisfactory compliance with all the terms of this Agreed Order. If Hagg fails to timely and satisfactorily comply

with all requirements of this Agreed Order, including the payment schedule, the Executive Director may require Hagg to pay all or part of the deferred penalty.

The remaining amount of Five Thousand Sixteen Dollars ($5,016) of the administrative penalty shall be payable in 19 monthly payments of Two Hundred Sixty-Four Dollars ($264) each. The next monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall each be paid not later than 30 days following the due date of the previous payment until paid in full. If Hagg fails to timely and satisfactorily comply with the payment requirements of this Agreed Order, the Executive Director may, at the Executive Director's option, accelerate the maturity of the remaining installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. In addition, the failure of Hagg to meet the payment schedule of this Agreed Order constitutes the failure by Hagg to timely and satisfactorily comply with all the terms of this Agreed Order.

7. 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.

8. The Executive Director of the TCEQ and Hagg have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director recognizes that Hagg conducted the line leak detector test on August 19, 2006.

10. 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 Hagg has not complied with one or more of the terms or conditions in this Agreed Order.

11. 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.

12. 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.

II. ALLEGATIONS

As owner and operator of the Facility, Hagg is alleged to have:

1. Failed to conduct effective manual or automatic inventory control procedures for all USTs involved in the retail sale of petroleum substances used as a motor fuel, in violation of 30 TEX. ADMIN. CODE § 334.48(c), as documented during an investigation conducted on August 18, 2006.

2. Failed to provide proper release detection for the UST system, in violation of 30 TEX. ADMIN. CODE § 334.50(b)(1)(A), 334.50(b)(2), 334.50(b)(2)(A)(i)(III), 334.50(d)(1)(B)(ii) and TEX. WATER CODE

§ 26.3475(a) and (c), as documented during an investigation conducted on August 18, 2006. Specifically, Hagg failed to monitor USTs for releases at a frequency of at least once every month (not to exceed 35 days between each monitoring); provide release detection for the piping associated with the UST system; Hagg failed to conduct annual piping tightness test for pressurized piping; and test the line leak detector at least once per year for performance and operational reliability. Also, Hagg failed to conduct reconciliation of detailed inventory control records at least once a month, sufficiently accurate to detect a release as small as the sum of 1.0% of the total substance flow-through for the month plus 130 gallons.

III. DENIALS

Hagg generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Hagg pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Hagg'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: Hagg, Inc. dba Speedy Mart, Docket No. 2006-1868-PST-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. It is further ordered that Hagg shall undertake the following technical requirements:

   a. Immediately upon the effective date of this Agreed Order, implement effective manual or automatic inventory control procedures for all USTs, in accordance with 30 TEX. ADMIN. CODE § 334.48;

   b. Within 30 days after the effective date of this Agreed Order:

      i. Conduct annual piping tightness test for pressurized piping, in accordance with 30 TEX. ADMIN. CODE § 334.50;

      ii. Provide proper release detection for the UST system, in accordance with 30 TEX. ADMIN. CODE § 334.50; and

   c. Within 45 days after the effective date of this Agreed Order, submit written certification as

described below, and including detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provisions Nos. 2.a. through 2.b.

The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

> "I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is 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."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Waste Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 77023-1452

3. The provisions of this Agreed Order shall apply to and be binding upon Hagg. Hagg is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.

4. If Hagg fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, Hagg's failure to comply is not a violation of this Agreed Order. Hagg shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Hagg shall notify the Executive Director within seven days after Hagg becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Hagg shall be made in writing to the Executive Director. Extensions are not effective until Hagg receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the

Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against Hagg 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.

7. 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.

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

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 1/11/07
For the Executive Director Date

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

- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- 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 against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

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

Gulam H. Gulamali 2-12-07
Signature Date

GULAM H GULAMALI PRESIDENT
Name (Printed or typed) Title
Authorized Representative of
Hagg, Inc. dba Speedy Mart

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.