EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1820-AIR-E **TCEQ ID:** RN100221282 **CASE NO.:** 31466

RESPONDENT NAME: Penreco Partnership

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:		
X AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	__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: Dickinson Plant, 4401 Park Avenue, Dickinson, Galveston County

TYPE OF OPERATION: Petroleum and coal products plant

SMALL BUSINESS: ___ Yes __X__ 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 9, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None
TCEQ Enforcement Coordinator: Ms. Miriam Hall, Enforcement Division, Enforcement Team 4, MC 149, (512) 239-1044; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896
Local Program Investigator: Ms. Kimberly McGee, Galveston County Health District, P.O. Box 939, La Marque, Texas 77568
Respondent: Mr. Craig E. Bush, Chief Operating Officer, Penreco Partnership, 4401 Park Avenue, Dickinson, Texas 77539-6933
Mr. Michael Cunningham, Senior Environmental Engineer, Penreco Partnership, 4401 Park Avenue, Dickinson, Texas 77539-6933
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 ___ Routine _X_ Enforcement Follow-up ___ Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** June 7, 2006 **Date of NOE Relating to this Case:** August 18, 2006 (NOE) **Background Facts:** During a follow-up investigation by the Galveston County Local program of Penreco's Permit Compliance Certification and Deviation reports, eight violations were documented. AIR 1) Failed to submit the 2004 Emission Inventory report on time [30 TEX. ADMIN. CODE § 101.10(e) and TEX. HEALTH & SAFETY CODE § 382.085(b). 2) Failed to maintain caps or blind flanges on open-ended lines. Specifically, from April 4, 2005 through June 13, 2005, 17 open-ended lines were found during Leak Detection and Repair ("LDAR") walkthroughs of the plant, and from June 20, 2005 through December 12, 2005, 10 open-ended lines were found during LDAR walkthroughs [30 TEX. ADMIN. CODE §116.115(c), Permit No. 36481, Special Condition ("SC") 6E, and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 3) Failed to repair leaking components within 15 days after the leak was found. Specifically, Pumps 3324 and 3654, agitator seals on Tanks 325 and 330, two-inch control Valve 658, and two-inch Valve 1406 were not repaired timely [30 TEX. ADMIN. CODE § 116.115(c), Permit No. 36481, SC 6I, and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $68,586 **Total Deferred:** $13,717 _X_ Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $27,434 **Total Paid to General Revenue:** $27,435 **Site Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Person Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Major Source:** _X_ Yes ___ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** 1) The Executive Director recognizes that Penreco has implemented the following corrective measures at the Plant: a. On December 26, 2004, resumed weekly sampling of the thermal oxidizer; b. On June 23, 2005, submitted the 2004 Emissions Inventory report; c. By December 12, 2005, capped all open-ended lines found between April 4 through December 12, 2005; d. By December 16, 2005, conducted refresher training for engine operators, placed pumps into manual operation for preventive maintenance, and placed reminder signs near the engines to remind maintenance and operation departments to complete engine operation and testing records; e. By December 22, 2005, repaired Pumps 3324 and 3654, agitator seals on Tanks 325 and 330, two-inch control valve 658, and two-inch valve 1406; f. By January 31, 2006, installed a new Bin-vent filter system to control particulate emissions from the Soda Ash Hopper vent; and g. By June 1, 2006, installed two totalizing flow meters for Boilers B4 and B5. **Ordering Provisions:** 2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A) 3) The Order will also require the Respondent to: a. Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure that all emission events are properly reported and/or recorded; and

4) Failed to maintain complete engine operation and testing records. From December 17, 2004 through June 16, 2005, some log sheet records were incomplete for Engines P2154, 5154, 5164, 5174, 5334, and 5364, and from June 17, 2005 through December 16, 2005, some log sheets were incomplete for Engines P2154, 5154, and 5364 [30 TEX. ADMIN. CODE § 117.219(f)(6)(B) and (f)(10), and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 5) Failed to install an additional totalizing flow meter for Boiler B4 and Boiler B5 by March 31, 2005 [30 TEX. ADMIN. CODE § 117.213(a)(1)(B)(i) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 6) Failed to perform weekly sampling of the thermal oxidizer the week of December 19, 2004 [30 TEX. ADMIN. CODE § 116.115(c), Permit No. 36481, SC 4, and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 7) Failed to notify and keep complete emissions event records for soda ash unloading events on June 24 through September 8, 2005 and September 30 through December 16, 2005 [30 TEX. ADMIN. CODE § 101.201(e) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 8) Failed to control particulate emissions from the Soda Ash Hopper vent during unloading of soda ash from June 24 through December 16, 2005. Because the events were not reported properly, the respondent failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE § 111.111(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b)].		b. Within 45 days after the effective date of the Agreed Order, submit written certification and include detailed supporting documentation including correspondence, reports, and/or other records to demonstrate compliance with Ordering Provision No. 3.a.

Attachment A
Docket Number: 2006-1820-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Penreco Partnership**
Payable Penalty Amount:	**Fifty-Four Thousand Eight Hundred Sixty-Nine Dollars ($54,869)**
SEP Amount:	**Twenty-Seven Thousand Four Hundred Thirty-Four Dollars ($27,434)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program**
Location of SEP:	**Galveston County**

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Galveston County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality***. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) *PCW Revision April 25, 2006*

DATES					
Assigned	21-Aug-2006				
PCW	21-Dec-2006	Screening	16-Oct-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Penreco Partnership		
Reg. Ent. Ref. No.	RN100221282		
Facility/Site Region	12-Houston	Major/Minor Source	Major Source

CASE INFORMATION

Enf./Case ID No.	31466	No. of Violations	8
Docket No.	2006-1820-AIR-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Miriam Hall
Multi-Media		EC's Team	Enforcement Team 5
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $32,200

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **113%** Enhancement *Subtotals 2, 3, & 7* $36,386

Notes: Penalty has been enhanced due to one NOV for similar violations, 24 NOVs for unrelated violations, and three 1660 orders.

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	$3,977
Approx. Cost of Compliance	$25,563

SUM OF SUBTOTALS 1-7 Final Subtotal $68,586

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 $68,586

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty $68,586

DEFERRAL 20% Reduction Adjustment -$13,717

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 $54,869

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**
Respondent Penreco Partnership *Policy Revision 2 (September 2002)*
Case ID No. 31466 *PCW Revision April 25, 2006*
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
Enf. Coordinator Miriam Hall

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)*	1	5%
	Other written NOVs	24	48%
Orders	Any agreed final enforcement orders containing a denial of liability *(number of orders meeting criteria)*	3	60%
	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) **113%**

>> **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 Penalty has been enhanced due to one NOV for similar violations, 24 NOVs for unrelated violations, and three 1660 orders.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **113%**

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**

Respondent Penreco Partnership *Policy Revision 2 (September 2002)*

Case ID No. 31466 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100221282

Media [Statute] Air Quality

Enf. Coordinator Miriam Hall

Violation Number 1

Primary Rule Cite(s) 30 Tex. Admin. Code § 101.10(e)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to submit the 2004 Emission Inventory (EI) report on time. The report was due on March 31, 2005; however, it was not submitted until June 23, 2005 (85 days late).

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR

Percent

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: The respondent failed to comply with 100% of the rule requirement.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1 — 85 Number of violation days

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

Violation Base Penalty $2,500

One single event is recommended as documented during the investigation conducted on June 7, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $6

Statutory Limit Test

Violation Final Penalty Total $5,325

This violation Final Assessed Penalty (adjusted for limits) $5,325

Economic Benefit Worksheet

Respondent Penreco Partnership
Case ID No. 31466
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
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)				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)	$500	31-Mar-2005	23-Jun-2005	0.2	$6	n/a	$6

Notes for DELAYED costs: The estimated cost of preparing and submitting the EI form from the due date to compliance date.

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: $500

TOTAL $6

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**

Respondent Penreco Partnership *Policy Revision 2 (September 2002)*

Case ID No. 31466 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100221282

Media [Statute] Air Quality

Enf. Coordinator Miriam Hall

Violation Number 2

Primary Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Permit No. 36481, Special Condition (SC) 6E

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain caps or blind flanges on open-ended lines. Specifically, from April 4, 2005 through June 13, 2005, 17 open-ended lines were found during Leak Detection and Repair (LDAR) walkthroughs of the plant, and from June 20, 2005 through December 12, 2005, 10 open-ended lines were found during LDAR walkthroughs.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 25%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment was exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or the environment.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 3 245 Number of violation days

mark only one use a small x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $7,500

Three quarterly events are recommended as documented during the investigation conducted on June 7, 2006.

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

Estimated EB Amount $23 **Violation Final Penalty Total** $15,975

This violation Final Assessed Penalty (adjusted for limits) $15,975

Economic Benefit Worksheet

Respondent Penreco Partnership
Case ID No. 31466
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
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)	$675	04-Apr-2005	12-Dec-2005	0.7	$23	n/a	$23

Notes for DELAYED costs: The estimated cost of capping open-ended lines from the date of the first violation to the date the last line was capped.

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 $675

TOTAL $23

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**

Respondent Penreco Partnership *Policy Revision 2 (September 2002)*

Case ID No. 31466 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100221282

Media [Statute] Air Quality

Enf. Coordinator Miriam Hall

Violation Number 3

Primary Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Permit No. 36481, SC 6I

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to repair the following leaking components within 15 days after the leak was found: Pumps 3324 and 3654, agitator seals on Tanks 325 and 330, 2-inch control Valve 658, and 2-inch Valve 1406.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 25%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment was exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or the environment.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 3 188 Number of violation days

mark only one use a small x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $7,500

Three quarterly events from June 17, 2005 though December 22, 2005 are recommended as documented during the investigation conducted on June 7, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $15

Statutory Limit Test

Violation Final Penalty Total $15,975

This violation Final Assessed Penalty (adjusted for limits) $15,975

Economic Benefit Worksheet

Respondent Penreco Partnership
Case ID No. 31466
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
Violation No. 3

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)	$600	17-Jun-2005	22-Dec-2005	0.5	$15	n/a	$15

Notes for DELAYED costs: Estimated cost of repairs from date of first violation to final compliance date.

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 $600

TOTAL $15

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**

Respondent Penreco Partnership *Policy Revision 2 (September 2002)*

Case ID No. 31466 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100221282

Media [Statute] Air Quality

Enf. Coordinator Miriam Hall

Violation Number 4

Primary Rule Cite(s) 30 Tex. Admin. Code § 117.219(f)(6)(B) and (f)(10)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain complete engine operation and testing records. From December 17, 2004 through June 16, 2005, some log sheet records were incomplete for Engines P2154, 5154, 5164, 5174, 5334, and 5364, and from June 17, 2005 through December 16, 2005, some log sheets were incomplete for Engines P2154, 5154, and 5364.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR

Percent

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes: The respondent met more than 70% of the rule requirement

Adjustment -$9,900

Base Penalty Subtotal $100

Violation Events

Number of Violation Events 2 365 Number of violation days

mark only one use a small x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $200

Two single events were documented during the investigation conducted on June 7, 2006. (The violation was reported on two different deviation reports.)

Economic Benefit (EB) for this violation

Estimated EB Amount $1,306

Statutory Limit Test

Violation Final Penalty Total $426

This violation Final Assessed Penalty (adjusted for limits) $426

Economic Benefit Worksheet

Respondent Penreco Partnership
Case ID No. 31466
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
Violation No. 4

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	$1,000	17-Dec-2004	16-Dec-2005	1.0	$50	n/a	$50
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: The estimated cost for additional training and preventive measures from the beginning of the violation to compliance date.

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	$1,200	17-Dec-2004	16-Dec-2005	1.0	$60	$1,197	$1,257
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: The estimated cost of recording and keeping all the required information for the two semi-annual reporting periods.

Approx. Cost of Compliance $2,200

TOTAL $1,306

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**

Respondent Penreco Partnership *Policy Revision 2 (September 2002)*

Case ID No. 31466 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100221282

Media [Statute] Air Quality

Enf. Coordinator Miriam Hall

Violation Number 5

Primary Rule Cite(s) 30 Tex. Admin. Code § 117.213(a)(1)(B)(i)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to install an additional totalizing flow meter for Boiler B4 and Boiler B5 by March 31, 2005.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

OR

Percent 10%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment could have been exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or the environment.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 2 426 Number of violation days

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

Violation Base Penalty $2,000

One single event for each boiler (2) is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $842

Statutory Limit Test

Violation Final Penalty Total $4,260

This violation Final Assessed Penalty (adjusted for limits) $4,260

Economic Benefit Worksheet

Respondent Penreco Partnership
Case ID No. 31466
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
Violation No. 5

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	$10,288	31-Mar-2005	01-Jun-2006	1.2	$40	$802	$842
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)				0.0	$0	n/a	$0

Notes for DELAYED costs: The actual cost of installing two totalizing flow meters from regulatory installation date to compliance date.

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 $10,288

TOTAL $842

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**

Respondent Penreco Partnership *Policy Revision 2 (September 2002)*

Case ID No. 31466 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100221282

Media [Statute] Air Quality

Enf. Coordinator Miriam Hall

Violation Number 6

Primary Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Permit No. 36481, SC 4

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to perform weekly sampling of the thermal oxidizer the week of December 19, 2004.

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 could have been exposed to significant amounts of pollutants which would not exceed levels that are protective of human health or the environment.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 1 — 1 Number of violation days

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

Violation Base Penalty $2,500

One single event was documented during the investigation conducted on June 7, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $100

Statutory Limit Test

Violation Final Penalty Total $5,325

This violation Final Assessed Penalty (adjusted for limits) $5,325

Economic Benefit Worksheet

Respondent Penreco Partnership
Case ID No. 31466
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
Violation No. 6

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)				0.0	$0	n/a	$0
Notes for DELAYED costs							
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]	$100	19-Dec-2004	26-Dec-2004	0.0	$0	$100	$100
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs	The estimated cost for performing sampling from the start date of the violation to compliance date.						

Approx. Cost of Compliance $100

TOTAL $100

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**

Respondent Penreco Partnership *Policy Revision 2 (September 2002)*

Case ID No. 31466 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100221282

Media [Statute] Air Quality

Enf. Coordinator Miriam Hall

Violation Number 7

Primary Rule Cite(s) 30 Tex. Admin. Code § 101.201(e)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to notify and keep complete emissions event records for soda ash unloading events from June 24 through September 8, 2005 and September 30 through December 16, 2005.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR

Percent

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: Respondent failed comply with 100% of the rule requirement.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 2 — 12 Number of violation days

mark only one use a small x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $5,000

Two single events were documented during the investigation conducted on June 7, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $1,260

Statutory Limit Test

Violation Final Penalty Total $10,650

This violation Final Assessed Penalty (adjusted for limits) $10,650

Economic Benefit Worksheet

Respondent Penreco Partnership
Case ID No. 31466
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
Violation No. 7

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)				0.0	$0	n/a	$0
Notes for DELAYED costs							
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]	$1,200	25-Jun-2005	17-Dec-2005	1.0	$60	$1,200	$1,260
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs	The estimated cost of preparing notices and keeping records from due date of first notice to due date of last notice.						

Approx. Cost of Compliance $1,200

TOTAL $1,260

Screening Date 16-Oct-2006 **Docket No.** 2006-1820-AIR-E **PCW**

Respondent Penreco Partnership *Policy Revision 2 (September 2002)*

Case ID No. 31466 *PCW Revision April 25, 2006*

Reg. Ent. Reference No. RN100221282

Media [Statute] Air Quality

Enf. Coordinator Miriam Hall

Violation Number 8

Primary Rule Cite(s) 30 Tex. Admin. Code § 111.111(a)(1)

Secondary Rule Cite(s) Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to control particulate emissions from the Soda Ash Hopper vent during unloading of soda ash from June 24 through December 16, 2005. Because the events were not reported properly, the respondent failed to meet the demonstrations for an affirmative defense in 30 Tex. Admin. Code § 101.222.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 25%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Human health or the environment was exposed to insignificant amounts of pollutants which did not exceed levels that are protective of human health or the environment.

Adjustment -$7,500

Base Penalty Subtotal $2,500

Violation Events

Number of Violation Events 2 | 12 Number of violation days

mark only one use a small x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $5,000

Two quarterly events are recommended as documented during the investigation conducted on June 7, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $424

Statutory Limit Test

Violation Final Penalty Total $10,650

This violation Final Assessed Penalty (adjusted for limits) $10,650

Economic Benefit Worksheet

Respondent Penreco Partnership
Case ID No. 31466
Reg. Ent. Reference No. RN100221282
Media [Statute] Air Quality
Violation No. 8

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	$10,000	24-Jun-2005	31-Jan-2006	0.6	$20	$404	$424
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)				0.0	$0	n/a	$0

Notes for DELAYED costs: The estimated cost of a new Bin-vent filter system from the first day of violation to filter installation date. The previous filter unit failed and had to be replaced.

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 $10,000

TOTAL $424

Compliance History

Customer/Respondent/Owner-Operator:	CN600130819	Penreco Partnership	Classification: AVERAGE	Rating: 4.03
Regulated Entity:	RN100221282	DICKINSON PLANT	Classification: AVERAGE	Site Rating: 5.06

ID Number(s):

AIR OPERATING PERMITS	ACCOUNT NUMBER	GB0054T
AIR OPERATING PERMITS	PERMIT	1297
WASTEWATER	PERMIT	WQ0000377000
WASTEWATER	PERMIT	TPDES0003727
WASTEWATER	PERMIT	TX0003727
WASTEWATER	EPA ID	TX0003727
AIR NEW SOURCE PERMITS	PERMIT	10540A
AIR NEW SOURCE PERMITS	PERMIT	12556A
AIR NEW SOURCE PERMITS	PERMIT	13740A
AIR NEW SOURCE PERMITS	PERMIT	12554A
AIR NEW SOURCE PERMITS	PERMIT	17134A
AIR NEW SOURCE PERMITS	PERMIT	2820B
AIR NEW SOURCE PERMITS	PERMIT	36481
AIR NEW SOURCE PERMITS	PERMIT	44493
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	GB0054T
AIR NEW SOURCE PERMITS	AFS NUM	0030
AIR NEW SOURCE PERMITS	REGISTRATION	56102
AIR NEW SOURCE PERMITS	PERMIT	48994
AIR NEW SOURCE PERMITS	REGISTRATION	70788
AIR NEW SOURCE PERMITS	PERMIT	74295
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD000013912
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	30288

Location: 4401 PARK AVE, DICKINSON, TX, 77539 Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: November 08, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 08, 2001 to November 08, 2006

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

Name: Miriam Hall Phone: (512) 239-1044

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.

Effective Date: 08/13/2004 ADMINORDER 2003-1493-AIR-E
Classification: Moderate
Citation: 30 TAC Chapter 101, SubChapter H 101.360(a)[G]
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failed to submit Form ECT-3, Level of Activity Certification by June 30, 2001.

Effective Date: 02/05/2006 ADMINORDER 2005-0928-IWD-E
Classification: Moderate
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)
30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: Effluent Limits PERMIT
Description: Failure to comply with permit effluent limits as documented by a TCEQ record review of self-reported data.

Effective Date: 05/28/2006 ADMINORDER 2005-1902-AIR-E
Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(C)
5C THC Chapter 382, SubChapter A 382.085(b)
Description: Failure to submit deviation reports within 30 days after the end of the reporting period.
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Permit No. 36481, Special Condition 6(I) PERMIT
Description: Failure to repair a leaking component within 15 days after the leak was found.
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Permit No. 36481, Special Condition 6(E) PERMIT
Description: Failure to have each open-ended valve or line shall be equipped with a cap, blind flange, plug or a second valve.
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)
5C THC Chapter 382, SubChapter A 382.085(b)
Rqmt Prov: Permit No. 36481, General Condition 7 PERMIT
Description: Failure to keep records of when open-ended lines are capped/plugged.

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	02/15/2005	(350145)
2	05/24/2004	(351888)
3	04/12/2004	(266273)
4	02/24/2004	(294850)
5	02/22/2006	(468225)
6	08/18/2006	(486628)
7	03/23/2006	(468226)
8	06/21/2004	(351889)
9	10/24/2005	(468227)
10	03/22/2004	(294853)
11	11/22/2005	(468228)
12	04/21/2003	(294854)
13	06/16/2003	(152713)
14	07/26/2004	(351890)
15	12/27/2005	(468229)
16	05/23/2003	(294856)
17	05/12/2005	(377736)
18	01/23/2006	(468230)
19	09/07/2004	(286417)
20	06/24/2003	(294858)
21	01/24/2003	(156907)
22	01/28/2002	(156906)
23	07/23/2003	(294860)
24	08/24/2004	(351891)
25	12/18/2001	(101782)
26	12/27/2002	(156903)
27	08/22/2003	(294862)
28	12/27/2001	(156902)
29	09/23/2003	(294864)
30	10/25/2004	(351892)
31	10/24/2003	(294866)
32	11/25/2002	(156899)
33	03/09/2004	(261662)
34	11/19/2001	(156898)
35	11/24/2003	(294867)
36	02/22/2005	(419573)
37	12/22/2003	(294869)
38	04/25/2005	(419574)
39	10/21/2002	(156895)
40	01/23/2004	(294870)

41 06/28/2005 (373936)
42 05/24/2005 (419575)
43 06/22/2005 (419576)
44 07/25/2005 (440702)
45 09/23/2002 (156892)
46 08/23/2005 (440703)
47 09/19/2005 (440704)
48 08/23/2002 (156889)
49 04/24/2006 (457891)
50 07/23/2002 (156886)
51 06/25/2002 (156883)
52 03/16/2005 (374369)
53 12/18/2001 (77059)
54 03/22/2005 (381744)
55 05/23/2002 (156880)
56 09/24/2004 (381745)
57 11/29/2004 (381746)
58 12/20/2004 (381747)
59 04/22/2002 (156877)
60 01/20/2005 (381748)
61 02/13/2004 (258691)
62 04/24/2006 (498065)
63 05/23/2006 (498066)
64 06/26/2006 (498067)
65 03/24/2003 (156873)
66 03/22/2002 (156872)
67 02/21/2003 (156870)
68 02/27/2002 (156869)
69 04/22/2004 (351887)

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

Date: 04/30/2004 (351888)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 01/31/2004 (294850)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 02/28/2006 (468226)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 02/14/2005 (350145)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
Rqmt Prov: PERMIT IA
Description: Failure to maintain compliance with the Outfall 001 permitted effluent limits for biochemical oxygen demand (BOD5), total suspended solids (TSS), and oil & grease as reported on the monthly discharge monitoring reports.

Date: 10/31/2005 (468228)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 12/31/2002 (156907)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 11/30/2005 (468229)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 12/31/2005 (468230)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 12/31/2001 (156906)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 06/30/2004 (351890)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 11/30/2002 (156903)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 11/30/2001 (156902)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 07/31/2004 (351891)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 08/31/2003 (294864)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 09/30/2003 (294866)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 11/30/2003 (294869)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter
Date: 03/31/2005 (419574)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 03/09/2004 (261662)

Self Report? NO Classification: Moderate

Rqmt Prov: PERMIT IA

Description: Failure to ensure the accuracy of the flow meter.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: PERMIT IA

Description: Failure to prevent the unauthorized discharge of process wastewater from outfall 002 and to maintain compliance with the permitted effluent limits.

Self Report? NO Classification: Minor

Rqmt Prov: PERMIT IA

Description: Failure to provide documentation demonstrating the accuracy of the dial thermometer installed at the outfall 001 Parshall flume.

Date: 07/31/2002 (156889)

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 05/31/2002 (156883)

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 10/31/2004 (381746)

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 02/13/2004 (258691)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)(1)

Description: Failure to maintain complete records of scheduled maintenance activities to include the name of the owner or operator.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)(11)

Description: Failure to maintain complete scheduled maintenance records to include actions taken to minimize emissions.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.211(b)(2)

Description: Failure to maintain complete scheduled maintenance records to include the commission air account number of the facility.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(2)

Description: Failure to maintain complete upset records to include the commission air account number of the facility (GB0054T).

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(b)(11)

Description: Failure to maintain complete upset records to include actions taken to correct the emissions event and minimize emissions.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)

Description: Failure to maintain records containing sufficient information to demonstrate compliance with applicable PBR conditions for PBR 106.511.

Date: 02/28/2003 (156873)

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 05/31/2006 (498067)

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

Date: 01/31/2002 (156869)

Self Report? YES Classification: Moderate

Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)

TWC Chapter 26 26.121(a)[G]

Description: Failure to meet the limit for one or more permit parameter

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**
PENRECO PARTNERSHIP	§	
RN100221282	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1820-AIR-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 Penreco Partnership ("Penreco") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Penreco appear before the Commission and together stipulate that:

1. Penreco owns and operates a petroleum and coal products plant at 4401 Park Avenue in Dickinson, Galveston County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

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

4. Penreco received notice of the violations alleged in Section II ("Allegations") on or about August 23, 2006.

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

6. An administrative penalty in the amount of Sixty-Eight Thousand Five Hundred Eighty-Six Dollars ($68,586) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Penreco has paid Twenty-Seven Thousand Four Hundred Thirty-Five Dollars ($27,435) of the administrative penalty and Thirteen Thousand Seven Hundred Seventeen Dollars ($13,717) is deferred contingent upon Penreco'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 Penreco fails to timely and satisfactorily comply with all requirements

of this Agreed Order, the Executive Director may require Penreco to pay all or part of the deferred penalty. Twenty-Seven Thousand Four Hundred Thirty-Four Dollars ($27,434) shall be conditionally offset by Penreco's completion of a Supplemental Environmental Project.

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 Penreco 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 Penreco has implemented the following corrective measures at the Plant:

   a. On December 26, 2004, resumed weekly sampling of the thermal oxidizer;

   b. On June 23, 2005, submitted the 2004 Emissions Inventory report;

   c. By December 12, 2005, capped all open-ended lines found between April 4 through December 12, 2005;

   d. By December 16, 2005, conducted refresher training for engine operators, placed pumps into manual operation for preventive maintenance, and placed reminder signs near the engines to remind maintenance and operation departments to complete engine operation and testing records;

   e. By December 22, 2005, repaired Pumps 3324 and 3654, agitator seals on Tanks 325 and 330, two-inch control valve 658, and two-inch valve 1406;

   f. By January 31, 2006, installed a new Bin-vent filter system to control particulate emissions from the Soda Ash Hopper vent; and

   g. By June 1, 2006, installed two totalizing flow meters for Boilers B4 and B5.

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 Penreco 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 Plant, Penreco is alleged to have:

1. Failed to submit the 2004 Emission Inventory report on time, in violation of 30 TEX. ADMIN. CODE § 101.10(e) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 7, 2006.

2. Failed to maintain caps or blind flanges on open-ended lines, in violation of 30 TEX. ADMIN. CODE §116.115(c), Permit No. 36481, Special Condition ("SC") 6E, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 7, 2006. Specifically, from April 4, 2005 through June 13, 2005, 17 open-ended lines were found during Leak Detection and Repair ("LDAR") walkthroughs of the plant, and from June 20, 2005 through December 12, 2005, 10 open-ended lines were found during LDAR walkthroughs.

3. Failed to repair leaking components within 15 days after the leak was found, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Permit No. 36481, SC 6I, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 7, 2006. Specifically, Pumps 3324 and 3654, agitator seals on Tanks 325 and 330, two-inch control Valve 658, and two-inch Valve 1406 were not repaired timely.

4. Failed to maintain complete engine operation and testing records, in violation of 30 TEX. ADMIN. CODE § 117.219(f)(6)(B) and (f)(10), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 7, 2006. From December 17, 2004 through June 16, 2005, some log sheet records were incomplete for Engines P2154, 5154, 5164, 5174, 5334, and 5364, and from June 17, 2005 through December 16, 2005, some log sheets were incomplete for Engines P2154, 5154, and 5364.

5. Failed to install an additional totalizing flow meter for Boiler B4 and Boiler B5 by March 31, 2005, in violation of 30 TEX. ADMIN. CODE § 117.213(a)(1)(B)(i) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 7, 2006.

6. Failed to perform weekly sampling of the thermal oxidizer the week of December 19, 2004, in violation of 30 TEX. ADMIN. CODE § 116.115(c), Permit No. 36481, SC 4, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 7, 2006.

7. Failed to notify and keep complete emissions event records for soda ash unloading events on June 24 through September 8, 2005 and September 30 through December 16, 2005, in violation of 30 TEX. ADMIN. CODE § 101.201(e) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on June 7, 2006.

8. Failed to control particulate emissions from the Soda Ash Hopper vent during unloading of soda ash from June 24 through December 16, 2005, in violation of 30 TEX. ADMIN. CODE § 111.111(a)(1) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on

June 7, 2006. Because the events were not reported properly, Penreco failed to meet the demonstrations for an affirmative defense in 30 TEX. ADMIN. CODE § 101.222.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Penreco pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Penreco'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: Penreco Partnership, Docket No. 2006-1820-AIR-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. Penreco shall implement and complete a Supplemental Environmental Project ("SEP") in accordance with TEX. WATER CODE § 7.067. As set forth in Section I, Paragraph 6 above, Twenty-Seven Thousand Four Hundred Thirty-Four Dollars ($27,434) of the assessed administrative penalty shall be offset with the condition that Penreco implement the SEP defined in Attachment A, incorporated herein by reference. Penreco's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

3. It is further ordered that Penreco shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order, implement procedures designed to ensure that all emission events are properly reported and/or recorded; and

   b. Within 45 days after the effective date of the Agreed Order, submit written certification as described below, and include detailed supporting documentation including correspondence, reports, and/or other records to demonstrate compliance with Ordering Provision No. 3.a.

      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 this document and all attachment were prepared under my 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."

Submit the certification and all documentation required by these Ordering Provisions 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:

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

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

5. If Penreco 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, Penreco's failure to comply is not a violation of this Agreed Order. Penreco shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Penreco shall notify the Executive Director within seven days after Penreco becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.

6. 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 Penreco shall be made in writing to the Executive Director. Extensions are not effective until Penreco receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. This Agreed Order, issued by the Commission, shall not be admissible against Penreco 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.

8. 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.

9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Penreco, or three days after the date on which the Commission mails notice of the Order to Penreco, 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

_____ 6/18/07
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.

_____ 01/26/2007
Signature Date

CRAIG E BUSH Chief Operating Officer
Name (Printed or typed) Title
Authorized Representative of
Penreco Partnership

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.

Attachment A
Docket Number: 2006-1820-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Penreco Partnership**
Payable Penalty Amount:	**Fifty-Four Thousand Eight Hundred Sixty-Nine Dollars ($54,869)**
SEP Amount:	**Twenty-Seven Thousand Four Hundred Thirty-Four Dollars ($27,434)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program**
Location of SEP:	**Galveston County**

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for the Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

The Respondent will contribute to Houston-Galveston AERCO's Clean Cities/Clean Vehicles Program in Galveston County. The contribution will be used in accordance with the ***Supplemental Environmental Project Agreement between the Houston-Galveston AERCO and the Texas Commission on Environmental Quality***. SEP monies will be used to aid local school districts and area transit agencies in reaching local match requirements mandated by the Federal Highway Administration's ("FHWA") Congestion Mitigation/Air Quality funding program. SEP monies will be disbursed to school districts and transit agencies in need of funding assistance in the Houston-Galveston non-attainment area. Those SEP monies will be used exclusively by the school districts and transit agencies as supplements to meet the local match requirements of the EPA. SEP monies will be used to pay for the cost of replacing older diesel buses with alternative fueled or clean diesel buses. The old buses will be permanently retired and only sold for scrap. The schools and transit agencies will also use the SEP monies to retrofit more buses to reduce emissions. Houston-Galveston AERCO will send the TCEQ verification in the form of paid invoices and other documentation to show that the retrofits were completed. Retrofit technologies include particulate matter traps, diesel particulate matter filters, NOx reduction catalyst technology in combination with diesel particulate filters, and other emission control technologies that are developed and approved by EPA or the California Air Resources Board.

The Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

This SEP will provide a discernible environmental benefit by reducing particulate emissions on buses by more than 90% below today's level and reducing hydrocarbons below measurement capability.

C. Minimum Expenditure

The Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Amount to the Third-Party Recipient. The Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Houston-Galveston Area Council
Houston-Galveston AERCO
P.O. Box 22777
Houston, Texas 77227-2777

3. Records and Reporting

Concurrent with the payment of the SEP Amount, the Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. The Respondent shall mail a copy of the check and transmittal letter to:

Enforcement Division
Attention: SEP Coordinator, MC 219
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

The check for any amount due shall be made out to "Texas Commission on Environmental Quality" and mailed to:

Texas Commission on Environmental Quality
Financial Administration Division, Revenues
Attention: Cashier, MC 214
P.O. Box 13088
Austin, Texas 78711-3088

The Respondent shall also mail a copy of the check to the TCEQ SEP Coordinator at the address in Section 3 above.

5. Publicity

Any public statements concerning this SEP made by or on behalf of the Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

The Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, the Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as an SEP for the Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.