EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-2021-MLM-E **TCEQ ID:** RN101620748 **CASE NO.:** 32168

RESPONDENT NAME: Loadcraft Industries, Ltd.

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	X MULTI-MEDIA (check all that apply)	X 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: Loadcraft Industries, Ltd., United States Highway 377 North, Brady, McCulloch County

TYPE OF OPERATION: Trailer and oil rig manufacturing

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 July 16, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: Ms. Melissa Keller, SEP Coordinator, Enforcement Division, MC 219, (512) 239-1768
TCEQ Enforcement Coordinator: Ms. Dana Shuler, Enforcement Division, Enforcement Team 7, MC 128; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896
Respondent: Mr. Terry McIver, President, Loadcraft Industries, Ltd., P.O. Box 1429, Brady, Texas 76825
Mr. Howard Cox, Jr., Safety Director, Loadcraft Industries, Ltd., P.O. Box 1429, Brady, Texas 76825
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:** September 18, 2006 **Date of NOE Relating to this Case:** October 25, 2006 (NOE) **Background Facts:** This was a routine investigation. Ten violations were documented. **AIR** 1) Failed to obtain authorization prior to construction and operation of a facility which emits air contaminants in the state. Specifically, the paint booth (in the red paint room) did not meet the stack requirements or maximum allowable emission rates authorized under Permit By Rule ("PBR"). Therefore, a New Source Review Permit is required [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a)]. 2) Failed to evacuate particulate matter emissions through a fabric filter with a maximum filtering velocity of 4.0 feet per minute (ft/min) with mechanical cleaning or 7.0 ft/min with air cleaning for the enclosed abrasive blast cleaning operation. Specifically, particulate matter was being discharged onto the ground through openings of the building rather than through the filtering system [30 TEX. ADMIN. CODE § 106.452(1)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. 3) Failed to comply with the general recordkeeping requirements for all facilities authorized to be constructed and operated under a PBR; to maintain records at the plant site for the most recent 24 months; and make records immediately available upon TCEQ request.	**Total Assessed:** $43,028 **Total Deferred:** $8,605 _X_ Expedited Settlement __ Financial Inability to Pay **SEP Conditional Offset:** $17,211 **Total Paid to General Revenue:** $17,212 **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 on March 29, 2007 it was documented that Loadcraft has implemented the following corrective measures at the Plant: a. Provided their abrasive blasting personnel with instructions and training to assure that abrasive blast operations are conducted correctly; b. Obtained copies of the PBR, and the abrasive blasting personnel have been provided with training in order to assure that operations at the Plant are being recorded; c. Provided personnel with instructions and training to ensure that all Universal Waste is managed properly; d. The contents of the 5-gallon container of waste material on the pallet adjacent to the paint storage area has been determined to be hydraulic oil; e. Provided personnel with instruction and training to ensure that all Hazardous Waste containers are labeled and dated; f. The Universal Waste that was being managed adjacent to the edge of the property has been relocated to the south portion of the waste management area, which is a distance greater than 50 feet from the property line; g. The NOR has been updated to reflect inactive waste codes and waste management units, as well as the current universal waste quantity for handling status at the Plant; and h. An updated AWS has been filed to include the previously omitted waste code. **Ordering Provisions:** 2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A)

Specifically, a copy of each PBR associated with operating a paint booth, an abrasive blast cleaning operation, a degreasing unit, and welding units was not being maintained at the Plant. Also, the Plant was not maintaining records of coatings and solvent usage, actual hours of operation of each coating or stripping operation, and emission records for the paint booth [30 TEX. ADMIN. CODE §§ 106.8(c) and 106.433(8) and TEX. HEALTH & SAFETY CODE § 382.085(b)]. **WASTE** 4) Failed to close universal waste containers after adding or removing waste and failure to label and mark the accumulation date on universal waste containers. Specifically, in the paint shop, four 55-gallon drums of paint and paint related wastes were not closed and two of the four drums were not labeled with the words "Universal Waste – Paint and Paint-Related Wastes." Also, 15 1-gallon containers and one 5-gallon container at the container storage area were not labeled with the words "Universal Waste – Paint and Paint-Related Wastes" and were not marked with accumulation times [30 TEX. ADMIN. CODE §§ 106.433(2)(c), 335.262(c)(1), (c)(2)(A), and (c)(2)(F) and 40 CODE OF FEDERAL REGULATIONS § 273.35(c)]. 5) Failed to conduct a hazardous waste determination. Specifically, the contents of a 5-gallon container of waste material on a pallet adjacent to the paint storage area could not be identified by the Plant's personnel [30 TEX. ADMIN. CODE § 335.62 and 40 CODE OF FEDERAL REGULATIONS § 262.11]. 6) Failed to label a hazardous waste container with the accumulation start date and the words "Hazardous Waste". Specifically, a 55-gallon drum of spent solvent in the container storage area was not marked with an accumulation time nor did it have a hazardous waste label [30 TEX. ADMIN. CODE § 335.69(f)(4) and 40 CODE OF FEDERAL REGULATIONS § 262.34(d)(4)]. 7) Failed to manage universal waste at a distance greater than 50 feet from the property line. Specifically, paint and paint related waste was being stored in the container storage area, on the back wall, which is adjacent to the edge of the property line [30 TEX. ADMIN. CODE §		3) The Order will also require the Respondent to: a. Within 30 days after the effective date of this Agreed Order, submit an administratively complete permit application for the paint booth; b. Respond completely and adequately, as determined by the TCEQ, to all request for information concerning the permit application within 30 days after the date of such request, or by any other deadline specified in writing; c. Within 60 days after the effective date of this Agreed Order, determine the extent of contamination to soils as a result of the improper handling, storing, and disposing of industrial solid waste; and conduct the appropriate remediation; and d. Within 75 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision Nos. 3.a. through 3.c.; and within 180 days after the effective date of this Agreed Order, submit written certification that either authorization to construct and operate a source of air emissions has been obtained or that all unauthorized emissions have ceased until such time that appropriate authorization is obtained. The certifications shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance.

335.262(c)(3) and 40 CODE OF FEDERAL REGULATIONS § 265.176]. 8) Failed to update the Plant's Notice of Registration (NOR). Specifically, since universal waste accumulation exceeded the 11,000 pound limit for a Small Quantity Handler of universal waste, the universal waste codes are required to be listed as active on the NOR. Also, it was noted that the Texas Waste Codes 0037602H and 9001211H, which are no longer generated, are listed as active and Waste Management Unit 008 is no longer being used. Therefore the NOR should be updated to reflect that the two waste codes and the waste management unit are inactive [30 TEX. ADMIN. CODE § 335.6(c)]. 9) Failed to submit a correct Annual Waste Summary ("AWS"). Specifically, Texas Waste Code 90033891 was omitted from the 2005 AWS [30 TEX. ADMIN. CODE § 335.9(a)(2)]. 10) Failed to properly handle, store, and dispose of industrial solid waste. Specifically, the following was noted at the Plant: 1) waste paint was discharged to concrete and soils at the loading dock adjacent to the paint booth; 2) waste paint filters that were stored on the loading dock had been rained on, and the rainwater runoff went onto the surrounding concrete; 3) abrasive blast was allowed to be discharge from the blast building due to open doors when operating; 4) oil absorbent controls had been rained on and rainwater runoff occurred onto surrounding soils adjacent to the scrap metal cutting area; and 5) approximately five gallons of hydraulic oil from a broken jack at the rig up yard was discharged to soil [30 TEX. ADMIN. CODE § 335.4].		

Attachment A
Docket Number: 2006-2021-MLM-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Loadcraft Industries, Ltd.**
Payable Penalty Amount:	**Thirty-Four Thousand Four Hundred Twenty-Three Dollars ($34,423)**
SEP Amount:	**Seventeen Thousand Two Hundred Eleven Dollars ($17,211)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")- Unauthorized Trash Dump Clean-Up**
Location of SEP:	**McCulloch 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 shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to coordinate with city and/or county governmental officials regarding the clean up of sites where trash has been disposed of illegally. Eligible sites will be limited to those where a responsible party can not be identified and where there is no pre-existing obligation to clean up the site by the owner or the government. Additionally, reasonable efforts must have already been taken to prevent the dumping. SEP monies will be used to pay for the direct cost of collection and disposal of debris. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

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 helping rid communities of the dangers and health threats associated with non-regulated trash dumps which contaminate air and water, and harbor disease carrying animals and insects.

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:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive
Bryan, Texas 77802-2700

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)

Policy Revision 2 (September 2002) — PCW Revision December 8, 2006

TCEQ

DATES					
Assigned	30-Oct-2006				
PCW	14-May-2007	Screening	9-Jan-2007	EPA Due	15-Feb-2007

RESPONDENT/FACILITY INFORMATION

Respondent	Loadcraft Industries, Ltd.		
Reg. Ent. Ref. No.	RN101620748		
Facility/Site Region	8-San Angelo	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	32168	No. of Violations	10
Docket No.	2006-2021-MLM-E	Order Type	1660
Media Program(s)	Air Quality	Enf. Coordinator	Dana Shuler
Multi-Media	Industrial and Hazardous Waste	EC's Team	EnforcementTeam 8
Admin. Penalty $ Limit Minimum	$0	Maximum	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* $34,700

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 24% Enhancement — *Subtotals 2, 3, & 7* $8,328

Notes: The Respondent has one same or similar NOV, one dissimilar NOV, three notices of audit intent, and an agreed order.

Culpability — No — 0% Enhancement — *Subtotal 4* $0

Notes: 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 x)

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

0% Enhancement* — *Subtotal 6* $0

**Capped at the Total EB $ Amount*

Total EB Amounts	$375
Approx. Cost of Compliance	$8,250

SUM OF SUBTOTALS 1-7 — *Final Subtotal* $43,028

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 $43,028

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* $43,028

DEFERRAL — 20% Reduction — *Adjustment* -$8,605

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 $34,423

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd. *Policy Revision 2 (September 2002)*

Case ID No. 32168 *PCW Revision December 8, 2006*

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

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	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 submitted)*	3	-3%
	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) 24%

>> **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

The Respondent has one same or similar NOV, one dissimilar NOV, three notices of audit intent, and an agreed order.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 24%

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32168

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code §§ 382.085(b) and 382.0518(a)

Violation Description Failed to obtain authorization prior to construction and operation of a facility which emits air contaminants in the state, as documented during an investigation conducted on September 18, 2006. Specifically, the paint booth (in the red paint room) did not meet the stack requirements or maximum allowable emission rates authorized under Permit By Rule (PBR). Therefore, a New Source Review Permit is required.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

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

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 4

113 Number of violation days

mark only one with an x

daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $10,000

Four monthly events are recommended from the September 18, 2006 investigation date to the January 9, 2007 screening date.

Economic Benefit (EB) for this violation

Estimated EB Amount $264

Statutory Limit Test

Violation Final Penalty Total $12,400

This violation Final Assessed Penalty (adjusted for limits) $12,400

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media Air Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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	$5,000	18-Sep-2006	9-Oct-2007	1.1	$264	n/a	$264
Other (as needed)				0.0	$0	n/a	$0

Notes for DELAYED costs: Estimated cost to obtain authorization for a facility which emits air contaminants in the state. 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: $5,000

TOTAL: $264

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32168

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 106.452(1)(A) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to evacuate particulate matter emissions through a fabric filter with a maximum filtering velocity of 4.0 feet per minute (ft/min) with mechanical cleaning or 7.0 ft/min with air cleaning for the enclosed abrasive blast cleaning operation, as documented during an investigation conducted on September 18, 2006. Specifically, particulate matter was being discharged onto the ground through openings in the building rather than through the filtering system.

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 0%

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 2

113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $5,000

Two quarterly events are recommended from the September 18, 2006 investigation date to the January 9, 2007 screening date.

Economic Benefit (EB) for this violation

Estimated EB Amount $74

Statutory Limit Test

Violation Final Penalty Total $6,200

This violation Final Assessed Penalty (adjusted for limits) $6,200

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media Air Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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)	$2,000	18-Sep-2006	29-Mar-2007	0.5	$4	$70	$74
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 ensure that the particulate matter emissions for the enclosed abrasive blast cleaning operation are being evacuated through the filtering system. Date required is the date of the investigation and final date is the date of compliance.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $2,000

TOTAL: $74

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32168

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 106.8(c) and 106.433(8) and Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to comply with the general recordkeeping requirements for all facilities authorized to be constructed and operated under a PBR; to maintain records at the plant site for the most recent 24 months; and make records immediately available upon TCEQ request, as documented during an investigation conducted on September 18, 2006. Specifically, a copy of each PBR associated with operating a paint booth, an abrasive blast cleaning operation, a degreasing unit, and welding units was not being maintained at the Plant. Also, the Plant was not maintaining records of coatings and solvent usage, actual hours of operation of each coating or stripping operation, and emission records for the paint booth.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 25%

Matrix Notes: At least 70% of the rule requirement was not met.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 1

113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $2,500

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $4

Statutory Limit Test

Violation Final Penalty Total $3,100

This violation Final Assessed Penalty (adjusted for limits) $3,100

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media Air Quality
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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	$150	18-Sep-2006	29-Mar-2007	0.5	$4	n/a	$4
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 for general recordkeeping under a PBR and to maintain records at the plant site for the most recent 24 months. Date required is the date of the investigation and final date is the date of compliance.

Avoided Costs (ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs))							
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $150

TOTAL: $4

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32168

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code §§ 106.433(2)(c), 335.262(c)(1), (c)(2)(A), and (c)(2)(F) and 40 Code of Federal Regulations § 273.35(c)

Violation Description Failed to close universal waste containers after adding or removing waste and failure to label and mark the accumulation date on universal waste containers, as documented during an investigation conducted on September 18, 2006. Specifically, in the paint shop, four 55-gallon drums of paint and paint related wastes were not closed and two of the four drums were not labeled with the words "Universal Waste - Paint and Paint-Related Wastes." Also, 15 1-gallon containers and one 5-gallon container at the container storage area were not labeled with the words "Universal Waste - Paint and Paint-Related Wastes " and were not marked with accumulation times.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

	Release	Harm: Major	Moderate	Minor
OR	Actual			
	Potential			x

Percent 10%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 5

113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $5,000

Five single events are recommended (one event for each 55-gallon drum and one for the remaining 15 1-gallon containers and the 5-gallon container).

Economic Benefit (EB) for this violation

Estimated EB Amount $1

Statutory Limit Test

Violation Final Penalty Total $6,200

This violation Final Assessed Penalty (adjusted for limits) $6,200

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media Air Quality
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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)	$50	18-Sep-2006	29-Mar-2007	0.5	$1	n/a	$1

Notes for DELAYED costs: Estimated cost to ensure that universal waste containers are closed after adding or removing waste prior to storing and cost to label and mark the accumulation date on universal waste containers. Date required is the date of the investigation and final date is the date of compliance.

Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $50

TOTAL: $1

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd. *Policy Revision 2 (September 2002)*

Case ID No. 32168 *PCW Revision December 8, 2006*

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code § 335.62 and 40 Code of Federal Regulations § 262.11

Violation Description Failed to conduct a hazardous waste determination, as documented during an investigation conducted on September 18, 2006. Specifically, the contents of a 5-gallon container of waste material on a pallet adjacent to the paint storage area could not be identified by the Plant's personnel.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential	x		

Percent 50%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

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 the violation.

Adjustment $5,000

$5,000

Violation Events

Number of Violation Events 1

113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $5,000

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $1

Statutory Limit Test

Violation Final Penalty Total $6,200

This violation Final Assessed Penalty (adjusted for limits) $6,200

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media Air Quality
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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)	$50	18-Sep-2006	29-Mar-2007	0.5	$1	n/a	$1

Notes for DELAYED costs: Estimated cost to conduct a hazardous waste determination. Date required is the date of the investigation and final date is the date of compliance.

Avoided Costs (ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs))							
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $50

TOTAL: $1

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd. *Policy Revision 2 (September 2002)*

Case ID No. 32168 *PCW Revision December 8, 2006*

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 335.69(f)(4) and 40 Code of Federal Regulations § 262.34(d)(4)

Violation Description Failed to label a hazardous waste container with the accumulation start date and the words "Hazardous Waste", as documented during an investigation conducted on September 18, 2006. Specifically, a 55-gallon drum of spent solvent in the container storage area was not marked with an accumulation time nor did it have a hazardous waste label.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 1 | 113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $1,000

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $1

Statutory Limit Test

Violation Final Penalty Total $1,240

This violation Final Assessed Penalty (adjusted for limits) $1,240

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media 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)	$50	18-Sep-2006	29-Mar-2007	0.5	$1	n/a	$1
Notes for DELAYED costs	Estimated cost to mark the beginning period of accumulation and the words "Hazardous Waste". Date required is the date of the investigation and final date is the date of compliance.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $50

TOTAL: $1

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd. *Policy Revision 2 (September 2002)*

Case ID No. 32168 *PCW Revision December 8, 2006*

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code § 335.262(c)(3) and 40 Code of Federal Regulations § 265.176

Violation Description Failed to manage universal waste a distance greater than 50 feet from the property line, as documented during an investigation conducted on September 18, 2006. Specifically, paint and paint related waste was being stored in the container storage area, on the back wall, which is adjacent to the edge of the property line.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

Percent 10%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $9,000

$1,000

Violation Events

1 113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $1,000

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $13

Statutory Limit Test

Violation Final Penalty Total $1,240

This violation Final Assessed Penalty (adjusted for limits) $1,240

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media 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)	$500	18-Sep-2006	29-Mar-2007	0.5	$13	n/a	$13

Notes for DELAYED costs: Estimated cost to manage universal waste a distance greater than 50 feet from the property line. Date required is the date of the investigation and final date is the date of compliance.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $500

TOTAL: $13

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32168

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code § 335.6(c)

Violation Description Failed to update the Plant's Notice of Registration (NOR), as documented during an investigation conducted on September 18, 2006. Specifically, since universal waste accumulation exceeded the 11,000 pound limit for a Small Quantity Handler of universal waste, the universal waste codes are required to be listed as active on the NOR. Also, it was noted that the Texas Waste Codes 0037602H and 9001211H, which are no longer generated, are listed as active and Waste Management Unit 008 is no longer used. Therefore the NOR should be updated to reflect that the two waste codes and the waste management unit are inactive.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes: Less than 30% of the rule requirement was not met.

Adjustment $9,900

$100

Violation Events

1 113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $100

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $3

Statutory Limit Test

Violation Final Penalty Total $124

This violation Final Assessed Penalty (adjusted for limits) $124

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media Air Quality
Violation No. 8

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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)	$100	18-Sep-2006	29-Mar-2007	0.5	$3	n/a	$3
Notes for DELAYED costs	Estimated cost update NOR. Date required is the date of the investigation and final date is the date of compliance.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $100 TOTAL: $3

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32168

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 9

Rule Cite(s) 30 Tex. Admin. Code § 335.9(a)(2)

Violation Description Failed to submit a correct Annual Waste Summary (AWS), as documented during an investigation conducted on September 18, 2006. Specifically, Texas Waste Code 90033891 was omitted from the 2005 AWS.

Base Penalty $10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm: Major	Moderate	Minor
	Actual			
	Potential			

Percent 0%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor
			x

Percent 1%

Matrix Notes: Less than 30% of the rule requirement was not met.

Adjustment $9,900

$100

Violation Events

Number of Violation Events 1

113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $100

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $4

Statutory Limit Test

Violation Final Penalty Total $124

This violation Final Assessed Penalty (adjusted for limits) $124

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media Air Quality
Violation No. 9

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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)	$150	18-Sep-2006	29-Mar-2007	0.5	$4	n/a	$4

Notes for DELAYED costs: Estimated cost to ensure that a correct AWS is submitted. Date required is the date of the investigation and final date is the date of compliance.

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance: $150

TOTAL: $4

Screening Date 9-Jan-2007 **Docket No.** 2006-2021-MLM-E **PCW**

Respondent Loadcraft Industries, Ltd.

Policy Revision 2 (September 2002)

Case ID No. 32168

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101620748

Media [Statute] Air Quality

Enf. Coordinator Dana Shuler

Violation Number 10

Rule Cite(s) 30 Tex. Admin. Code § 335.4

Violation Description Failed to properly handle, store, and dispose of industrial solid waste, as documented during an investigation conducted on September 18, 2006. Specifically, the following was noted at the Plant: 1) waste paint was discharged to concrete and soils at the loading dock adjacent to the paint booth; 2) waste paint filters that were stored on the loading dock had been rained on, and the rainwater runoff went onto the surrounding concrete; 3) abrasive blast was allowed to be discharge from the blast building due to open doors when operating; 4) oil absorbent controls had been rained on and rainwater runoff occurred onto surrounding soils adjacent to the scrap metal cutting area; and 5) approximately five gallons of hydraulic oil from a broken jack at the rig up yard was discharged to soil.

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 0%

Matrix Notes: Human health or the environment has been exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment $7,500

$2,500

Violation Events

Number of Violation Events 2

113 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $5,000

Two quarterly events are recommended from the September 18, 2006 investigation date to the January 9, 2007 screening date.

Economic Benefit (EB) for this violation

Estimated EB Amount $9

Statutory Limit Test

Violation Final Penalty Total $6,200

This violation Final Assessed Penalty (adjusted for limits) $6,200

Economic Benefit Worksheet

Respondent Loadcraft Industries, Ltd.
Case ID No. 32168
Reg. Ent. Reference No. RN101620748
Media Air Quality
Violation No. 10

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	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)	$200	18-Sep-2006	9-Aug-2007	0.9	$9	n/a	$9

Notes for DELAYED costs: Estimated cost to ensure industrial solid waste is managed properly. 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: $200

TOTAL: $9

Compliance History

Customer/Respondent/Owner-Operator:	CN601589245	Loadcraft Industries, LTD.	Classification: AVERAGE	Rating: 10.22
Regulated Entity:	RN101620748	LOADCRAFT INDUSTRIES LTD	Classification: AVERAGE	Site Rating: 27.89

ID Number(s):		
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD008016404
INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	35046
STORMWATER	PERMIT	R08ST0063
STORMWATER	PERMIT	TXR05Q333
AIR NEW SOURCE PERMITS	REGISTRATION	71206
AIR NEW SOURCE PERMITS	REGISTRATION	77744
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	MAA001A
AIR NEW SOURCE PERMITS	AFS NUM	0013

Location: US Highway 377 N, Curtis Field, Brady, TX Rating Date: 9/1/2006 Repeat Violator: NO

TCEQ Region: REGION 08 - SAN ANGELO

Date Compliance History Prepared: January 08, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: January 08, 2002 to January 08, 2007

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

Name: Dana Shuler Phone: (512) 239-2505

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? Yes
3. If Yes, who is the current owner? Loadcraft Industries, LTD.
4. if Yes, who was/were the prior owner(s)? Heartland Rig International, LLC
5. When did the change(s) in ownership occur? 06/04/2002

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: 05/12/2006 ADMINORDER 2005-1995-MLM-E

Classification: Moderate

Citation: 30 TAC Chapter 324, SubChapter A 324.1
30 TAC Chapter 335, SubChapter C 335.69(d)(2)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(c)(1)(ii)
40 CFR Chapter 279, SubChapter I, PT 279, SubPT C 279.22(c)(1)

Description: Failed to label a used oil container with the words "Used Oil" and a hazardous waste container with a label identifying the contents or listing it as hazardous waste.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.69(d)(1)
30 TAC Chapter 335, SubChapter H 335.262(c)(2)(A)
40 CFR Chapter 262, SubChapter I, PT 262, SubPT C 262.34(c)(1)(i)
40 CFR Chapter 265, SubChapter I, PT 265, SubPT I 265.173(a)

Description: Failed to ensure that containers holding hazardous and universal waste are always closed during storage, except when it is necessary to add or remove waste.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter H 335.262(c)(1)
40 CFR Chapter 273, SubChapter I, PT 273, SubPT B 273.15(c)(2)

Description: Failed to properly mark or label each universal waste container with the date the waste became a waste or was received.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.9(a)(1)[G]

Description: Failed to maintain all hazardous and industrial solid waste records regarding the quantities generated, stored, processed, and disposed of on-site or shipped off-site for storage, processing, or disposal.

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.4[G]
Description: Failed to prevent the collection, handling, storage, processing, or disposal of industrial solid waste in such a manner as to cause the creation and maintenance of a nuisance and the endangerment of the public health and welfare.

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 01/18/2005 (347308)
2 03/02/2005 (371683)
3 11/17/2005 (435611)
4 10/25/2006 (517118)
5 07/29/2004 (285823)
6 03/03/2004 (262707)
7 07/02/2003 (112574)
8 12/08/2004 (343257)
9 01/23/2004 (259146)

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

Date: 01/18/2005 (347308)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter A 335.4[G]
Description: Failure to manage industrial solid waste in a manner protective of human health and the environment.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter H 335.262(c)(2)(A)
Description: Failure to close universal waste containers when not adding or removing wastes.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter H 335.262(c)(2)(F)
Description: Failure to properly label universal waste containers.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 335, SubChapter H 335.262(c)(1)
Description: Failure to label universal waste containers with accumulation time markings.

Date: 03/03/2004 (262707)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)
Rqmt Prov: PERMIT IA
Description: Failure to amend the pollution prevention team for current members and responsibilities.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)
Rqmt Prov: PERMIT IA
Description: Failure to identify eligible non-storm water discharges in the SWP3.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)
Rqmt Prov: PERMIT IA
Description: Failure to develop a narrative description of all activities and potential pollution sources.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)
Rqmt Prov: PERMIT IA
Description: Failure to develop a complete site map according to permit requirements.

Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)
Rqmt Prov: PERMIT IA
Description: Failure to implement and maintain good housekeeping procedures.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)

Rqmt Prov: PERMIT IA

Description: Failure to develop the spill prevention section of the SWP3 according to permit requirements.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)

Rqmt Prov: PERMIT IA

Description: Failure to develop and maintain an inventory of equipment and materials for spill clean-up.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)

Rqmt Prov: PERMIT IA

Description: Failure to develop BMPs for all exposed activities and materials.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)

Description: Failure to conduct the Annual Comprehensive Compliance Evaluation.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)

Rqmt Prov: PERMIT IA

Description: Maximum numeric effluent limitation for a hazardous metal exceeded.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 281, SubChapter A 281.25(a)(4)

Rqmt Prov: PERMIT IA

Description: Failure to record analytical results on a discharge monitoring report (DMR).

F. Environmental audits.

Notice of Intent Date: 07/10/2003 (251184)

No DOV Associated

Notice of Intent Date: 02/18/2003 (33188)

No DOV Associated

Notice of Intent Date: 02/21/2005 (373411)

No DOV Associated

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**
LOADCRAFT INDUSTRIES, LTD.	§	
RN101620748	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-2021-MLM-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Loadcraft Industries, Ltd. ("Loadcraft") under the authority of TEX. HEALTH & SAFETY CODE chs. 361 and 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Loadcraft appear before the Commission and together stipulate that:

1. Loadcraft owns and operates a trailer and oil rig manufacturing facility at United States Highway 377 North in Brady, McCulloch County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12) and involves or involved the management of industrial hazardous waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.

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

4. Loadcraft received notice of the violations alleged in Section II ("Allegations") on or about October 30, 2006.

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

6. An administrative penalty in the amount of Forty-Three Thousand Twenty-Eight Dollars ($43,028) is assessed by the Commission in settlement of the violations alleged in Section II

("Allegations"). Loadcraft has paid Seventeen Thousand Two Hundred Twelve Dollars ($17,212) of the administrative penalty and Eight Thousand Six Hundred Five Dollars ($8,605) is deferred contingent upon Loadcraft'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 Loadcraft fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Loadcraft to pay all or part of the deferred penalty. Seventeen Thousand Two Hundred Eleven Dollars ($17,211) shall be conditionally offset by Loadcraft'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 Loadcraft 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 on March 29, 2007 it was documented that Loadcraft has implemented the following corrective measures at the Plant:

   a. Provided their abrasive blasting personnel with instructions and training to assure that abrasive blast operations are conducted correctly;

   b. Obtained copies of the Permits By Rule, and the abrasive blasting personnel have been provided with training in order to assure that operations at the Plant are being recorded;

   c. Provided personnel with instructions and training to ensure that all Universal Waste is managed properly;

   d. The contents of the 5-gallon container of waste material on the pallet adjacent to the paint storage area has been determined to be hydraulic oil;

   e. Provided personnel with instruction and training to ensure that all Hazardous Waste containers are labeled and dated;

   f. The Universal Waste that was being managed adjacent to the edge of the property has been relocated to the south portion of the waste management area, which is a distance greater than 50 feet from the property line;

   g. The Notice of Registration has been updated to reflect inactive waste codes and waste management units, as well as the current universal waste quantity for handling status at the Plant; and

   h. An updated Annual Waste Summary has been filed to include the previously omitted waste code.

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 Loadcraft 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, Loadcraft is alleged to have:

1. Failed to obtain authorization prior to construction and operation of a facility which emits air contaminants in the state, in violation of 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a), as documented during an investigation conducted on September 18, 2006. Specifically, the paint booth (in the red paint room) did not meet the stack requirements or maximum allowable emission rates authorized under Permit By Rule ("PBR"). Therefore, a New Source Review Permit is required.

2. Failed to evacuate particulate matter emissions through a fabric filter with a maximum filtering velocity of 4.0 feet per minute (ft/min) with mechanical cleaning or 7.0 ft/min with air cleaning for the enclosed abrasive blast cleaning operation, in violation of 30 TEX. ADMIN. CODE § 106.452(1)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on September 18, 2006. Specifically, particulate matter was being discharged onto the ground through openings of the building rather than through the filtering system.

3. Failed to comply with the general recordkeeping requirements for all facilities authorized to be constructed and operated under a PBR; to maintain records at the plant site for the most recent 24 months; and make records immediately available upon TCEQ request, in violation of 30 TEX. ADMIN. CODE §§ 106.8(c) and 106.433(8) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on September 18, 2006. Specifically, a copy of each PBR associated with operating a paint booth, an abrasive blast cleaning operation, a degreasing unit, and welding units was not being maintained at the Plant. Also, the Plant was not maintaining records of coatings and solvent usage, actual hours of operation of each coating or stripping operation, and emission records for the paint booth.

4. Failed to close universal waste containers after adding or removing waste and failure to label and mark the accumulation date on universal waste containers, in violation of 30 TEX. ADMIN. CODE §§ 106.433(2)(c), 335.262(c)(1), (c)(2)(A), and (c)(2)(F) and 40 CODE OF FEDERAL REGULATIONS § 273.35(c), as documented during an investigation conducted on September 18, 2006. Specifically, in the paint shop, four 55-gallon drums of paint and paint related wastes were not closed and two of the four drums were not labeled with the words "Universal Waste – Paint and Paint-Related Wastes." Also, 15 1-gallon containers and one 5-gallon container at the container storage area were not labeled with the words "Universal Waste – Paint and Paint-Related Wastes" and were not marked with accumulation times.

5. Failed to conduct a hazardous waste determination, in violation of 30 TEX. ADMIN. CODE § 335.62 and 40 CODE OF FEDERAL REGULATIONS § 262.11, as documented during an investigation

conducted on September 18, 2006. Specifically, the contents of a 5-gallon container of waste material on a pallet adjacent to the paint storage area could not be identified by the Plant's personnel.

6. Failed to label a hazardous waste container with the accumulation start date and the words "Hazardous Waste", in violation of 30 TEX. ADMIN. CODE § 335.69(f)(4) and 40 CODE OF FEDERAL REGULATIONS § 262.34(d)(4), as documented during an investigation conducted on September 18, 2006. Specifically, a 55-gallon drum of spent solvent in the container storage area was not marked with an accumulation time nor did it have a hazardous waste label.

7. Failed to manage universal waste at a distance greater than 50 feet from the property line, in violation of 30 TEX. ADMIN. CODE § 335.262(c)(3) and 40 CODE OF FEDERAL REGULATIONS § 265.176, as documented during an investigation conducted on September 18, 2006. Specifically, paint and paint related waste was being stored in the container storage area, on the back wall, which is adjacent to the edge of the property line.

8. Failed to update the Plant's Notice of Registration (NOR), in violation of 30 TEX. ADMIN. CODE § 335.6(c), as documented during an investigation conducted on September 18, 2006. Specifically, since universal waste accumulation exceeded the 11,000 pound limit for a Small Quantity Handler of universal waste, the universal waste codes are required to be listed as active on the NOR. Also, it was noted that the Texas Waste Codes 0037602H and 9001211H, which are no longer generated, are listed as active and Waste Management Unit 008 is no longer being used. Therefore the NOR should be updated to reflect that the two waste codes and the waste management unit are inactive.

9. Failed to submit a correct Annual Waste Summary ("AWS"), in violation of 30 TEX. ADMIN. CODE § 335.9(a)(2), as documented during an investigation conducted on September 18, 2006. Specifically, Texas Waste Code 90033891 was omitted from the 2005 AWS.

10. Failed to properly handle, store, and dispose of industrial solid waste, in violation of 30 TEX. ADMIN. CODE § 335.4, as documented during an investigation conducted on September 18, 2006. Specifically, the following was noted at the Plant: 1) waste paint was discharged to concrete and soils at the loading dock adjacent to the paint booth; 2) waste paint filters that were stored on the loading dock had been rained on, and the rainwater runoff went onto the surrounding concrete; 3) abrasive blast was allowed to be discharge from the blast building due to open doors when operating; 4) oil absorbent controls had been rained on and rainwater runoff occurred onto surrounding soils adjacent to the scrap metal cutting area; and 5) approximately five gallons of hydraulic oil from a broken jack at the rig up yard was discharged to soil.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Loadcraft pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Loadcraft'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: Loadcraft Industries, Ltd., Docket No. 2006-2021-MLM-E" to:

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

2. Loadcraft 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, Seventeen Thousand Two Hundred Eleven Dollars ($17,211) of the assessed administrative penalty shall be offset with the condition that Loadcraft implement the SEP defined in Attachment A, incorporated herein by reference. Loadcraft'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 Loadcraft shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order, submit an administratively complete permit application for the paint booth, in accordance with 30 TEX. ADMIN. CODE §§ 116.110 to:

      Air Permits Division, MC 162
      Texas Commission on Environmental Quality
      P.O. Box 13087
      Austin, Texas 78711-3087

   b. Respond completely and adequately, as determined by the TCEQ, to all request for information concerning the permit application within 30 days after the date of such request, or by any other deadline specified in writing;

   c. Within 60 days after the effective date of this Agreed Order determine the extent of contamination to soils as a result of the improper handling, storing, and disposing of industrial solid waste; and conduct the appropriate remediation; and

   d. Within 75 days after the effective date of this Agreed Order, submit written certification as described below, to demonstrate compliance with Ordering Provision Nos. 3.a. through 3.c.; and within 180 days after the effective date of this Agreed Order, submit written certification that either authorization to construct and operate a source of air emissions has been obtained or that all unauthorized emissions have ceased until such time that appropriate authorization is obtained. The certifications shall, include detailed supporting

documentation including photographs, receipts, and/or other records to demonstrate compliance, 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 certifications 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:

Air Section Manager
San Angelo Regional Office
Texas Commission on Environmental Quality
622 South Oakes, Suite K
San Angelo, Texas 76903-7013

4. The provisions of this Agreed Order shall apply to and be binding upon Loadcraft. Loadcraft 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 Loadcraft 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, Loadcraft's failure to comply is not a violation of this Agreed Order. Loadcraft shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Loadcraft shall notify the Executive Director within seven days after Loadcraft 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 Loadcraft shall be made in writing to the Executive Director. Extensions are not effective until Loadcraft 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 Loadcraft 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 Loadcraft, or three days after the date on which the Commission mails notice of the Order to Loadcraft, 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

_____ 7/25/07
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.

_____ 5/15/07
Signature Date

Terry McIver Pres.
Name (Printed or typed) Title
Authorized Representative of
Loadcraft Industries, Ltd.

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: 2006-2021-MLM-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	**Loadcraft Industries, Ltd.**
Payable Penalty Amount:	**Thirty-Four Thousand Four Hundred Twenty-Three Dollars ($34,423)**
SEP Amount:	**Seventeen Thousand Two Hundred Eleven Dollars ($17,211)**
Type of SEP:	**Pre-approved**
Third-Party Recipient:	**Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")- Unauthorized Trash Dump Clean-Up**
Location of SEP:	**McCulloch 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 shall contribute to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be used to coordinate with city and/or county governmental officials regarding the clean up of sites where trash has been disposed of illegally. Eligible sites will be limited to those where a responsible party can not be identified and where there is no pre-existing obligation to clean up the site by the owner or the government. Additionally, reasonable efforts must have already been taken to prevent the dumping. SEP monies will be used to pay for the direct cost of collection and disposal of debris. All dollars contributed will be used solely for the direct cost of the project and no portion will be spent on administrative costs. The SEP will be done in accordance with all federal, state and local environmental laws and regulations.

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 helping rid communities of the dangers and health threats associated with non-regulated trash dumps which contaminate air and water, and harbor disease carrying animals and insects.

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:

Texas Association of Resource Conservation and Development Areas, Inc.
1716 Briarcrest Drive
Bryan, Texas 77802-2700

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.