EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-1985-PWS-E **TCEQ ID:** RN101271401 **CASE NO.:** 31668

RESPONDENT NAME: Hilco United Services Inc.

ORDER TYPE:		
X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
__AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
X 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: Live Oak Water System, approximately 500 feet west of the intersection of Farm-to-Market 2604 and Farm-to-Market 933, Hill County

TYPE OF OPERATION: Public water supply

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 May 7, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None

TCEQ Enforcement Coordinator: Ms. Anita Keese, Enforcement Division, Enforcement Team II, MC R-15, (956) 430-6034; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896

Respondent: Ms. Debra A. Cole, President, Hilco United Services Inc., P.O. Box 26, Itasca, Texas 76055-0026

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 __ Enforcement Follow-up X Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** September 13, 2006 **Date of NOE Relating to this Case:** October 25, 2006(NOE) **Background Facts:** This was a routine record review. **WATER** 1) Failed to have a sanitary control easement for the well number one [30 TEX. ADMIN. CODE § 290.41(c)(1)(F)]. 2) Failed to have a thorough and up-to-date plant operations manual for operator review and reference [30 TEX. ADMIN. CODE § 290.42(l)]. 3) Failed to ensure the vertical and horizontal ground storage tanks and the pressure tank are designed in accordance with current American Water Works Association (AWWA) standards [30 TEX. ADMIN. CODE § 290.43(c) and (c)(2)]. 4) Failed to provide a total storage capacity of 200 gallons per connection [30 TEX. ADMIN. CODE § 290.45(b)(1)(D)(ii)].	**Total Assessed:** $3,780 **Total Deferred:** $756 X Expedited Settlement __ Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid to General Revenue:** $3,024 **Site Compliance History Classification** __ **High** __ **Average** __ **Poor** **Person Compliance History Classification** __ **High** __ **Average** __ **Poor** **Major Source:** X Yes __ No **Applicable Penalty Policy:** September 2002	**Ordering Provisions:** The Order will require the Respondent to: a) Within 30 days after the effective date of this Agreed Order: i. Compile and begin maintaining an up-to-date and thorough plant operations manual for operator review and reference; and ii. Obtain a sanitary control easement or exception to the easement requirement for well number one. b) Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation to demonstrate compliance with Ordering Provision a. c) Within 90 days after the effective date of this Agreed Order: i. Ensure that the vertical and horizontal storage tanks and the pressure tanks comply with current AWWA standards; and ii. Provide a total tank capacity of 200 gallons per connection. d) Within 105 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision c.

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) — *PCW Revision November 15, 2006*

DATES					
Assigned	30-Oct-2006				
PCW	21-Dec-2006	Screening	8-Nov-2006	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Hilco United Services Inc.		
Reg. Ent. Ref. No.	RN101271401		
Facility/Site Region	9-Waco	Major/Minor Source	Major

CASE INFORMATION

Enf./Case ID No.	31668	No. of Violations	4
Docket No.	2006-1985-PWS-E	Order Type	1660
Media Program(s)	Public Water Supply	Enf. Coordinator	Anita Keese
Multi-Media		EC's Team	EnforcementTeam 2
Admin. Penalty $ Limit Minimum	$50	Maximum	$1,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) — *Subtotal 1* **$3,600**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — 5% Enhancement — *Subtotals 2, 3, & 7* **$180**

Notes: The Respondent has received one Notice of Violation with the same or similar violations.

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: Respondent does not meet the good faith criteria.

0% Enhancement* — *Subtotal 6* **$0**

**Capped at the Total EB $ Amount*

Total EB Amounts	$2,757
Approx. Cost of Compliance	$55,400

SUM OF SUBTOTALS 1-7 — *Final Subtotal* **$3,780**

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 **$3,780**

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* **$3,780**

DEFERRAL — 20% Reduction — *Adjustment* **-$756**

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 **$3,024**

Screening Date	8-Nov-2006	**Docket No.** 2006-1985-PWS-E	**PCW**
Respondent	Hilco United Services Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31668		*PCW Revision November 15, 2006*
Reg. Ent. Reference No.	RN101271401		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Anita Keese		

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	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgements or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 *(number of audits for which notices were submitted)*	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%
		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) 5%

>> Repeat Violator (Subtotal 3)

N/A

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

N/A

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The Respondent has received one Notice of Violation with the same or similar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 5%

Screening Date	8-Nov-2006	**Docket No.** 2006-1985-PWS-E	**PCW**
Respondent	Hilco United Services Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31668		*PCW Revision November 15, 2006*
Reg. Ent. Reference No.	RN101271401		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Anita Keese		

Violation Number 1

Rule Cite(s) 30 Tex. Admin Code § 290.41(c)(1)(F)

Violation Description Failed to have a sanitary control easement for well number one.

Base Penalty $1,000

>> 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: Failure to obtain a sanitary control easement could expose customers of the water supply to an insignificant amount of pollutants which would not exceed levels protective of human health.

Adjustment $900

$100

Violation Events

Number of Violation Events 1

56 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 $7

Statutory Limit Test

Violation Final Penalty Total $105

This violation Final Assessed Penalty (adjusted for limits) $105

Economic Benefit Worksheet

Respondent Hilco United Services Inc.
Case ID No. 31668
Reg. Ent. Reference No. RN101271401
Media Public Water Supply
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)	$200	13-Sep-2006	31-May-2007	0.7	$7	n/a	$7

Notes for DELAYED costs: Estimated cost to obtain a sanitary control easement or an exception to the easement requirement for the well. The Date Required is the date of the Investigation and the Final Date is the projected 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
				0.0	$0	$0	$0

Notes for AVOIDED costs:

Approx. Cost of Compliance $200

TOTAL $7

Screening Date	8-Nov-2006	**Docket No.** 2006-1985-PWS-E	**PCW**
Respondent	Hilco United Services Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31668		*PCW Revision November 15, 2006*
Reg. Ent. Reference No.	RN101271401		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Anita Keese		

Violation Number 2

Rule Cite(s) 30 Tex. Admin Code § 290.42(l)

Violation Description Failed to have a thorough and up-to-date plant operations manual for operator review and reference.

Base Penalty $1,000

>> 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: The Respondent failed to comply with 100% of the rule requirement.

Adjustment $750

$250

Violation Events

Number of Violation Events 1

56 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $250

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $7

Statutory Limit Test

Violation Final Penalty Total $263

This violation Final Assessed Penalty (adjusted for limits) $263

Economic Benefit Worksheet

Respondent Hilco United Services Inc.
Case ID No. 31668
Reg. Ent. Reference No. RN101271401
Media Public Water Supply
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)	$200	13-Sep-2006	31-May-2007	0.7	$7	n/a	$7

Notes for DELAYED costs This is an estimated cost to prepare a thorough plant operations manual. The Date Required is the investigation date and the Final Date is the projected 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
				0.0	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $200

TOTAL $7

Screening Date	8-Nov-2006	**Docket No.** 2006-1985-PWS-E	**PCW**
Respondent	Hilco United Services Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31668		*PCW Revision November 15, 2006*
Reg. Ent. Reference No.	RN101271401		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Anita Keese		

Violation Number 3

Rule Cite(s) 30 Tex. Admin Code § 290.43(c) and (c)(2)

Violation Description Failed to ensure the vertical and horizontal ground storage tanks and the pressure tank are designed in accordance with current AWWA standards. Specifically, the pressure and horizontal ground storage tanks are adapted railroad cars, and the vertical storage tank is designed for another purpose, and therefore are not designed and constructed for the purpose for holding and storing drinking water. Furthermore, the horizontal storage tank does not have a lockable cover that overlaps the curbing at least two inches in a downward direction.

Base Penalty $1,000

>> 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: Failure to properly install storage and pressure tanks according to AWWA standards could result in the exposure of the customers to contaminants which would exceed levels that are protective of human health as a result of the violation.

Adjustment $500

$500

Violation Events

Number of Violation Events 6

56 Number of violation days

mark only one with an x

daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty $3,000

Six monthly events are recommended based on two monthly events for three tanks calculated from the date of the investigation on September 13, 2006 to the date of case screening on November 8, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $2,493

Statutory Limit Test

Violation Final Penalty Total $3,150

This violation Final Assessed Penalty (adjusted for limits) $3,150

Economic Benefit Worksheet

Respondent Hilco United Services Inc.
Case ID No. 31668
Reg. Ent. Reference No. RN101271401
Media Public Water Supply
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	$50,000	13-Sep-2006	31-May-2007	0.7	$119	$2,374	$2,493
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	Estimated cost to replace the storage and pressure tanks so that they are in conformance with AWWA standards. The Date Required is the investigation date and the Final Date is the projected 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
				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance: $50,000

TOTAL: $2,493

Screening Date	8-Nov-2006	**Docket No.** 2006-1985-PWS-E	**PCW**
Respondent	Hilco United Services Inc.		*Policy Revision 2 (September 2002)*
Case ID No.	31668		*PCW Revision November 15, 2006*
Reg. Ent. Reference No.	RN101271401		
Media [Statute]	Public Water Supply		
Enf. Coordinator	Anita Keese		

Violation Number 4

Rule Cite(s) 30 Tex. Admin Code § 290.45(b)(1)(D)(ii)

Violation Description Failed to provide a total storage capacity of 200 gallons per connection. Specifically, the system requires 51,000 gallons of total storage capacity for 255 connections, and only 44,000 gallons of total storage capacity is provided. This is approximately a 13% deficiency.

Base Penalty $1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential		x	

Percent 25%

>>Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes: Without sufficient capacity, the customers of the water supply could experience water shortages and the system's ability to provide a safe and reliable water supply could be compromised.

Adjustment $750

$250

Violation Events

Number of Violation Events 1

56 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $250

One quarterly event is recommended from the date of the investigation on September 13, 2006 to the date of case screening on November 8, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $249

Statutory Limit Test

Violation Final Penalty Total $263

This violation Final Assessed Penalty (adjusted for limits) $263

Economic Benefit Worksheet

Respondent Hilco United Services Inc.
Case ID No. 31668
Reg. Ent. Reference No. RN101271401
Media Public Water Supply
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	$5,000	13-Sep-2006	31-May-2007	0.7	$12	$237	$249
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 This is an estimated cost to provide additional well capacity. The Date Required is the investigation date and the Final Date is the projected 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
				0.0	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $5,000

TOTAL $249

Compliance History

Customer/Respondent/Owner-Operator:	CN601499528	Hilco United Services Inc.	Classification:	Rating:
Regulated Entity:	RN101271401	LIVE OAK WATER SYSTEM	Classification:	Site Rating:

ID Number(s):	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1090037
	WATER LICENSING	LICENSE	1090037

Location: WEST OF THE INTERSECTION OF FM 933 AND FM 2604, HILL COUNTY, TEXAS

TCEQ Region: REGION 09 - WACO

Date Compliance History Prepared: November 22, 2006

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 21, 2001 to November 21, 2006

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

Name: Anita Keese Phone: (956) 430-6034

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. if Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A

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 04/03/2003 (29129)
2 02/08/2006 (454180)
3 12/05/2005 (436101)
4 07/18/2005 (395746)
5 04/06/2005 (351043)
6 10/26/2006 (511030)

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

Date: 03/25/2005 (351043)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.42(e)(5)
Description: Failure to properly seal the hypochlorination solution container.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.41(c)(1)(F)
Description: Failure to provide a sanitary easement at the time of this investigation.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.42(l)
Description: Failure to keep a plant operations manual.

Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)(3)
Description: Failure to provide an overflow pipe flap valve assembly on the vertical ground storage tank with a good mechanical seal when closed in order to prevent the possible entrance of insects or other contaminants into the water supply.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)(2)

Description: Failure to provide a lockable roof hatch that overlaps the curbing at least 2 inches in a downward direction.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.43(c)[G]

Description: Failure to insure that the vertical and horizontal ground storage tanks and the pressure tank meet current AWWA standards.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 290, SubChapter D 290.45(b)(1)(D)(ii)

Description: Failure to provide adequate total storage capacity.

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**
HILCO UNITED SERVICES INC.	§	
RN101271401	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-1985-PWS-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 Hilco United Services Inc. ("Hilco") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and Hilco appear before the Commission and together stipulate that:

1. Hilco owns and operates a public water supply approximately 500 feet west of the intersection of Farm-to-Market 2604 and Farm-to-Market 933, Hill County, Texas (the "Facility") that has approximately 255 service connections and serves at least 25 people per day for at least 60 days per year.

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

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

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

5. An administrative penalty in the amount of Three Thousand Seven Hundred Eighty Dollars ($3,780) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Hilco has paid Three Thousand Twenty-Four Dollars ($3,024) of the administrative penalty and Seven Hundred Fifty-Six Dollars ($756) is deferred contingent upon Hilco'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 Hilco fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Hilco to pay all or part of the deferred penalty.

6. 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.

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

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

9. 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.

10. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

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

1. Failed to have a sanitary control easement for the well number one, in violation of 30 TEX. ADMIN CODE § 290.41(c)(1)(F), as documented during an investigation conducted on September 13, 2006.

2. Failed to have a thorough and up-to-date plant operations manual for operator review and reference, in violation of 30 TEX. ADMIN CODE § 290.42(l), as documented during an investigation conducted on September 13, 2006.

3. Failed to ensure the vertical and horizontal ground storage tanks and the pressure tank are designed in accordance with current AWWA standards, in violation of 30 TEX. ADMIN CODE § 290.43(c) and (c)(2), as documented during an investigation conducted on September 13, 2006.

4. Failed to provide a total storage capacity of 200 gallons per connection, in violation of 30 TEX. ADMIN CODE § 290.45(b)(1)(D)(ii), as documented during an investigation conducted on September 13, 2006.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Hilco pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and Hilco'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: Hilco United Services Inc., Docket No. 2006-1985-PWS-E" to:

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

2. It is further ordered that Hilco shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order,

      i. Compile and begin maintaining an up-to-date and thorough plant operations manual for operator review and reference, as required by 30 TEX. ADMIN. CODE § 290.42; and

      ii. Obtain a sanitary control easement or exception to the easement requirement for well number one, in accordance with 30 TEX. ADMIN. CODE § 290.41.

   b. Within 45 days after the effective date of this Agreed Order, submit written certification as described in Ordering Provision 2.d. below, and include detailed supporting documentation to demonstrate compliance with Ordering Provision No. 2.a.

   c. Within 90 days after the effective date of this Agreed Order;

      i. Ensure that the vertical and horizontal storage tanks and the pressure tanks comply with current AWWA standards, as required by 30 TEX. ADMIN. CODE § 290.43 or obtain an exception to the rule in accordance with 30 TEX. ADMIN. CODE § 290.39(l); and

      ii. Provide a total tank capacity of 200 gallons per connection, as required by 30 TEX. ADMIN. CODE § 290.45.

   d. Within 105 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.c. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

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

for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

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

with a copy to:

Public Water Supply Section, Manager
Waco Regional Office
Texas Commission on Environmental Quality
6801 Sanger Avenue, Suite 2500
Waco, Texas 76710-7826

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

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

5. This Agreed Order, issued by the Commission, shall not be admissible against Hilco 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.

6. 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.

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

For the Executive Director

6/27/07
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.

Signature

5-25-07
Date

Debra A Cole
Name (Printed or typed)
Authorized Representative of
Hilco United Services Inc.

President
Title

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