EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2006-0480-MWD-E **TCEQ ID:** RN102956364 **CASE NO.:** 29277

RESPONDENT NAME: Gulf Coast Trades Center

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

SITE WHERE VIOLATION(S) OCCURRED: Gulf Coast Trades Center Main Campus, approximately 3.8 miles west of the intersection of Interstate Highway 45 and Farm-to-Market Road 1375 and northeast of Lake Conroe, Walker County

TYPE OF OPERATION: Wastewater treatment

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 June 4, 2007. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223
TCEQ Enforcement Coordinator: Ms. Catherine Albrecht, Enforcement Division, Enforcement Team 1, MC R-12, (713) 767-3672; Mr. Steven Lopez, Enforcement Division, MC 219, (512) 239-1896
TCEQ Field Investigator: Ms. Denise Tom, Houston Regional Office, MC R-12, (713) 767-3698
Respondent: Mr. Ronald B. Rea, Interim Executive Director, Gulf Coast Trades Center, 143 Forest Service Road #223, New Waverly, Texas 77358
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:** February 8, 2006 **Date of NOE Relating to this Case:** April 5, 2006 (NOE) **Background Facts:** This was a routine investigation. Four violations were documented. **WATER** 1) Failed to initiate engineering and financial planning for an expansion and/or upgrade of the wastewater treatment plant ("WWTP") or collection system when the plant has reached 75% of the permitted daily average flow for three consecutive months or obtain a waiver [30 TEX. ADMIN. CODE §§ 305.125(1) and 305.126(a) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. 12159001, Operational Requirements No. 8.a.]. 2) Failed to conduct the required sludge monitoring of metals and fecal coliform bacteria for the sludge that was land applied during the 2004 disposal period [30 TEX. ADMIN. CODE §§ 305.125(1) and 312.46(a)(1) and TPDES Permit No. 12159001, Sludge Provisions]. 3) Failed to submit the 2003, 2004, and 2005 annual sludge reports for the reporting period of August 1 through July 31 of each year [30 TEX. ADMIN. CODE § 305.125(1) and TPDES Permit No. 12159001, Sludge Provisions]. 4) Failed to maintain compliance with the maximum total chlorine residual limit of 4.0 milligrams per liter ("mg/L") with measured values of 6.63 mg/L following Chlorine Contact Basin ("CCB") A and 9.54 mg/L following CCB B[30 TEX. ADMIN. CODE § 305.125(1), TPDES Permit No. 12159001, Effluent Limitations and Monitoring Requirements No. 2, and TEX. WATER CODE § 26.121(a)].	**Total Assessed:** $6,985 **Total Deferred:** $1,397 _X_ Expedited Settlement __ Financial Inability to Pay **SEP Conditional Offset:** $5,588 **Total Paid to General Revenue:** $0 **Site Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Person Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Major Source:** __ Yes _X_ No **Applicable Penalty Policy:** September 2002	**Corrective Actions Taken:** 1) The Executive Director recognizes that the Respondent, on April 26, 2006, reported that the annual sludge monitoring for metals and fecal coliform bacteria had been resumed with the May 27, 2005 sampling event conducted for 2005 and the March 23, 2006 sampling event for 2006. **Ordering Provisions:** 2) The Order will require the Respondent to implement and complete a Supplemental Environmental Project (SEP). (See SEP Attachment A) 3) The Order will also require the Respondent to: a. Within 30 days after the effective date of this Agreed Order, submit the 2003, 2004, and 2005 annual sludge reports; b. Within 60 days after the effective date of this Agreed Order, complete the engineering and financial planning for an expansion and/or upgrade of the WWTP and/or collection system or obtain a waiver from the TCEQ for the 75/90 rule; c. Within 60 days after the effective date of this Agreed Order, achieve compliance with the effluent limits of TPDES Permit No. 12159001; and d. Within 75 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provisions 3.a. through 3.c. The certification shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance.

Attachment A
Docket Number: 2006-0480-MWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Gulf Coast Trades Center
Penalty Amount:	Five Thousand Five Hundred Eighty-Eight Dollars ($5,588)
SEP Offset Amount:	Five Thousand Five Hundred Eighty-Eight Dollars ($5,588)
Type of SEP:	Custom
Location of SEP:	Walker 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 perform a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

The Respondent shall perform two projects as described below.

A. Endangered Species Habitat Restoration

The Respondent shall perform an endangered species habitat restoration project in the Sam Houston National Forest. The restoration project shall restore and enhance habitat areas for the endangered Red-Cockaded Woodpecker by completing mid-story growth control projects within the National Forest.

The Red-Cockaded Woodpecker has been on the list of endangered species since 1973 due to destruction of habitable areas (known as "clusters") that it needs for food and shelter, from cutting of mature pinewood timber stands. The Red-Cockaded Woodpecker prefers mid- to large-size stands of live mature pine trees of a 10" diameter or larger, with limited understory growth within a 200 foot radius of its nesting area, and a surrounding foraging area of approximately one-half mile of mature pine.

To provide a habitat for this endangered species, the Respondent shall remove undesirable understory growth as described above, during periods that would not disturb the birds during nesting season. (Nesting season is from March through June of each year).

The Respondent shall coordinate participation of at-risk youth from the Gulf Coast Trades Center to perform the habitat restoration. The youths will learn about the dangers and consequences of loss of habitat of the species, as well as the environmental benefits accrued from performing the restoration. The youths will additionally receive certificates of achievement for their participation in the project. The restored areas will be a part of an educational program for visitors to the National Forest.

The Respondent shall use SEP funds to pay for tools to conduct the clearing, for travel costs to and from the

work site, and for other direct costs necessary to perform the SEP.

The Respondent shall perform this project in accordance with all federal, state and local environmental laws and regulations, as well as the U.S. Fish & Wildlife Service Red Cockaded Woodpecker Recovery Plan. The Respondent shall use the SEP Offset Amount only for the direct cost of implementing the project and no portion shall be spent on administrative costs.

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. Illegal Trash Dump Clean Up

The Respondent shall perform an illegal trash dump clean up within the Sam Houston National Forest. Areas of the Forest have become the site for sporadic dumping of solid wastes. The Respondent shall coordinate participation of at-risk youths from the Gulf Coast Trades Center to perform the clean-ups. The youths will learn about the dangers and consequences of illegal dumping, as well as the environmental benefits accrued from performing the clean ups. The youths will additionally receive certificates of achievement for their participation in the project.

The Respondent shall use SEP funds to pay for tools to conduct the clearing, for travel costs to and from the work site, disposal of collected wastes, and for other direct costs of the SEP.

The Respondent shall perform this project in accordance with all federal, state and local environmental laws and regulations. The Respondent shall use the SEP Offset Amount only for the direct cost of implementing the project and no portion shall be spent on administrative costs.

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.

C. Environmental Benefit

Project A will provide a discernible environmental benefit by restoring habitat for the endangered Red-Cockaded Woodpecker, and will provide an additional benefit of educating at-risk youths about the importance of protecting and restoring natural habitats and environmental lands.

Project B will provide a discernable environmental benefit by providing for the proper disposal of debris and waste that can enter the soil and water, as well as help rid the community of the dangers and health threats associated with non-regulated dumping. This project will also provide an additional benefit of educating at-risk youths about the threats associated with illegal dumping and the environmental benefits of cleaning up illegal dumpsites.

D. Minimum Expenditure

The Respondent shall spend at least the SEP Offset Amount to complete the projects described above and comply with all other provisions of this SEP.

Subject to previously stated restrictions on the use of SEP funds and to the extent it can be documented, the Respondent will receive credit for the hours its employees and equipment are used implementing the SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall begin implementation of this SEP. Both portions of the project shall be completed within one year after the effective date of this Agreed Order.

3. Reporting

A. Progress Reports

Within 90 days after the effective date of this Agreed Order, the Respondent shall submit a report to the TCEQ indicating the progress made to date and setting forth a schedule for completion as required above.

B. Final Report

Within 60 days after completion of the projects, the Respondent shall submit a report to the TCEQ which includes:

1. An itemized list of expenditures and costs incurred with receipts, copies of checks, or other verifying documentation attached;
2. The total amount of costs incurred;
3. A statement of quantifiable environmental benefits;
4. A description of the size of area of habitat restored;
5. Map showing specific location of restored area(s);
6. A description of the amount of waste collected from illegal dumpsites;
7. Information regarding the number of youths participating in the project and documentation of their receipt of certificates of achievement;
8. Photographs of the projects; and
9. Any additional information the Respondent believes will demonstrate compliance with this Attachment A.

C. Address

The Respondent shall submit all SEP reports and any requested additional information to the following address:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Additional Information and Access

The Respondent shall provide any additional information required by TCEQ staff and allow access to all records related to the receipt and expenditure of SEP funds. The Respondent shall also allow a representative of the TCEQ access to the site of any work being financed in whole or in part by SEP funds.

5. Failure to Fully Perform

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

In the event of incomplete performance, with the payment, the Respondent shall include the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. The payment 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.

6. 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.

7. Clean Texas Program

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

8. Other SEPs by TCEQ or Other Agencies

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

Penalty Calculation Worksheet (PCW)

TCEQ

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

DATES **Assigned** 10-Apr-2006
PCW 16-May-2006 **Screening** 25-Apr-2006 **EPA Due**

RESPONDENT/FACILITY INFORMATION

Respondent	Gulf Coast Trades Center		
Reg. Ent. Ref. No.	RN102956364		
Facility/Site Region	12-Houston	**Major/Minor Source**	Minor Source

CASE INFORMATION

Enf./Case ID No.	29277	**No. of Violations**	4
Docket No.	2006-0480-MWD-E	**Order Type**	1660
Media Program(s)	Water Quality	**Enf. Coordinator**	Catherine Albrecht
Multi-Media		**EC's Team**	Enforcement Team 1
Admin. Penalty $ Limit Minimum	$0	**Maximum**	$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) *Subtotal 1* $5,500

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History **27%** Enhancement *Subtotals 2, 3, & 7* $1,485

Notes: The respondent has one NOV for same or similar violations, one NOV for other violations, and four self-reported effluent violations for this Facility in the last five years.

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

Notes: The respondent does not meet culpability criteria.

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

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

Notes: The respondent has not yet achieved compliance.

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

**Capped at the Total EB $ Amount*

Total EB Amounts	$2,272
Approx. Cost of Compliance	$14,750

SUM OF SUBTOTALS 1-7 **Final Subtotal** $6,985

OTHER FACTORS AS JUSTICE MAY REQUIRE **Adjustment** $0

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

Notes:

Final Penalty Amount $6,985

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** $6,985

DEFERRAL 20% Reduction **Adjustment** -$1,397

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY $5,588

Screening Date 25-Apr-2006 **Docket No.** 2006-0480-MWD-E **PCW**
Respondent Gulf Coast Trades Center *Policy Revision 2 (September 2002)*
Case ID No. 29277 *PCW Revision May 19, 2005*
Reg. Ent. Reference No. RN102956364
Media [Statute] Water Quality
Enf. Coordinator Catherine Albrecht

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)*	5	25%
	Other written NOVs	1	2%
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*	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) **27%**

>> **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 NOV for same or similar violations, one NOV for other violations, and four self-reported effluent violations for this Facility in the last five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) **27%**

Screening Date 25-Apr-2006 **Docket No.** 2006-0480-MWD-E **PCW**

Respondent Gulf Coast Trades Center *Policy Revision 2 (September 2002)*

Case ID No. 29277 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102956364

Media [Statute] Water Quality

Enf. Coordinator Catherine Albrecht

Violation Number 1

Primary Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1) and 305.126(a) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. 12159001, Operational Requirements No. 8.a.

Secondary Rule Cite(s)

Violation Description Failure to initiate engineering and financial planning for an expansion and/or upgrade of the wastewater treatment plant or collection system when the plant has reached 75% of the permitted daily average flow for three consecutive months or obtain a waiver.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR

Percent

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes: 100% of the rule was not met by not initiating planning to expand or upgrade the Facility.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 1

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

Violation Base Penalty $1,000

One single event is recommended based on the investigation date of February 8, 2006.

Economic Benefit (EB) for this violation

Estimated EB Amount $1,167

Statutory Limit Test

Violation Final Penalty Total $1,270

This violation Final Assessed Penalty (adjusted for limits) $1,270

Economic Benefit Worksheet

Respondent Gulf Coast Trades Center
Case ID No. 29277
Reg. Ent. Reference No. RN102956364
Media [Statute] Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)	$5,000	31-Oct-2003	01-Mar-2007	3.3	$56	$1,111	$1,167
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 of conducting engineering and financial planning to expand and/or upgrade the Facility or to obtain a waiver. Date required is the end of the three consecutive month period with flows at 75% of capacity. 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
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $5,000

TOTAL $1,167

Screening Date 25-Apr-2006 **Docket No.** 2006-0480-MWD-E **PCW**

Respondent Gulf Coast Trades Center *Policy Revision 2 (September 2002)*

Case ID No. 29277 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102956364

Media [Statute] Water Quality

Enf. Coordinator Catherine Albrecht

Violation Number 2

Primary Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1) and 312.46(a)(1) and TPDES Permit No. 12159001, Sludge Provisions

Secondary Rule Cite(s)

Violation Description Failure to conduct the required sludge monitoring of metals and fecal coliform bacteria for the sludge that was land applied during the 2004 disposal period.

Base Penalty $10,000

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

OR

Release	Harm: Major	Moderate	Minor
Actual			
Potential			x

Percent 5%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Failure to conduct the required sludge monitoring could result in the exposure of an insignificant amount of contaminants which would not exceed levels protective of human health and the environment.

Adjustment -$9,500

Base Penalty Subtotal $500

Violation Events

Number of Violation Events 1

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

Violation Base Penalty $500

One single event is recommended for the annual sludge monitoring period ending December 31, 2004.

Economic Benefit (EB) for this violation

Estimated EB Amount $263

Statutory Limit Test

Violation Final Penalty Total $635

This violation Final Assessed Penalty (adjusted for limits) $635

Economic Benefit Worksheet

Respondent Gulf Coast Trades Center
Case ID No. 29277
Reg. Ent. Reference No. RN102956364
Media [Statute] Water Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs							
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling	$250	01-Jan-2004	31-Dec-2004	1.0	$13	$250	$263
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	Estimated cost of conducting metals and fecal coliform bacteria monitoring based on one sample per year. Date required is the beginning of the 2004 monitoring period. Final date is the end of the 2004 monitoring period.						

Approx. Cost of Compliance $250

TOTAL $263

Screening Date 25-Apr-2006 **Docket No.** 2006-0480-MWD-E **PCW**

Respondent Gulf Coast Trades Center *Policy Revision 2 (September 2002)*

Case ID No. 29277 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102956364

Media [Statute] Water Quality

Enf. Coordinator Catherine Albrecht

Violation Number 3

Primary Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and TPDES Permit No. 12159001, Sludge Provisions

Secondary Rule Cite(s)

Violation Description Failure to submit the 2003, 2004, and 2005 annual sludge reports for the reporting periods of August 1 through July 31 of each year.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			
Potential			

OR

Percent

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes 100% of the rule was not met by not submitting the annual sludge reports.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 3

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

Violation Base Penalty $3,000

Three single events are recommended for the 2003, 2004, and 2005 annual reports.

Economic Benefit (EB) for this violation

Estimated EB Amount $250

Statutory Limit Test

Violation Final Penalty Total $3,810

This violation Final Assessed Penalty (adjusted for limits) $3,810

Economic Benefit Worksheet

Respondent Gulf Coast Trades Center
Case ID No. 29277
Reg. Ent. Reference No. RN102956364
Media [Statute] Water Quality
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)	$1,500	01-Sep-2003	01-Jan-2007	3.3	$250	n/a	$250

Notes for DELAYED costs Estimated cost of preparing and submitting the 2003, 2004, and 2005 annual sludge reports are based on $500 per annual report. Date required is the date the 2003 report was due. 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
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $1,500

TOTAL $250

Screening Date 25-Apr-2006 **Docket No.** 2006-0480-MWD-E **PCW**

Respondent Gulf Coast Trades Center *Policy Revision 2 (September 2002)*

Case ID No. 29277 *PCW Revision May 19, 2005*

Reg. Ent. Reference No. RN102956364

Media [Statute] Water Quality

Enf. Coordinator Catherine Albrecht

Violation Number 4

Primary Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and TPDES Permit No. 12159001, Effluent Limitations and Monitoring Requirements No. 2

Secondary Rule Cite(s) Tex. Water Code § 26.121(a)

Violation Description Failure to maintain compliance with the maximum total chlorine residual limit of 4.0 milligrams per liter ("mg/L") with measured values of 6.63 mg/L following Chlorine Contact Basin ("CCB") A and 9.54 mg/L following CCB B as documented during the investigation.

Base Penalty $10,000

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

Release	Harm: Major	Moderate	Minor
Actual			x
Potential			

OR

Percent 10%

>> **Programmatic Matrix**

Falsification	Major	Moderate	Minor

Percent

Matrix Notes: Failure to comply with permit limits resulted in the exposure of an insignificant amount of contaminants which did not exceed levels protective of human health and the environment.

Adjustment -$9,000

Base Penalty Subtotal $1,000

Violation Events

Number of Violation Events 1

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

Violation Base Penalty $1,000

One single event is recommended based on the February 8, 2006 investigation date.

Economic Benefit (EB) for this violation

Estimated EB Amount $592

Statutory Limit Test

Violation Final Penalty Total $1,270

This violation Final Assessed Penalty (adjusted for limits) $1,270

Economic Benefit Worksheet

Respondent Gulf Coast Trades Center
Case ID No. 29277
Reg. Ent. Reference No. RN102956364
Media [Statute] Water Quality
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost (No commas or $)	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment	$8,000	08-Feb-2006	01-Mar-2007	1.1	$28	$564	$592
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 of the installation of a gas chlorination system with adjustments to the lift station and pumps to equalize flows is $8,000. Date required is the investigation date. 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
Other (as needed)				0.0	$0	$0	$0

Notes for AVOIDED costs

Approx. Cost of Compliance $8,000

TOTAL $592

Compliance History

Customer/Respondent/Owner-Operator:	CN601359094 Gulf Coast Trades Center	Classification: AVERAGE	Rating: 1.12
Regulated Entity:	RN102956364 GCTC MAIN CAMPUS	Classification: AVERAGE	Site Rating: 0.22
ID Number(s):	WASTEWATER PERMIT WQ0012159001 WASTEWATER PERMIT TPDES0035157		
Location:	Within the Gulf Coast Trades Center Complex approximately 3.8 miles west of the intersection of Interstate Highway 45 and Farm-to-Market Road 1375 and northeast of Lake Conroe, Walker County	Rating Date: 9/1/2005	Repeat Violator: NO

TCEQ Region: REGION 12 - HOUSTON

Date Compliance History Prepared: April 25, 2006

Agency Decision Requiring Compliance History: Enforcement

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

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Catherine Albrecht Phone: (713)767-3672

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	08/13/2003	(135513)
2	01/28/2004	(304822)
3	03/02/2005	(383978)
4	03/08/2005	(383979)
5	11/19/2004	(383980)
6	12/16/2004	(383981)
7	01/11/2005	(383982)
8	10/18/2004	(355887)
9	04/28/2004	(355888)
10	07/23/2004	(355889)
11	09/03/2004	(355890)
12	09/17/2004	(355891)
13	10/22/2004	(355892)
14	04/05/2006	(453959)
15	01/24/2003	(180489)
16	01/28/2002	(180488)
17	12/16/2002	(180485)
18	12/27/2001	(180484)
19	07/31/2001	(131132)
20	11/21/2002	(180482)
21	10/23/2002	(180479)
22	10/19/2001	(180478)
23	09/20/2002	(180476)
24	09/24/2001	(180475)
25	08/23/2002	(180473)
26	04/13/2005	(421904)
27	08/22/2001	(180472)
28	06/02/2005	(421905)

29	06/22/2005	(421906)
30	07/29/2002	(180470)
31	07/23/2001	(180469)
32	06/17/2002	(180467)
33	06/25/2001	(180466)
34	05/31/2002	(180464)
35	08/15/2005	(442806)
36	09/02/2005	(442807)
37	05/16/2001	(180462)
38	04/29/2002	(180461)
39	04/03/2003	(180458)
40	04/03/2002	(180457)
41	03/06/2003	(180455)
42	02/25/2002	(180454)
43	02/25/2004	(304810)
44	04/23/2003	(304811)
45	05/22/2003	(304812)
46	06/16/2004	(304813)
47	09/24/2003	(248845)
48	06/11/2003	(304814)
49	06/16/2004	(304815)
50	08/06/2003	(304816)
51	09/04/2003	(304817)
52	10/01/2003	(304818)
53	11/06/2003	(304819)
54	11/24/2003	(304820)
55	01/02/2004	(304821)

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

Date: 12/31/2004 (383982)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 07/31/2001 (131132)
Self Report? NO Classification: Minor
Citation: 30 TAC Chapter 319 319.11(c)
Description: Failure to provide adequate equipment to accurately measure daily flows.
Self Report? NO Classification: Minor
Citation: Permit No. 12159001, Monitoring and Reporting Requirement No. 2
Description: Failure to correctly analyze the chlorine residual levels after each chlorine contact basin.

Date: 08/13/2003 (131132)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to maintain compliance with the chlorine residual permit limit.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 312, 312.48(1)
Permit No. 12159001, Sludge Provisions
Description: Failure to submit the annual sludge DMRs for 2002.

Date: 10/31/2001 (180481)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 03/31/2002 (180461)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

Date: 06/30/2003 (304816)
Self Report? YES Classification: Moderate
Citation: 30 TAC Chapter 305, SubChapter F 305.125(1)
TWC Chapter 26 26.121(a)[G]
Description: Failure to meet the limit for one or more permit parameter

F. Environmental audits.
N/A

G. Type of environmental management systems (EMSs).
N/A

H. Voluntary on-site compliance assessment dates.
N/A

I. Participation in a voluntary pollution reduction program.
N/A

J. Early compliance.
N/A

Sites Outside of Texas
N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

IN THE MATTER OF AN	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
GULF COAST TRADES CENTER	§	
RN102956364	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2006-0480-MWD-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 Gulf Coast Trades Center ("GCTC") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and GCTC appear before the Commission and together stipulate that:

1. GCTC owns and operates a wastewater treatment facility within the Gulf Coast Trades Center Complex approximately 3.8 miles west of the intersection of Interstate Highway 45 and Farm-to-Market Road 1375 and northeast of Lake Conroe, Walker County, Texas (the "Facility").

2. GCTC has caused, suffered, allowed or permitted the discharge of any waste or the performance of any activity in violation of TEX. WATER CODE ch. 26 or any rule, permit, or order of the Commission.

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

4. GCTC received notice of the violations alleged in Section II ("Allegations") on or about April 10, 2006.

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

6. An administrative penalty in the amount of Six Thousand Nine Hundred Eighty-Five Dollars ($6,985) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). One Thousand Three Hundred Ninety-Seven Dollars ($1,397) is deferred contingent upon GCTC'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 GCTC

fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require GCTC to pay all or part of the deferred penalty. Five Thousand Five Hundred Eighty-Eight Dollars ($5,588) shall be conditionally offset by GCTC'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 GCTC 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 GCTC, on April 26, 2006, reported that the annual sludge monitoring for metals and fecal coliform bacteria had resumed with the May 27, 2005 sampling event conducted for 2005 and the March 23, 2006 sampling event for 2006.

10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that GCTC has not complied with one or more of the terms or conditions in this Agreed Order.

11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

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

II. ALLEGATIONS

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

1. Failed to initiate engineering and financial planning for an expansion and/or upgrade of the wastewater treatment plant ("WWTP") or collection system when the plant has reached 75% of the permitted daily average flow for three consecutive months or obtain a waiver, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and 305.126(a) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. 12159001, Operational Requirements No. 8.a., as documented during an investigation conducted on February 8, 2006.

2. Failed to conduct the required sludge monitoring of metals and fecal coliform bacteria for the sludge that was land applied during the 2004 disposal period, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and 312.46(a)(1) and TPDES Permit No. 12159001, Sludge Provisions, as documented during an investigation conducted on February 8, 2006.

3. Failed to submit the 2003, 2004, and 2005 annual sludge reports for the reporting period of August 1 through July 31 of each year, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and TPDES

Permit No. 12159001, Sludge Provisions, as documented during an investigation conducted on February 8, 2006.

4. Failed to maintain compliance with the maximum total chlorine residual limit of 4.0 milligrams per liter ("mg/L") with measured values of 6.63 mg/L following Chlorine Contact Basin ("CCB") A and 9.54 mg/L following CCB B as documented during the investigation, in violation of 30 TEX. ADMIN. CODE § 305.125(1), TPDES Permit No. 12159001, Effluent Limitations and Monitoring Requirements No. 2, and TEX. WATER CODE § 26.121(a), as documented during an investigation conducted on February 8, 2006.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that GCTC pay an administrative penalty as set forth in Section I, Paragraph 6 above. The imposition of this administrative penalty and GCTC'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: Gulf Coast Trades Center, Docket No. 2006-0480-MWD-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. GCTC 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, Five Thousand Five Hundred Eighty-Eight Dollars ($5,588) of the assessed administrative penalty shall be offset with the condition that GCTC implement the SEP defined in Attachment A, incorporated herein by reference. GCTC'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 GCTC shall undertake the following technical requirements:

   a. Within 30 days after the effective date of this Agreed Order, submit the 2003, 2004, and 2005 annual sludge reports, as required by TPDES Permit No. 12159001, Sludge Provisions;

   b. Within 60 days after the effective date of this Agreed Order, complete the engineering and financial planning for an expansion and/or upgrade of the WWTP and/or collection system

or obtain a waiver from the TCEQ for the 75/90 rule, as required by 30 TEX. ADMIN. CODE § 305.126(a);

c. Within 60 days after the effective date of this Agreed Order, achieve compliance with the effluent limits of TPDES Permit No. 12159001; and

d. Within 75 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provisions 3.a. through 3.c. The certification shall, include detailed supporting documentation including 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 this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

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:

Manager, Water Section
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

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

5. If GCTC 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, GCTC's failure to comply is not a violation of this Agreed Order. GCTC shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred.

GCTC shall notify the Executive Director within seven days after GCTC 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 GCTC shall be made in writing to the Executive Director. Extensions are not effective until GCTC 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 GCTC 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 GCTC, or three days after the date on which the Commission mails notice of the Order to GCTC, 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

_____ 8/9/2007
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.

Ronald B Rea April 3, 2007
Signature Date

Ronald B. Rea Interim Executive Director
Name (Printed or typed) Title
Authorized Representative of
Gulf Coast Trades Center

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: 2006-0480-MWD-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Gulf Coast Trades Center
Penalty Amount:	Five Thousand Five Hundred Eighty-Eight Dollars ($5,588)
SEP Offset Amount:	Five Thousand Five Hundred Eighty-Eight Dollars ($5,588)
Type of SEP:	Custom
Location of SEP:	Walker 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 perform a Supplemental Environmental Project ("SEP"). The SEP Offset Amount is set forth above and such offset is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

The Respondent shall perform two projects as described below.

A. Endangered Species Habitat Restoration

The Respondent shall perform an endangered species habitat restoration project in the Sam Houston National Forest. The restoration project shall restore and enhance habitat areas for the endangered Red-Cockaded Woodpecker by completing mid-story growth control projects within the National Forest.

The Red-Cockaded Woodpecker has been on the list of endangered species since 1973 due to destruction of habitable areas (known as "clusters") that it needs for food and shelter, from cutting of mature pinewood timber stands. The Red-Cockaded Woodpecker prefers mid- to large-size stands of live mature pine trees of a 10" diameter or larger, with limited understory growth within a 200 foot radius of its nesting area, and a surrounding foraging area of approximately one-half mile of mature pine.

To provide a habitat for this endangered species, the Respondent shall remove undesirable understory growth as described above, during periods that would not disturb the birds during nesting season. (Nesting season is from March through June of each year).

The Respondent shall coordinate participation of at-risk youth from the Gulf Coast Trades Center to perform the habitat restoration. The youths will learn about the dangers and consequences of loss of habitat of the species, as well as the environmental benefits accrued from performing the restoration. The youths will additionally receive certificates of achievement for their participation in the project. The restored areas will be a part of an educational program for visitors to the National Forest.

The Respondent shall use SEP funds to pay for tools to conduct the clearing, for travel costs to and from the

work site, and for other direct costs necessary to perform the SEP.

The Respondent shall perform this project in accordance with all federal, state and local environmental laws and regulations, as well as the U.S. Fish & Wildlife Service Red Cockaded Woodpecker Recovery Plan. The Respondent shall use the SEP Offset Amount only for the direct cost of implementing the project and no portion shall be spent on administrative costs.

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. Illegal Trash Dump Clean Up

The Respondent shall perform an illegal trash dump clean up within the Sam Houston National Forest. Areas of the Forest have become the site for sporadic dumping of solid wastes. The Respondent shall coordinate participation of at-risk youths from the Gulf Coast Trades Center to perform the clean-ups. The youths will learn about the dangers and consequences of illegal dumping, as well as the environmental benefits accrued from performing the clean ups. The youths will additionally receive certificates of achievement for their participation in the project.

The Respondent shall use SEP funds to pay for tools to conduct the clearing, for travel costs to and from the work site, disposal of collected wastes, and for other direct costs of the SEP.

The Respondent shall perform this project in accordance with all federal, state and local environmental laws and regulations. The Respondent shall use the SEP Offset Amount only for the direct cost of implementing the project and no portion shall be spent on administrative costs.

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.

C. Environmental Benefit

Project A will provide a discernible environmental benefit by restoring habitat for the endangered Red-Cockaded Woodpecker, and will provide an additional benefit of educating at-risk youths about the importance of protecting and restoring natural habitats and environmental lands.

Project B will provide a discernable environmental benefit by providing for the proper disposal of debris and waste that can enter the soil and water, as well as help rid the community of the dangers and health threats associated with non-regulated dumping. This project will also provide an additional benefit of educating at-risk youths about the threats associated with illegal dumping and the environmental benefits of cleaning up illegal dumpsites.

D. Minimum Expenditure

The Respondent shall spend at least the SEP Offset Amount to complete the projects described above and comply with all other provisions of this SEP.

Subject to previously stated restrictions on the use of SEP funds and to the extent it can be documented, the Respondent will receive credit for the hours its employees and equipment are used implementing the SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent shall begin implementation of this SEP. Both portions of the project shall be completed within one year after the effective date of this Agreed Order.

3. Reporting

A. Progress Reports

Within 90 days after the effective date of this Agreed Order, the Respondent shall submit a report to the TCEQ indicating the progress made to date and setting forth a schedule for completion as required above.

B. Final Report

Within 60 days after completion of the projects, the Respondent shall submit a report to the TCEQ which includes:

1. An itemized list of expenditures and costs incurred with receipts, copies of checks, or other verifying documentation attached;
2. The total amount of costs incurred;
3. A statement of quantifiable environmental benefits;
4. A description of the size of area of habitat restored;
5. Map showing specific location of restored area(s);
6. A description of the amount of waste collected from illegal dumpsites;
7. Information regarding the number of youths participating in the project and documentation of their receipt of certificates of achievement;
8. Photographs of the projects; and
9. Any additional information the Respondent believes will demonstrate compliance with this Attachment A.

C. Address

The Respondent shall submit all SEP reports and any requested additional information to the following address:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Additional Information and Access

The Respondent shall provide any additional information required by TCEQ staff and allow access to all records related to the receipt and expenditure of SEP funds. The Respondent shall also allow a representative of the TCEQ access to the site of any work being financed in whole or in part by SEP funds.

5. Failure to Fully Perform

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

In the event of incomplete performance, with the payment, the Respondent shall include the docket number of this Agreed Order and a note that it is for reimbursement of a SEP. The payment 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.

6. 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.

7. Clean Texas Program

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

8. 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.