

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-1083-IWD-E **TCEQ ID:** RN101514164 **CASE NO.:** 34145
RESPONDENT NAME: P Chem, Inc.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input checked="" type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION
<p>SITE WHERE VIOLATION(S) OCCURRED: P Chem, located immediately west of the intersection of Farm-to-Market Road 2663 and U.S. Highway 287 North, at 100 Old Latexo Road, Latexo, Houston County</p> <p>TYPE OF OPERATION: Chemical manufacturing facility</p> <p>SMALL BUSINESS: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on December 10, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. Samuel Short, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-5363; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Ms. Lois Waits, Vice President of Environmental and Regulatory Affairs, P Chem, Inc., Post Office Box 977, Latexo, Texas 75849 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input checked="" type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Record Review Relating to this Case: June 11, 2007</p> <p>Date of NOE Relating to this Case: June 25, 2007 (NOE)</p> <p>Background Facts: This was a routine record review for compliance with the water quality program. One significant program violation was observed.</p> <p>WATER</p> <p>Failure to comply with the permitted effluent limits for Chemical Oxygen Demand, Oil and Grease, and Ammonia Nitrogen [30 TEX. ADMIN. CODE § 305.125(1), TPDES Permit No. 02393, Effluent Limitations and Monitoring Requirements No. 1, and TEX. WATER CODE § 26.121(a)].</p>	<p>Total Assessed: \$3,960</p> <p>Total Deferred: \$792 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$3,168</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>The Order will require the Respondent to submit written certification of compliance with the effluent limits of TPDES Permit No. 02393. The certification shall include detailed supporting documentation including receipts, and/or other records to demonstrate compliance, and be notarized by a State of Texas Notary Public.</p>

Additional ID No(s): TPDES Permit No. 02393



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

DATES	Assigned	2-Jul-2007	Screening	9-Jul-2007	EPA Due	
	PCW	10-Jul-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	P Chem, Inc.		
Reg. Ent. Ref. No.	RN101514164		
Facility/Site Region	10-Beaumont	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	34145	No. of Violations	1
Docket No.	2007-1083-IWD-E	Order Type	1660
Media Program(s)	Water Quality	Enf. Coordinator	Samuel Short
Multi-Media		EC's Team	EnforcementTeam 3
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1 \$3,000

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 32% Enhancement Subtotals 2, 3, & 7 \$960

Notes

A 32% enhancement is recommended for having six NOV's for self reported effluent data and one NOV that is not same or similar.

Culpability No 0% Enhancement Subtotal 4 \$0

Notes

The Respondent does not meet the culpability criteria.

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

Extraordinary

Ordinary

N/A

Notes

	Before NOV	NOV to EDPRP/Settlement Offer
	X	(mark with x)

The Respondent does not meet the good faith criteria.

0% Enhancement* Subtotal 6 \$0

Total EB Amounts	\$61
Approx. Cost of Compliance	\$2,000

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 Final Subtotal \$3,960

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 \$3,960

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty \$3,960

DEFERRAL 20% Reduction Adjustment -\$792

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

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY \$3,168

Screening Date 9-Jul-2007

Docket No. 2007-1083-IWD-E

PCW

Respondent P Chem, Inc.

Policy Revision 2 (September 2002)

Case ID No. 34145

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN101514164

Media [Statute] Water Quality

Enf. Coordinator Samuel Short

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 (<i>number of NOVs meeting criteria</i>)	6	30%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	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 (<i>number of judgements or consent decrees meeting criteria</i>)	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 (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	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 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
<i>Please Enter Yes or No</i>			
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) 32%

>> 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

A 32% enhancement is recommended for having six NOVs for self reported effluent data and one NOV that is not same or similar.

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

Screening Date 9-Jul-2007 **Docket No.** 2007-1083-IWD-E **PCW**
Respondent P Chem, Inc. *Policy Revision 2 (September 2002)*
Case ID No. 34145 *PCW Revision June 26, 2007*
Reg. Ent. Reference No. RN101514164
Media [Statute] Water Quality
Enf. Coordinator Samuel Short

Violation Number 1
Rule Cite(s) Tex. Water Code § 26.121(a), 30 Tex. Admin. Code § 305.125(1) and TPDES Permit No. 02393, Effluent Limitations and Monitoring Requirements No. 1
Violation Description Failed to comply with the permitted effluent limits as documented during a record review conducted on June 11, 2007. See attached table.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual			x	10%
	Potential				

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	Percent
					0%

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

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 3 Number of violation days 121

<i>mark only one with an x</i>	daily	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,000

Three quarterly events are recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$61

Violation Final Penalty Total \$3,960

This violation Final Assessed Penalty (adjusted for limits) \$3,960

Economic Benefit Worksheet

Respondent P Chem, Inc.
 Case ID No. 34145
 Reg. Ent. Reference No. RN101514164
 Media Water Quality
 Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost <small>No commas or \$</small>	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)	\$2,000	31-Jul-2006	10-Mar-2007	0.6	\$61	n/a	\$61

Notes for DELAYED costs

The estimated cost for additional oversight and sampling which could have reduced or alleviated the exceedances. Date required is the date the noncompliance started and the final date is the expected compliance date.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$61

Effluent Limit Violation Table

table rev.

Respondent	P Chem, Inc.
ID Number(s)	TPDES Permit No. 02393
Docket Number	2007-1083-IWD-E
Enf. Coordinator	Samuel Short
Corresponds to Violation Number:	1

EFFLUENT PARAMETER

Permit Limit

	COD Daily Max.	Oil and Grease Daily Max.	NH3-N Daily Max.										
Month/Year	200 mg/L	15 mg/L	5 mg/L										
7/31/2006	C	C	13.7										
12/31/2006	468	45.7	14.8										
1/31/2007	C	C	5.3										
2/28/2007	1460	C	71										

Name	Abbreviation
Milligrams per liter	mg/L
Chemical Oxygen Demand	COD
Ammonia Nitrogen	NH3-N
Maximum	Max.
Compliance	C

Compliance History

Customer/Respondent/Owner-Operator: CN600790638 P CHEM, INC. Classification: AVERAGE Rating: 0.22
 Regulated Entity: RN101514164 P CHEM Classification: AVERAGE Site Rating: 0.22

ID Number(s):	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXD098874308
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	31743
	WASTEWATER	PERMIT	WQ0002393000
	WASTEWATER	PERMIT	TPDES0084956
	WASTEWATER	PERMIT	WQ0002393000
	WASTEWATER	PERMIT	TPDES0084956
	AIR NEW SOURCE PERMITS	PERMIT	7989
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	HS00150
	AIR NEW SOURCE PERMITS	PERMIT	75035

Location: located immediately west of the intersection of Farm-to-Market Road 2663 and U.S. Highway 287 North, at 100 Old Latexo Road in Latexo, Houston County, Texas
 Rating Date: September 01 06 Repeat Violator: NO

TCEQ Region: REGION 10 - BEAUMONT

Date Compliance History Prepared: July 10, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: July 03, 2002 to July 03, 2007

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

Name: Samuel Short Phone: (512) 239-5363

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? | <u>N/A</u> |
| 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 | 07/22/2002 | (207997) |
| 2 | 08/15/2002 | (208000) |
| 3 | 08/15/2002 | (7319) |
| 4 | 09/19/2002 | (208003) |
| 5 | 10/18/2002 | (208006) |
| 6 | 11/19/2002 | (208009) |
| 7 | 12/18/2002 | (208011) |
| 8 | 01/17/2003 | (208014) |
| 9 | 02/18/2003 | (316570) |
| 10 | 03/18/2003 | (207983) |
| 11 | 04/22/2003 | (207988) |
| 12 | 05/19/2003 | (316574) |
| 13 | 06/18/2003 | (316575) |
| 14 | 07/18/2003 | (316576) |
| 15 | 08/22/2003 | (316577) |
| 16 | 09/22/2003 | (316578) |

17 10/10/2003 (316579)
 18 11/12/2003 (316580)
 19 12/15/2003 (316581)
 20 01/20/2004 (316582)
 21 02/23/2004 (316571)
 22 03/19/2004 (316572)
 23 04/19/2004 (316573)
 24 05/24/2004 (360940)
 25 07/21/2004 (360941)
 26 08/19/2004 (360942)
 27 09/21/2004 (360943)
 28 10/21/2004 (360944)
 29 11/19/2004 (386853)
 30 12/20/2004 (386854)
 31 01/19/2005 (386855)
 32 02/22/2005 (424667)
 33 03/18/2005 (424668)
 34 04/22/2005 (424669)
 35 05/20/2005 (424670)
 36 06/24/2005 (424671)
 37 07/20/2005 (445367)
 38 08/19/2005 (445368)
 39 09/19/2005 (445369)
 40 10/17/2005 (476740)
 41 11/10/2005 (432262)
 42 11/28/2005 (476741)
 43 12/21/2005 (476742)
 44 01/23/2006 (476743)
 45 02/27/2006 (476738)
 46 03/22/2006 (476739)
 47 04/20/2006 (503646)
 48 05/22/2006 (503647)
 49 06/22/2006 (503648)
 50 08/28/2006 (526007)
 51 09/25/2006 (526008)
 52 10/24/2006 (550410)
 53 11/27/2006 (550411)
 54 06/26/2007 (563826)

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

Date	09/30/2003	(316579)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	09/15/2005	(432262)		
Self Report?	NO		Classification	Minor
Rqmt Prov:	PERMIT M&RR 2			
Description:	Failure by the permittee to properly complete the chain of custody (COC) tags.			
Self Report?	NO		Classification	Minor
Rqmt Prov:	PERMIT M&RR 2			
Description:	Failure by the permittee to comply with the test procedures for the analysis of pollutants as specified in 30 TAC 319.11-319.12.			
Self Report?	NO		Classification	Minor
Rqmt Prov:	PERMIT M&RR 2			
Description:	Failure by the permittee to comply with the test procedures for the analysis of pollutants as specified in 30 TAC 319.11-319.12.			
Self Report?	NO		Classification	Moderate
Rqmt Prov:	PERMIT OpR 11a			
Description:	Failure to prevent the discharge or imminent threat of discharge of industrial solid waste or municipal hazardous waste into or adjacent to the waters in the state without obtaining specific authorization for such a discharge from the TCEQ.			
Self Report?	NO		Classification	Minor
Rqmt Prov:	PERMIT M&RR 2			
Description:	Failure by the permittee to comply with the test procedures for the analysis of pollutants as specified in 30 TAC 319.11-319.12.			

Date	01/31/2006	(476738)		
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	07/31/2006			
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	12/31/2006			
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	01/31/2007			
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	02/28/2007			
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
ENFORCEMENT ACTION
CONCERNING
P CHEM, INC.
RN101514164

§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2007-1083-IWD-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 P Chem, Inc. ("P Chem") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and P Chem appear before the Commission and together stipulate that:

1. P Chem owns and operates a chemical manufacturing facility located immediately west of the intersection of Farm-to-Market Road 2663 and U.S. Highway 287 North, at 100 Old Latexo Road in Latexo, Houston County, Texas (the "Facility").
2. P Chem has discharged industrial waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26.
3. The Commission and P Chem agree that the Commission has jurisdiction to enter this Agreed Order, and that P Chem is subject to the Commission's jurisdiction.
4. P Chem received notice of the violations alleged in Section II ("Allegations") on or about June 30, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by P Chem of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Three Thousand Nine Hundred Sixty Dollars (\$3,960) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). P Chem has paid Three Thousand One Hundred Sixty-Eight Dollars (\$3,168) of

the administrative penalty and Seven Hundred Ninety-Two Dollars (\$792) is deferred contingent upon P Chem'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 P Chem fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require P Chem to pay all or part of the deferred penalty.

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 P Chem have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. 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 P Chem has not complied with one or more of the terms or conditions in this Agreed Order.
10. 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.
11. 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, P Chem is alleged to have failed to comply with the permitted effluent limits, in violation of TEX. WATER CODE § 26.121(a), 30 TEX. ADMIN. CODE § 305.125(1) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. 02393, Effluent Limitations and Monitoring Requirements No. 1, as documented during a record review conducted on June 11, 2007, and as indicated in the table below:

<u>EFFLUENT PARAMETER</u>												
<u>Permit Limit</u>												
	COD Daily Max.	Oil and Grease Daily Max.	NH3-N Daily Max.									
Month/Year	200 mg/L	15 mg/L	5 mg/L									
7/31/2006	C	C	13.7									
12/31/2006	468	45.7	14.8									
1/31/2007	C	C	5.3									
2/28/2007	1460	C	71									

Name	Abbreviation
Milligrams per liter	mg/L
Chemical Oxygen Demand	COD
Ammonia Nitrogen	NH3-N
Maximum	Max.
Compliance	C

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that P Chem pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and P Chem'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: P Chem, Inc., Docket No. 2007-1083-IWD-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 P Chem shall, within 60 days after the effective date of this Agreed Order, submit written certification of compliance with the effluent limits of TPDES Permit No. 02393. 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:

Water Section, Manager
Beaumont Regional Office
Texas Commission on Environmental Quality
3870 Eastex Freeway
Beaumont, Texas 77703-1892

3. The provisions of this Agreed Order shall apply to and be binding upon P Chem. P Chem is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. If P Chem 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, P Chem's failure to comply is not a violation of this Agreed Order. P Chem shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. P Chem shall notify the Executive Director within seven days after P Chem becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by P Chem shall be made in writing to the Executive Director. Extensions are not effective until P Chem receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against P Chem in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to P Chem, or three days after the date on which the Commission mails notice of the Order to P Chem, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

P Chem, Inc.
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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John S. Miller
For the Executive Director

12/11/07
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 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 failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

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

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

Lois Warts
Signature

9-17-07
Date

Lois Warts
Name (Printed or typed)
Authorized Representative of
P Chem, Inc.

Vice President Environmental
Title and Regulatory Affairs

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.

