

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.: 2006-0516-MLM-E TCEQ ID: RN103948733; CASE NO.: 29350**  
**RESPONDENT NAME: MULTI-CHEM GROUP, LLC**

<b>ORDER TYPE:</b>		
<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	

<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> MULTI-MEDIA (check all that apply)	<input checked="" type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input 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
<input type="checkbox"/> AGRICULTURE	<input type="checkbox"/> USED OIL	<input type="checkbox"/> WATER RIGHTS

**SITE WHERE VIOLATION(S) OCCURRED:** 349 Private Road 4473, Sonora, Sutton County

**TYPE OF OPERATION:** Oilfield manufacturing facility

**SMALL BUSINESS:**  Yes  No

**OTHER SIGNIFICANT MATTERS:** There are no complaints.

**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 August 11, 2008. No comments were received.

**CONTACTS AND MAILING LIST:**

**TCEQ Attorney:** Ms. Lena Roberts, Litigation Division, MC 175, (512) 239-0019  
**TCEQ Enforcement Coordinator:** Mr. Michael Meyer, Waste Enforcement Section, MC 128, (512) 239-4492  
**TCEQ Regional Contact:** Mr. Mark Newman, San Angelo Regional Office, MC R-8, (325) 655-9479  
**Respondent:** Mr. James B. Archer, Multi-Chem Group, LLC, P.O. Box 1644, Sonora, Texas 76950  
**Respondent's Attorney:** Ali Abazari, Jackson Walker, LLC, 100 Congress Avenue, Suite 1100  
 Austin, Texas 78701

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b></p> <p><input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> March 2, 2006</p> <p><b>Date of NOE Relating to this Case:</b> April 18, 2006</p> <p><b>Background Facts:</b> The EDPRP was filed on November 16, 2006. The EDFARP was filed May 10, 2007. Settlement negotiations were ongoing but unsuccessful, so the Respondent filed an Answer on February 26, 2008. Settlement was achieved and a signed agreed order was received on June 11, 2008.</p> <p><b>MLM:</b></p> <ol style="list-style-type: none"> <li>Failed to construct and operate facilities as represented in the application for TCEQ Air Permit No. 73375 (the "Permit") [30 TEX. ADMIN. CODE § 116.11(a)(1) and Permit General Condition 1].</li> <li>Failed to comply with the annual production rate limit for products shipped off-site [30 TEX. ADMIN. CODE § 116.115(a) and Permit Special Condition 3].</li> <li>Failed to store only mixtures listed in Attachment 1 to the Permit or approved through Special Condition No. 9 [30 TEX. ADMIN. CODE § and Permit Special Condition 7].</li> <li>Failed to maintain emissions records which included calculated emissions of VOC from all storage tanks during the previous calendar month and the past 12 consecutive month period, and failed to provide hazardous solid waste generation, storage, or disposal records upon request [30 TEX. ADMIN. CODE §§ 116.115(c) and 335.9(a)(1), and Permit Special Condition 8B].</li> </ol>	<p><b>Total Assessed:</b> \$70,380</p> <p><b>Total Deferred:</b> \$0</p> <p><input type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay  <input type="checkbox"/> SEP Conditional Offset</p> <p><b>Total Paid to General Revenue:</b> \$70,380</p> <p>The Respondent has paid the full amount of the administrative penalty.</p> <p><b>Site Compliance History Classification</b>  <input checked="" type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input checked="" type="checkbox"/> High <input type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Ordering Provision(s)</b></p> <p>The Respondent shall undertake the following technical requirements:</p> <ol style="list-style-type: none"> <li>Immediately:             <ol style="list-style-type: none"> <li>Cease to cause, suffer, allow, or permit the collection, handling, storage, processing, discharge or disposal of industrial solid waste in violation of the Permit and 30 TEX. ADMIN. CODE chs. 331 and 335 until such time as a permit or other authorization is obtained;</li> <li>Keep all container holding hazardous waste closed except when adding or removing waste;</li> <li>Maintain emission and waste records which include calculated emissions of VOC from all storage tanks during the previous calendar month and the past twelve consecutive months; and</li> <li>Analyze the pH of the scrubber solution for scrubber EPN SCBR-1.</li> </ol> </li> <li>Within 30 days:             <ol style="list-style-type: none"> <li>Either:                     <ol style="list-style-type: none"> <li>Submit an application to amend the Permit to accurately represent the location of all units constructed and operated at the Plant, in accordance with the Permit, General Condition No. 1; or</li> <li>Obtain authorization under a Permit by Rule pursuant to TEX. HEALTH &amp; SAFETY CODE ch. 382; and</li> </ol> </li> <li>Conduct a hazardous waste determination and classification on the following waste streams:                     <ol style="list-style-type: none"> <li>Wastewater discharges from the finished bulk storage secondary containment, and</li> <li>Water softener wastewater being disposed in off-site water tank surface impoundment.</li> </ol> </li> </ol> </li> <li>Within 60 days, submit a complete notification of all solid waste management activities conducted at the Plant.</li> </ol>

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>5. Failed to analyze the pH of the scrubbing solution for scrubber EPN ("Emission Point Number") SCBR01 [30 TEX. ADMIN. CODE § 116.115(c) and Permit Special Condition 10].</p> <p>6. Failed to prevent the unauthorized disposal of hazardous waste into a subsurface on-site sewage facility comprised of two septic tanks and drainfield lines [30 TEX. ADMIN. CODE §§ 331.3(a), 331.10(a), 335.2(a), and 335.431, and 40 CFR §§ 268.7(a) and 144.26(a)].</p> <p>7. Failed to prevent unauthorized discharge or disposal of the following wastestreams: 1) condensate cooling water from the laboratory discharging directly to the ground on-site, 2) wastes being discharged through cracks in the secondary containment of the tank farm adjacent to the blender warehouse, 4) rinseate wash area wastes discharged to the environment during rainfall events 5) unknown wastes disposed of at the southwest corner of the raw material bulk storage tank farm 6) wastewater discharges from the raw material bulk storage tank farm 7) paint waste disposed of at the southwest corner of the finished product bulk storage tank farm area 8) wastewater discharges from the finished product bulk storage tank secondary containment 9) secondary containment area wastes dumped onto the ground 10) waste spoils pile generated from the remediation of a November 7, 2005, spill without adequate run-on and run-off controls 11) stained soils at the warehouse tank farm transfer pump 12) unknown white crystalline substance discharging to the environment from an open top tank in the waste tank area 13) several leaking 55-gallon containers 14) stained soils located at the outside product storage area adjacent to the spoils pile, and 15) water softener wastewater being disposed of in an off-site surface impoundment [30 TEX. ADMIN. CODE § 335.4].</p> <p>8. Failed to conduct a hazardous waste determination and classification of 15 identified wastestreams and failing to have the wastestreams registered on the Notice of Registration ("NOR") with the appropriate EPA identification number [30 TEX. ADMIN. CODE §§ 335.6, 335.62, 335.63(a), 335.503(a), 335.504, and 335.513, and 40 CFR § 262.11].</p>		<p>4. Within 120 days, submit written certification to demonstrate compliance with the above Ordering Provisions.</p>

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>9. Failed to keep containers of hazardous waste closed when not adding or removing waste [30 TEX. ADMIN. CODE § 335.69(d)(1), and 40 CFR §§ 262.34(c)(1)(i) and 265.173(a)].</p> <p>10. Failed to label the laboratory waste tank with the words "Hazardous Waste," [30 TEX. ADMIN. CODE § 335.69(d)(1) and 40 CFR § 262.34(a)(3)].</p> <p>11. Failed to notify the TCEQ no later than 24 hours after the discovery of a discharge [30 TEX. ADMIN. CODE § 327.3(b)].</p>		



Policy Revision 2 (September 2006)

# Penalty Calculation Worksheet (PCW)

PCW Revision May 19, 2005

<b>DATES</b>	<b>Assigned:</b> Apr-18-2006	<b>Screening:</b> May10-2006	<b>EPA Due:</b> Jul-30-2006
	<b>PCW:</b> 27-Jun-2006		

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Multi-Chem Group, LLC
<b>Reg. Ent. Ref. No.</b>	RN103949733
<b>Facility/Site Region</b>	8-San Angelo <input checked="" type="checkbox"/> <b>Major/Minor Source</b> Minor Source <input checked="" type="checkbox"/>

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	29350	<b>No. of Violations</b>	11
<b>Docket No.</b>	2006-0516-MLM-E	<b>Order Type</b>	1660 <input checked="" type="checkbox"/>
<b>Media Program(s)</b>	Industrial and Hazardous Waste <input checked="" type="checkbox"/>	<b>Enf. Coordinator</b>	Michael Meyer
<b>Multi-Media</b>	Air Quality	<b>EC's Team</b>	Enforcement Team 8 <input checked="" type="checkbox"/>
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$10,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$78,200
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### ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

<b>Compliance History</b>	-10% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>	-\$7,820
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**Notes:** The respondent is classified as a high performer. There was one environmental audit with disclosure.

<b>Culpability</b>	No <input checked="" type="checkbox"/> 0% Enhancement	<b>Subtotal 4</b>	\$0
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**Notes:** The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply</b>	0% Reduction	<b>Subtotal 5</b>	\$0
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	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with a small x)

**Notes:** The respondent is not yet in compliance.

<b>Economic Benefit</b>	0% Enhancement	<b>Subtotal 6</b>	\$0
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<b>Total EB Amounts</b>	\$5,865	<i>*Capped at the Total EB \$ Amount</i>
<b>Approx. Cost of Compliance</b>	\$51,570	

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$70,380
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<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>		<b>Adjustment</b>	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

**Notes:**

<b>Final Penalty Amount</b>	\$70,380
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<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$70,380
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<b>DEFERRAL</b>		<b>Reduction</b>	<b>Adjustment</b>	\$0
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Reduces the Final Assessed Penalty by the indicted percentage. (Enter number only; e.g. 20 for 20% reduction.)

**Notes:** The standard deferral is not offered for non-expedited cases.

<b>PAYABLE PENALTY</b>	\$70,380
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Screening Date: 10-2006

Docket No.: 2006-0516-M-1-E

PCW

Respondent: ...-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No.: 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No.: RN103949733

Media [Statute]: Industrial and Hazardous Waste

Enf. Coordinator: Michael Meyer

**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)	0	0%
	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 judgments 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)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%
Other	<i>Please Enter Yes or No</i>		
	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) 0%**

>> **Repeat Violator (Subtotal 3)**

No

**Adjustment Percentage (Subtotal 3) 0%**

>> **Compliance History: Person Classification (Subtotal 7)**

High Performer

**Adjustment Percentage (Subtotal 7) -10%**

>> **Compliance History Summary**

Compliance History Notes

The respondent is classified as a high performer. There was one environmental audit with disclosure.

**Total Adjustment Percentage (Subtotals 2, 3, & 7) -10%**

Screening Date 10-2006

Docket No. 2006-0516-M-4-E

PCW

Respondent ...-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 1

Primary Rule Cite(s)

30 Tex. Admin. Code § 116.116(a)(1) and Air Permit No. 73375, General Condition No. 1

Secondary Rule Cite(s)

Violation Description

Failure to construct and operate facilities as represented in the application for Air Permit No. 73375, as documented during an investigation conducted on 03/02/2006. Specifically, Rinseate Tank 1 and the Water Soluble Tank were not constructed in the location represented in the application for Permit No. 73375.

Base Penalty \$10,000

Environmental, Property and Human Health Matrix

		Harm			
Release		Major	Moderate	Minor	
OR	Actual				Percent
	Potential				

Programmatic Matrix

		Major	Moderate	Minor	
	Falsification			X	Percent 1%

Matrix Notes 30 percent of the rule requirement was not met.

Adjustment -\$9,900

Base Penalty Subtotal \$100

Violation Events

Number of Violation Events 2

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

Violation Base Penalty \$200

Two events are recommended (one for each tank).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$180

This violation Final Assessed Penalty (adjusted for limits) \$180

## Economic Benefit Worksheet

Respondent: M. Chem Group, LLC  
 Case ID: No. 29350  
 Reg. Ent. Reference No. RN103949733  
 Media [Statute] Industrial and Hazardous Waste  
 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
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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

Economic Benefit for this violation is included in Violation No. 2.

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

TOTAL

Screening Date 10-2006

Docket No. 2006-0516-M-1-E

PCW

Respondent ...-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 2

Primary Rule Cite(s)

30 Tex. Admin Code § 116.115(a) and Air Permit No. 73375, Special Condition No. 3

Secondary Rule Cite(s)

Violation Description

Failed to comply with the annual production rate limit for products shipped off-site, as documented during an investigation conducted on 03/02/2006. Specifically, the Respondent shipped 40,400 tons of products off-site from 03/29/2005 - 03/02/2006, in excess of the limit of 24,384 tons per year.

Base Penalty \$10,000

Environmental, Property and Human Health Matrix

		Harm			Percent
Release		Major	Moderate	Minor	
Actual			X		
Potential					25%

Programmatic Matrix

		Falsification	Major	Moderate	Minor	Percent

Matrix Notes

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

Adjustment -\$7,500

Base Penalty Subtotal \$2,500

Violation Events

Number of Violation Events 1

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

Violation Base Penalty \$2,500

One annual event recommended from the date of issuance of Air Permit No. 73375 (03/29/2005) to the 03/02/2006 investigation date.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$93

Violation Final Penalty Total \$2,250

This violation Final Assessed Penalty (adjusted for limits) \$2,250

## Economic Benefit Worksheet

Respondent: N. Chem Group, LLC  
 Case ID No: 29350  
 Reg. Ent. Reference No: RN103949733  
 Media [Statute]: Industrial and Hazardous Waste  
 Violation No: 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs	\$2,000	29-Mar-2005	02-Mar-2006	0.9	\$93	n/a	\$93
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to prepare and submit an application to amend the annual production rate listed on the permit. The Date Required is the date of issuance of Air Permit No. 73375 and the Final Date is the date of the 03/02/2006 investigation.

### 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** \$93

Screening Date 05-10-2006

Docket No. 2006-0516-M1-1-E

PCW

Respondent Industrial-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 3

Primary Rule Cite(s) 30 Tex. Admin. Code § 116.115(c) and Air Permit No. 73375, Special Condition No. 7

Secondary Rule Cite(s)
Violation Description Failure to store only mixtures listed in Attachment 1 of Permit Number 73375 or approved through Special Condition Number 9, as documented during an investigation conducted on 03/02/2006. Specifically, the investigator documented the respondent was storing the following new materials not listed in Attachment 1 of Permit No. 73375: S-2510, 6400005 (previous code MC 1-407), 6400022 (previous code MC 1-428); SS-5058, SS-5041, M-8280, PDX-4007, C-6871, C-6410, EB-1290, and FA-4121.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent. Includes 'OR' label.

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, Percent. Includes 'X' in Moderate column.

Matrix Notes 30 to 70 percent of the rule requirement was not met.

Adjustment -\$9,500

Base Penalty Subtotal \$500

Violation Events

Number of Violation Events 1

Table with frequency options: daily, monthly, quarterly, semiannual, annual, single event. Includes 'mark only one use a small x' instruction.

Violation Base Penalty \$500

One quarterly event is recommended from the 03/02/2006 investigation date until the 05/10/2006 screening date.

Economic Benefit (EB) for this violation Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$450

This violation Final Assessed Penalty (adjusted for limits) \$450

## Economic Benefit Worksheet

Respondent: M. Chem Group, LLC

Case ID/No: 29350

Reg. Ent. Reference No: RN103949733

Media [Statute]: Industrial and Hazardous Waste

Violation/No: 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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### 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

See Economic Benefit for Violation No. 2.

### 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 \$0

**TOTAL** \$0

Screening Date 10-2006

Docket No. 2006-0516-M-E

PCW

Respondent Multi-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 4

Primary Rule Cite(s) 30 Tex. Admin. Code § 116.115(c) and Air Permit No. 73375, Special Condition No. 8B and 30 Tex. Admin. Code § 335.9(a)(1)

Secondary Rule Cite(s)
Violation Description Failure to maintain emission records which included calculated emissions of VOC from all storage tanks during the previous calendar month and the past 12 consecutive month period and to provide hazardous waste, industrial solid waste generation, storage or disposal records upon request, as documented during an investigation conducted on 03/02/2006. Specifically, the investigator documented that the respondent was not tracking the throughput from each tank and not calculating monthly VOC emission rates from each tank. In addition, no hazardous or industrial waste generation, storage, or disposal records were maintained on-site.

Base Penalty \$10,000

Environmental Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent. Includes 'OR' label.

Programmatic Matrix table with columns: Falsification, Major, Moderate, Minor, Percent. Includes 'X' in Major column.

Matrix Notes 100 percent of the rule requirement was not met.

Adjustment -\$9,000

Base Penalty Subtotal \$1,000

Violation Events

Number of Violation Events 2

Frequency selection table with options: daily, monthly, quarterly, semiannual, annual, single event. 'X' is marked under 'single event'.

Violation Base Penalty \$2,000

Two single events are recommended (one each for the emission and waste records).

Economic Benefit (EB) for this violation Statutory Limit Test

Estimated EB Amount \$263

Violation Final Penalty Total \$1,800

This violation Final Assessed Penalty (adjusted for limits) \$1,800

## Economic Benefit Worksheet

Respondent: M...-Chem Group, LLC  
 Case ID No: 29350  
 Reg. Ent. Reference No: RN103949733  
 Media [Statute]: Industrial and Hazardous Waste  
 Violation No: 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0
Notes for DELAYED costs							

Avoided Costs							
ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)							
Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)	\$250	29-Mar-2005	02-Mar-2006	1.0	\$13	\$250	\$263
Notes for AVOIDED costs	Estimated cost to calculate emission rates and maintain emission and waste records. Date Required is the issuance of Air Permit No. 73375 and the Final Date is the expected date of compliance.						

Approx. Cost of Compliance \$250

**TOTAL** \$263

<b>Screening Date</b>	y10-2006	<b>Docket No.</b>	2006-0516-M-E	<b>PCW</b>
<b>Respondent</b>	Anti-Chem Group, LLC	<i>Policy Revision 2 (September 2002)</i>		
<b>Case ID No.</b>	29350	<i>PCW Revision May 19, 2005</i>		
<b>Reg. Ent. Reference No.</b>	RN103949733			
<b>Media [Statute]</b>	Industrial and Hazardous Waste			
<b>Enf. Coordinator</b>	Michael Meyer			
<b>Violation Number</b>	5			
<b>Primary Rule Cite(s)</b>	30 Tex. Admin. Code § 116.115(c) and Air Permit No. 73375, Special Condition No. 10			
<b>Secondary Rule Cite(s)</b>				
<b>Violation Description</b>	Failure to analyze the pH of the scrubbing solution for scrubber EPN SCBR-1, as documented during an investigation conducted on 03/02/2006. Specifically, the scrubbing solution was not being analyzed at least once every seven days as required.			
<b>Base Penalty</b>	\$10,000			

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

<b>Harm</b>				
<b>Release</b>	Major	Moderate	Minor	
<b>Actual</b>				<b>Percent</b> <input type="text" value="10%"/>
<b>Potential</b>		X		

>> **Programmatic Matrix**

<b>Falsification</b>	Major	Moderate	Minor	<b>Percent</b> <input type="text"/>

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

**Adjustment**

**Base Penalty Subtotal**

**Violation Events**

**Number of Violation Events**

<i>mark only one use a small x</i>	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$1,000"/>
	monthly	<input type="text"/>	
	quarterly	X	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text"/>	

One quarterly event is recommended from the 03/02/2006 investigation date to the 05/10/2006 screening date.

<b>Economic Benefit (EB) for this violation</b>	<b>Statutory Limit Test</b>
<b>Estimated EB Amount</b> <input type="text" value="\$1,824"/>	<b>Violation Final Penalty Total</b> <input type="text" value="\$900"/>
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$900"/>	

## Economic Benefit Worksheet

Respondent: M... Chem Group, LLC  
 Case ID No: 29350  
 Reg. Ent. Reference No: RN103949733  
 Media [Statute]: Industrial and Hazardous Waste  
 Violation No: 5

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
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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	\$1,000	06-Apr-2005	31-Dec-2006	1.7	\$87	\$1,737	\$1,824
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 to analyze the scrubbing solution at least once every seven days. Estimated cost derived by multiplying the cost of labor, estimated at \$20 per hour, times 50 weeks in a year. The Date Required is one week after permit issuance (03/29/2005) and the Final Date is the projected date of compliance.

Approx. Cost of Compliance \$1,000

**TOTAL** \$1,824

**Screening Date** 10-2006 **Docket No.** 2006-0516-M 1-E **PCW**  
**Respondent** Multi-Chem Group, LLC *Policy Revision 2 (September 2002)*  
**Case ID No.** 29350 *PCW Revision May 19, 2005*  
**Reg. Ent. Reference No.** RN103949733  
**Media [Statute]** Industrial and Hazardous Waste  
**Enf. Coordinator** Michael Meyer

**Violation Number** 6  
**Primary Rule Cite(s)** 30 Tex. Admin. Code §§ 335.2(a), 331.3(a) and 335.431 and Code of Federal Regulations 268.7(a)  
**Secondary Rule Cite(s)** 30 Tex. Admin. Code § 331.10(a) and 40 Code of Federal Regulations 144.26(a)  
**Violation Description** Failed to prevent the unauthorized disposal of hazardous waste into a subsurface on-site sewage facility comprised of two septic tanks and drainfield lines, as documented during an investigation conducted on 03/02/2006. Specifically, analysis of a sample collected from the first chamber of the septic system indicated a chloroform concentration of 32.6 milligrams per liter ("mg/L"), methylene chloride at 26.7 mg/L and toluene at 0.202 mg/L. The concentration for chloroform considered to be hazardous for toxicity is 6.0 mg/L. Any concentration in excess of 6.0 mg/L is identified as a D022 hazardous waste.

**Base Penalty** \$10,000

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

		Harm			Percent
		Major	Moderate	Minor	
OR	Actual		X		
	Potential				

**>> Programmatic Matrix**

		Falsification	Major	Moderate	Minor	Percent

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

**Adjustment** -\$7,500

**Base Penalty Subtotal** \$2,500

**Violation Events**

**Number of Violation Events** 3  
*mark only one use a small x*  
 daily   
 monthly   
 quarterly   
 semiannual   
 annual   
 single event

**Violation Base Penalty** \$7,500

Three monthly events are recommended from the 03/02/2006 investigation date to the 05/10/2006 screening date.

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

**Estimated EB Amount** \$1,104

**Violation Final Penalty Total** \$6,750

**This violation Final Assessed Penalty (adjusted for limits)** \$6,750

## Economic Benefit Worksheet

Respondent: M Chem Group, LLC  
 Case ID No: 29350  
 Reg. Ent. Reference No: RN103949733  
 Media [Statute]: Industrial and Hazardous Waste  
 Violation No: 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Description: No commas or \$							

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$10,000	02-Mar-2006	30-Apr-2007	1.2	\$39	\$774	\$813
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	\$5,000	02-Mar-2006	30-Apr-2007	1.2	\$290	n/a	\$290
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs: Estimated cost to retain a consultant to conduct an Affected Property Assessment Report ("APAR") at the Facility. The Date Required is the 03/02/2006 investigation date and the Final Date is the projected date of completion of the APAR.

### 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 \$15,000

**TOTAL** \$1,104

Screening Date Mar 2-2006

Docket No. 2006-0516-ML

PCW

Respondent Mull Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 7

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

Secondary Rule Cite(s)

Violation Description

Failed to prevent the unauthorized discharge or disposal of the following wastestreams: 1) condensate cooling water from the laboratory discharging directly to the ground on-site; 2) wastes being discharged through cracks in the secondary containment of the tank farm adjacent to the blender warehouse; 3) wastes being allowed to discharge from the chemical storage warehouse; 4) rinseate wash area wastes discharged to the environment during rainfall events; 5) unknown wastes disposed at the southwest corner of the raw material bulk storage tank farm; 6) wastewater discharges from the raw material bulk storage tank secondary containment; 7) paint waste disposed at the southwest corner of the finished product bulk storage tank farm area; 8) wastewater discharges from the finished product bulk storage tank secondary containment; 9) secondary containment wastes dumped onto the ground; 10) waste spoils pile generated from the remediation of the 11/07/2005 spill without adequate run-on and run-off controls; 11) stained soils at the warehouse tank farm transfer pump; 12) unknown white crystalline substance discharging to the environment from an open top tank in the waste tank area; 13) several leaking 55-gallon containers; 14) stained soils located at the outside product storage area adjacent to the spoils pile; and 15) water softener wastewater being disposed in an off-site surface impoundment.

Base Penalty \$10,000

Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 10%

Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent

Matrix Notes

Human health and the environment has been exposed to insignificant amounts of pollutants which do not exceed levels protective of human health or environmental receptors.

Adjustment -\$9,000

Base Penalty Subtotal \$1,000

Violation Events

Number of Violation Events 15

daily	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one use a small x

Violation Base Penalty \$15,000

One quarterly event is recommended from the 03/02/2006 investigation date to the 05/10/2006 screening date for each of the 15 discharge areas.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$2,033

Violation Final Penalty Total \$13,500

This violation Final Assessed Penalty (adjusted for limits) \$13,500

## Economic Benefit Worksheet

**Respondent:** M. Chem Group, LLC  
**Case ID No.:** 29350  
**Reg. Ent. Reference No.:** RN103949733  
**Media [Statute]:** Industrial and Hazardous Waste  
**Violation No.:** 7

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost No commas or \$	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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**Delayed Costs**

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$25,000	02-Mar-2006	30-Apr-2007	1.2	\$97	\$1,936	\$2,033
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 corrective action to clean-up the unauthorized discharges from the site. The Date Required is the 03/02/2006 investigation date and the Final Date is the projected date of completion of the APAR.

**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 \$25,000

**TOTAL** \$2,033

Screening Date 11/0-2006

Docket No. 2006-0516-MI

PCW

Respondent M...-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 8

Primary Rule Cite(s)
Secondary Rule Cite(s)

30 Tex. Admin. Code §§ 335.6, 335.62, 335.63(a), 335.503(a), 335.504 and 335.513 and 40 CFR § 262.11

Violation Description

Failed to conduct a hazardous waste determination and classification of 15 identified wastestreams and have the wastestreams registered on the Notice of Registration with the appropriate EPA identification number, as documented during an investigation conducted on 03/02/2006. Specifically, the wastestreams identified are as follows: 1) laboratory wastes disposed in the on-site sewage facility; 2) laboratory waste accumulated in storage tank; 3) condensate cooling water from the laboratory discharged through PVC piping onto the ground; 4) rinseate wash area wastes discharged to the environment during rainfall events; 5) oil contaminated rags; 6) unknown wastes disposed at the southwest corner of the raw material bulk storage tank farm; 7) wastewater discharges from the raw material bulk storage secondary containment; 8) paint waste disposed at the southwest corner of the finished product bulk storage tank farm area; 9) wastewater discharges from the finished product bulk storage tank secondary containment; 10) secondary containment wastes dumped onto the ground; 11) waste spoils generated from the remediation of the 11/07/2005 spill; 12) unknown white crystalline substance in an open tank in the waste tank area; 13) twenty-seven 55-gallon containers of rinseate sludges; 14) two yellow over pack drums of waste from the November 5, 2000 fire; and 15) water softener wastewater being disposed in an off-site surface impoundment.

Base Penalty \$10,000

Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), and Percent (25%).

Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, and Percent.

Matrix Notes: Human health will or could be exposed to significant amounts of pollutants which would exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment -\$7,500

Base Penalty Subtotal \$2,500

Violation Events

Number of Violation Events 15

Frequency selection table with options: daily, monthly, quarterly, semiannual, annual, single event. 'single event' is marked with an 'X'.

Violation Base Penalty \$37,500

One event for each wastestream identified during the 03/02/2006 investigation.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$514

Violation Final Penalty Total \$33,750

This violation Final Assessed Penalty (adjusted for limits) \$33,750

## Economic Benefit Worksheet

Respondent: K...-Chem Group, LLC  
 Case ID No: 29350  
 Reg. Ent. Reference No: RN103949733  
 Media [Statute]: Industrial and Hazardous Waste  
 Violation No: 8

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
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Delayed Costs							
Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$8,000	02-Mar-2006	31-Jan-2007	0.9	\$24	\$489	\$514
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 hazardous waste determinations for the identified wastestreams. The Date Required is the 03/02/2006 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
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$8,000

**TOTAL** \$514

Screening Date 05/10/2006

Docket No. 2006-0516-M-4-E

PCW

Respondent Multi-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 9

Primary Rule Cite(s) 30 Tex. Admin. Code § 335.69(d)(1)

Secondary Rule Cite(s) 40 CFR §§ 262.34(c)(1)(i) and 265.173(a)

Violation Description Failure to keep containers of hazardous waste closed when not adding or removing waste, as documented during an investigation conducted on 03/02/2006. Specifically, the investigator observed four satellite accumulation containers in the laboratory which were open during the time of the investigation. The investigator did observe a laboratory technician pouring waste into one of the containers and the container was not closed after the waste was added.

Base Penalty \$10,000

Environmental Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				25%
Potential	X			

Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent

Matrix Notes Human health will or could be exposed to pollutants which would exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment -\$7,500

Base Penalty Subtotal \$2,500

Violation Events

Number of Violation Events 4

daily	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$10,000

One quarterly event is recommended from the 03/02/2006 investigation to the date of screening (05/10/2006) for each of the four containers.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$11

Violation Final Penalty Total \$9,000

This violation Final Assessed Penalty (adjusted for limits) \$9,000

### Economic Benefit Worksheet

Respondent: Man-Chem Group, LLC  
 Case ID No: 29350  
 Reg. Ent. Reference No: RN103949733  
 Media [Statute]: Industrial and Hazardous Waste  
 Violation No: 9

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

**Delayed Costs**

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling	\$250	02-Mar-2006	31-Jan-2007	0.9	\$11	n/a	\$11
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 keep container lids closed when not adding waste. The Date Required is the 03/02/2006 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
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$250

**TOTAL** \$11

Screening Date 10-2006

Docket No. 2006-0516-M-1-E

PCW

Respondent Multi-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 10

Primary Rule Cite(s) 30 Tex. Admin. Code § 335.69(a)(3)

Secondary Rule Cite(s) 40 CFR § 262.34(a)(3)

Violation Description Failed to label the laboratory waste tank with the words "Hazardous Waste", as documented during an investigation conducted on 03/02/2006.

Base Penalty \$10,000

Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				
Potential				

Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
	X			10%

Matrix Notes 100 percent of the rule requirement was not met.

Adjustment -\$9,000

Base Penalty Subtotal \$1,000

Violation Events

Number of Violation Events 1

daily	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$1,000

One quarterly event is recommended from the 03/02/2006 investigation to the 05/10/2006 screening date.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$3

Violation Final Penalty Total \$900

This violation Final Assessed Penalty (adjusted for limits) \$900

## Economic Benefit Worksheet

Respondent: K...-Chem Group, LLC  
 Case ID/No: 29350  
 Reg. Ent. Reference No: RN103949733  
 Media [Statute]: Industrial and Hazardous Waste  
 Violation No: 10

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

### Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$50	02-Mar-2006	31-Jan-2007	0.9	\$0	\$3	\$3
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 label the laboratory waste tanks with the words "Hazardous Waste". The Date Required is the 03/02/2006 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
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

**TOTAL**

Screening Date 10-2006

Docket No. 2006-0516-M 4-E

PCW

Respondent Anti-Chem Group, LLC

Policy Revision 2 (September 2002)

Case ID No. 29350

PCW Revision May 19, 2005

Reg. Ent. Reference No. RN103949733

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Michael Meyer

Violation Number 11

Primary Rule Cite(s) 30 Tex. Admin. Code 327.3(b)

Secondary Rule Cite(s)

Violation Description

Failure to notify the TCEQ no later than 24 hours after the discovery of the discharge, as documented during an investigation conducted on 03/02/2006. Specifically, in a spill report received by the TCEQ San Angelo Regional Office on 04/05/2006 the respondent indicated that a spill had occurred from a leaking valve on one of the storage tanks on 11/07/2005 and the contaminated soil was removed on 11/08/2005.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

		Harm			
Release		Major	Moderate	Minor	
OR	Actual				Percent
	Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
	X			10%

Matrix Notes 100 percent of the rule requirement was not met.

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.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$21

Violation Final Penalty Total \$900

This violation Final Assessed Penalty (adjusted for limits) \$900

## Economic Benefit Worksheet

Respondent: **Chem Group, LLC**  
 Case ID No: **29350**  
 Reg. Ent. Reference No: **RN103949733**  
 Media [Statute]: **Industrial and Hazardous Waste**  
 Violation No: **11**

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)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

### Avoided Costs

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

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)	\$20	08-Nov-2005	05-Apr-2006	1.0	\$1	\$20	\$21

Notes for AVOIDED costs

Estimated cost of providing notification of the spill event to the TCEQ. The Date Required is 24 hours after the 11/07/2005 spill and the Final Date is the date a written report of the spill event was received by the TCEQ.

Approx. Cost of Compliance \$20

TOTAL \$21

## Compliance History

Customer/Respondent/Owner-Operator:	CN601492135    Multi-Chem Group, LLC	Classification: HIGH	Rating: 0.00
Regulated Entity:	RN103948733    MULTI-CHEM SONORA MANUFACTURING PLANT	Classification: HIGH	Site Rating: 0.00
ID Number(s):	AIR NEW SOURCE PERMITS	PERMIT	73375
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	EPA ID	TXF:000068635
	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	ID NUMBER	F1886
	Location: 349 PR 4473, SONORA, TX, 76950		
TCEQ Region:	REGION 08 - SAN ANGELO		
Date Compliance History Prepared:	June 06, 2006		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	June 06, 2001 to June 06, 2006		

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

Name: Michael Meyer Phone: (512) 239-4492

### 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 04/02/2005 (451231)
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)  
N/A
- F. Environmental audits.  
 Notice of Intent Date: 08/29/2003 (251535)  
 Disclosure Date: 02/27/2004  
     Viol. Classification: Minor  
 Citation: 30 TAC Chapter 106, SubChapter A 106.8[G]  
 Description: Multi-Chem does not maintain at the site copies of the PBRs or records of how the facilities comply with general PBR requirements.  
     Viol. Classification: Major  
 Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)  
     [G]  
 Description: Numerous facilities at the site do not have authorization to operate under any provision of 30 TAC 116.110(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.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
MULTI-CHEM GROUP, LLC  
RN103948733

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

AGREED ORDER  
DOCKET NO. 2006-0516-MLM-E

I. JURISDICTION AND STIPULATIONS

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Multi-Chem Group, LLC ("Multi-Chem") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE chs. 361 and 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Multi-Chem appear before the Commission and together stipulate that:

1. Multi-Chem owns and operates an oilfield manufacturing facility located at 349 Private Road 4473, Sonora, Sutton County, Texas (the "Facility").
2. This Agreed Order is entered into pursuant to TEX. WATER CODE §§ 7.051 and 7.070. The Commission has jurisdiction of this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE chs. 361 and 382, and TCEQ rules.
3. The Commission and Multi-Chem agree that the Commission has jurisdiction to enter this Agreed Order, and that Multi-Chem is subject to the Commission's jurisdiction.
4. Multi-Chem received notice of the violations alleged in Section II ("Allegations") on or about May 10, 2006.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Multi-Chem of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of seventy thousand three hundred eighty dollars (\$70,380.00) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Multi-Chem has paid seventy thousand three hundred eighty dollars (\$70,380.00) of the administrative 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 Multi-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 recognizes that Multi-Chem has implemented the following corrective measures at the Facility in response to this enforcement action:
  - a. Conducted hazardous waste determinations and classifications on the following wastestreams as required under 30 TEX. ADMIN. CODE § 335.62:
    - i. Laboratory wastes discharge into on-site sewage facility;
    - ii. Laboratory waste accumulated in storage tank;
    - iii. Condensate cooling water from laboratory being discharged through PVC piping onto the ground;
    - iv. Rinseate tank wastewaters;
    - v. Wastewater discharges from the raw material bulk storage tank secondary containment;
    - vi. Unknown white crystalline substance in an open tank in the waste container area;
    - vii. Twenty-seven 55-gallon containers of rinseate sump sludges; and
    - viii. Two yellow pack drums of waste;
    - ix. Oil contaminated rags;
    - x. Wastes disposed of at southwest corner of the raw material bulk storage tank farm;
    - xi. Paint waste disposed at the southwest corner of finished bulk storage tank farm;
    - xii. Secondary containment wastes; and

- xiii. Waste spoils pile generated from the remediation of a product spill.
  - b. Removed the laboratory waste tank; and
  - c. Submitted an Affected Property Assessment Report pursuant to 30 TEX. ADMIN. CODE § 350.91.
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 Multi-Chem 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

1. Multi-Chem is alleged to have violated:
- a. 30 TEX. ADMIN. CODE § 116.116(a)(1) and TCEQ Permit No. 73375, General Condition 1, by failing to construct and operate facilities as represented in the application for TCEQ Air Permit No. 73375 (the “Permit”). Specifically, Rinseate Tank 1 and the Water Soluble Tank were not constructed in the location represented in the application for the Permit;
  - b. 30 TEX. ADMIN. CODE § 116.115(a) and TCEQ Air Permit No. 73375, Special Condition 3, by failing to comply with the annual production rate limit for products shipped off-site. Specifically, Multi-Chem shipped 40,400 tons of products off-site from March 29, 2005 to March 2, 2006, in excess of the limit of 24,384 tons per year;
  - c. 30 TEX. ADMIN. CODE § 116.115(c) and TCEQ Air Permit No. 73375, Special Condition 7, by failing to store only mixtures listed in Attachment 1 to the Permit or approved through Special Condition No. 9. Specifically, the investigator documented Multi-Chem was storing the following new materials not listed in Attachment 1 of the Permit: S-2510, 5400005 (previous code MC 1-407), 6400022 (previous code MC 1-428), SS-5058, SS-5041, M-8280, PDX-4007, C-6871, C-6871, C-6410, EB-1290, and FA-4121;

- d. 30 TEX. ADMIN. CODE § 116.115(c), TCEQ Air Permit No. 73375, Special Condition 8B, and 30 TEX. ADMIN. CODE § 335.9(a)(1) by failing to maintain emissions records which included calculated emissions of VOC from all storage tanks during the previous calendar month and the past 12 consecutive month period and failing to provide hazardous solid waste generation, storage, or disposal records upon request. Specifically, the investigator documented that Multi-Chem was not tracking the throughput from each tank and not calculating monthly VOC emission rates from each tank. In addition, no hazardous or industrial waste generation, storage, or disposal records were maintained on-site;
- e. 30 TEX. ADMIN. CODE § 116.115(c), and TCEQ Air Permit No. 73375, Special Condition 10, by failing to analyze the pH of the scrubbing solution for scrubber EPN (“Emission Point Number”) SCBR-1. Specifically, the scrubbing solution was not being analyzed at least once every seven days as required;
- f. 30 TEX. ADMIN. CODE §§ 331.3(a), 331.10(a), 335.2(a), and 335.431, and 40 CFR §§ 268.7(a) and 144.26(a), by failing to prevent the unauthorized disposal of hazardous waste into a subsurface on-site sewage facility comprised of two septic tanks and drainfield lines. Specifically, analysis of a sample collected from the first chamber of the septic system indicated a chloroform concentration of 32.6 milligrams per liter (“mg/L”), methylene chloride at 26.7 mg/L and toluene at 0.202 mg/L. The concentration for chloroform considered to be hazardous for toxicity is 6.0 mg/L. Any concentration in excess of 6.0 mg/L is identified as a D022 hazardous waste;
- g. 30 TEX. ADMIN. CODE § 335.4 by failing to prevent unauthorized discharge or disposal of the following wastestreams: 1) condensate cooling water from the laboratory discharging directly to the ground on-site, 2) wastes being discharged through cracks in the secondary containment of the tank farm adjacent to the blender warehouse, 3) wastes being allowed to discharge from the chemical storage warehouse, 4) rinseate wash area wastes discharged to the environment during rainfall events, 5) unknown wastes disposed of at the southwest corner of the raw material bulk storage tank farm, 6) wastewater discharges from the raw material bulk storage tank farm, 7) paint waste disposed of at the southwest corner of the finished product bulk storage tank farm area, 8) wastewater discharges from the finished product bulk storage tank secondary containment, 9) secondary containment area wastes dumped onto the ground, 10) waste spoils pile generated from the remediation of a November 7, 2005, spill without adequate run-on and run-off controls, 11) stained soils at the warehouse tank farm transfer pump, 12) unknown white crystalline substance discharging to the environment from an open top tank in the waste tank area, 13) several leaking 55-gallon containers, 14) stained soils located at

the outside product storage area adjacent to the spoils pile, and 15) water softener wastewater being disposed of in an off-site surface impoundment;

- h. 30 TEX. ADMIN. CODE §§ 335.6, 335.62, 335.63(a), 335.503(a), 335.504, and 335.513, and 40 CFR § 262.11 by failing to conduct a hazardous waste determination and classification of 15 identified wastestreams and failing to have the wastestreams registered on the Notice of Registration (“NOR”) with the appropriate EPA identification number. Specifically, the wastestreams identified are as follows: 1) laboratory wastes disposed of in the on-site sewage facility, 2) laboratory waste accumulated in the storage tank, 3) condensate cooling water from the laboratory discharged through PVC piping onto the ground, 4) rinsewater wash area wastes discharged to the environment during rainfall events, 5) oil contaminated rags, 6) unknown wastes disposed of at the southwest corner of the raw material storage bulk storage tank farm, 7) wastewater discharges from the raw material bulk storage secondary containment, 8) paint waste disposed of at the southwest corner of the finished product bulk storage tank secondary containment, 9) wastewater discharges from the finished product bulk storage tank secondary containment, 10) secondary containment wastes dumped onto the ground, 11) waste spoils pile generated from the remediation of a November 7, 2005 spill, 12) unknown white crystalline substance discharging to the environment from an open top tank in the waste tank area, 13) twenty-seven 55-gallon containers of rinsewater sludges, 14) two yellow over pack drums of waste from the November 5, 2000, fire, and 15) water softener wastewater being disposed of in an off-site surface impoundment;
- i. 30 TEX. ADMIN. CODE § 335.69(d)(1), and 40 CFR §§ 262.34(c)(1)(i) and 265.173(a) by failing to keep containers of hazardous waste closed when not adding or removing waste. Specifically, the investigator documented four satellite accumulation containers in the laboratory which were open during the time of the investigation. The investigator observed a laboratory technician pouring waste into one of the containers and the container was not closed after the waste was added;
- j. 30 TEX. ADMIN. CODE § 335.69(d)(1) and 40 CFR § 262.34(a)(3) by failing to label the laboratory waste tank with the words “Hazardous Waste;” and
- k. 30 TEX. ADMIN. CODE § 327.3(b) by failing to notify the TCEQ no later than 24 hours after the discovery of the discharge. Specifically, in a spill report received by the TCEQ San Angelo Regional Office on April 5, 2006, Multi-Chem indicated that a spill had occurred from a leaking valve on one of the storage tanks on November 7, 2005, and the contaminated soil was removed on November 8, 2005.

### III. DENIALS

1. Multi-Chem generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Multi-Chem pay an administrative penalty as set forth in Section I, Paragraph 6, above. The payment of this administrative penalty and Multi-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 considering or requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Multi-Chem Group, LLC, Docket No. 2006-0516-MLM" 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. Multi-Chem shall undertake the following technical requirements:
  - a. Immediately upon the effective date of this Agreed Order, Multi-Chem shall:
    - i. Cease to cause, suffer, allow, or permit the collection, handling, storage, processing, discharge or disposal of industrial solid waste in violation of the Permit and 30 TEX. ADMIN. CODE chs. 331 and 335 until such time as a permit or other authorization is obtained;
    - ii. Keep all container holding hazardous waste closed except when adding or removing waste, as required under 40 CFR § 265.173(a);
    - iii. Maintain emission and waste records which include calculated emissions of VOC from all storage tanks during the previous calendar month and the past twelve consecutive months, as required in the Permit, Special Condition No. 8B and 30 TEX. ADMIN. CODE § 335.9(a)(1); and
    - iv. Analyze the pH of the scrubber solution for scrubber EPN SCBR-1, as required in the Permit, Special Condition No. 10.

- b. Within 30 days after the effective date of this Agreed Order, Multi-Chem shall:
- i. Either:
- A. Submit an application to amend the Permit to accurately represent the location of all units constructed and operated at the Plant, in accordance with the Permit, General Condition No.1; or
- B. Obtain authorization under a Permit by Rule pursuant to TEX. HEALTH & SAFETY CODE ch. 382.
- ii. Conduct a hazardous waste determination and classification on the following wastestreams as required under 30 TEX. ADMIN. CODE § 335.62:
- A. Wastewater discharges from the finished bulk storage tank secondary containment; and
- B. Water softener wastewater being disposed in off-site water tank surface impoundment.
- c. Within 60 days after the effective date of this Agreed Order, submit a complete notification of all solid waste management activities (i.e., notification information on each waste and waste management units) conducted at the Plant, in accordance with of 30 TEX. ADMIN. CODE § 335.6.
- d. Within 120 days after the effective date of this Order, Multi-Chem shall submit written certification and detailed supporting documentation, including photographs, receipts, and other records, to demonstrate compliance with ordering provision Nos. 2.a.i. through 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.”

Multi-Chem shall submit the written certification and copies of documentation necessary to demonstrate compliance with Ordering Provision Nos. 2.a.i. through 2.d. to:

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

and

Mark Newman, Waste Section Manager  
San Angelo Regional Office  
Texas Commission on Environmental Quality  
622 South Oakes, Suite K  
San Angelo, Texas 76903-7035

3. The provisions of this Agreed Order shall apply to and be binding upon Multi-Chem. Multi-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 Multi-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, Multi-Chem's failure to comply is not a violation of this Agreed Order. Multi-Chem shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Multi-Chem shall notify the Executive Director within seven days after Multi-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 Multi-Chem shall be made in writing to the Executive Director. Extensions are not effective until Multi-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 Multi-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) and TEX. GOV'T. CODE § 2001.142, the effective date of this Agreed Order is the date of hand-delivery of the Order to Multi-Chem, or three days after the date on which the Commission mails notice of the Order to Multi-Chem, 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

9/15/08

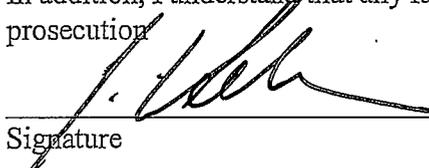
\_\_\_\_\_  
Date

I, the undersigned, have read and understand the attached Agreed Order. I represent that 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 my failure to comply with the Ordering Provisions, if any, in this order and/or Multi-Chem's failure to timely pay the penalty amount, may result in:

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

In addition, I understand that any falsification of any compliance documents may result in criminal prosecution

  
\_\_\_\_\_  
Signature

6/8/08  
\_\_\_\_\_  
Date

JORGE VELAZQUEZ CFO  
\_\_\_\_\_  
Name (Printed or typed)  
Authorized representative of  
Multi-Chem Group, LLC

CFO  
\_\_\_\_\_  
Title