

EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2007-0929-MLM-E **TCEQ ID:** RN102336757 **CASE NO.:** 33788

RESPONDENT NAME: Southern Forest Products, L.L.C.

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 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 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: Southern Forest Products, adjacent to and east of Farm-to-Market Road 2626, approximately 2.3 miles northeast of the intersection of United States Highway 190 and Farm-to-Market Road 2626, Newton County</p> <p>TYPE OF OPERATION: Wastewater treatment</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input 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 November 12, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. Merrilee Hupp, Enforcement Division, Enforcement Team 1, MC 169, (512) 239-4490; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Tony R. Damron, President, Southern Forest Products, L.L.C., P.O. Box 207, Bon Wier, Texas 75928 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 checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: April 26, 2007</p> <p>Date of NOV/NOE Relating to this Case: May 24, 2007 (NOE)</p> <p>Background Facts: This was a routine investigation. Seven violations were documented.</p> <p>WATER/WASTE</p> <p>1) Failed to prevent the unauthorized discharge of wastewater into a road ditch and a creek. Specifically, Southern Forest pulled a plug on a 12" culvert, allowing wastewater and stormwater to enter a road ditch along Farm-to-Market Road 2626 and a creek. The culvert is located between the scale house and the mechanic shop, approximately halfway between Outfall 001 and County Road 2012 [TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0004241000, Permit Conditions No. 2.g.].</p> <p>2) Failed to prevent an unauthorized discharge of wastewater generated by a kiln humidity controller. Specifically, the discharge was flowing about 0.5 gallon per minute and entering the central ditch which discharges to Outfall 002 [TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and TPDES Permit No. WQ0004241000, Permit Conditions No. 2.g.].</p> <p>3) Failed to give notice to the TCEQ before making physical alterations or additions to the Facility. Specifically, Pond 3 was added and Outfall 001 was eliminated [30 TEX. ADMIN. CODE § 305.125(7) and TPDES Permit No.</p>	<p>Total Assessed: \$7,350</p> <p>Total Deferred: \$1,470 <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: \$5,880</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>Corrective Actions Taken:</p> <p>1) The Executive Director recognizes that Southern Forest has implemented the following corrective measures at the Facility:</p> <p>a. By May 21, 2007, replaced the plug on the culvert, constructed a dam and grates to prevent bark from entering the culvert and causing a backup of wastewater, and cleaned up the ditch where the wastewater had entered;</p> <p>b. By April 30, 2007, adjusted the flow rate of the well water used for the kiln humidity controller to stop and prevent unauthorized discharges;</p> <p>c. On May 23, 2007, submitted sampling results to the TCEQ for the two ponds, for the sampling performed on May 8, 2007; and</p> <p>d. On June 28, 2007, submitted the SWP3 to the TCEQ.</p> <p>Ordering Provisions:</p> <p>2) The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order, submit notification and any information necessary to determine whether cause exists for amending the permit, including a description of the rerouting of any wastewater or storm water runoff, the design and construction of Pond 3, and any other modifications of the original Facility design or treatment units since the renewal of TPDES Permit No. WQ0004241000;</p> <p>b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the notice within 30 days after the date of such requests or by any other deadline specified in writing;</p> <p>c. Within 60 days after the effective date of this Agreed Order, remove and dispose of the debris pile at the northeast section of</p>

<p>WQ0004241000, Permit Conditions No. 4.a. and Operational Requirements No. 11.d.].</p> <p>4) Failed to sample and analyze the wastewater retained in each pond in 2006 [30 TEX. ADMIN. CODE § 319.5(b) and TPDES Permit No. WQ0004241000, Other Requirements No. 8].</p> <p>5) Failed to construct a definitive outfall structure for Pond 1 and install weir flow measurement devices at both Outfalls 001 and 002 [30 TEXAS ADMIN. CODE § 305.125(1) and TPDES Permit No. WQ0004241000, Other Requirements No. 13].</p> <p>6) Failed to develop a storm water pollution prevention plan ("SWP3") [30 TEX. ADMIN. CODE § 305.125(1), TPDES Permit No. WQ0004241000 and Other Requirements No. 12].</p> <p>7) Failed to prevent the unauthorized disposal of industrial solid waste. Specifically, a debris pile consisting of timber framing, roofing materials and electrical wiring components was observed on the northeast section of the Facility [30 TEX. ADMIN. CODE §§ 335.4 and 305.125(1), and TPDES WQ0004241000, Operational Requirements No. 11.a.].</p>		<p>the Facility at an authorized disposal facility;</p> <p>d. Within 90 days after the effective date of this Agreed Order, construct a definitive outfall structure for Pond 1 and install weir flow measurement devices at both Outfalls 001 and 002 in accordance with TPDES Permit No. WQ0004241000, Other Requirements No. 13 or in accordance with a modification approved in writing by TCEQ; and</p> <p>e. Within 105 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a. through 2.d.</p>
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Additional ID No(s): WQ0004241000





Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision May 25, 2007

TCEQ

DATES	Assigned	30-May-2007	Screening	12-Jun-2007	EPA Due	
	PCW	12-Jun-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Southern Forest Products, L.L.C.		
Reg. Ent. Ref. No.	RN102336757		
Facility/Site Region	10-Beaumont	Major/Minor Source	Minor

CASE INFORMATION				
Enf./Case ID No.	33788	No. of Violations	7	
Docket No.	2007-0929-MLM-E	Order Type	1660	
Media Program(s)	Water Quality	Enf. Coordinator	Merrilee Hupp	
Multi-Media	Industrial and Hazardous Waste	EC's Team	EnforcementTeam 1	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) Subtotal 1

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 5% Enhancement Subtotals 2, 3, & 7

Notes

Culpability No 0% Enhancement Subtotal 4

Notes

Good Faith Effort to Comply 0% Reduction Subtotal 5

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary	<input type="text"/>	<input type="text"/>
Ordinary	<input type="text"/>	<input type="text"/>
N/A	X	(mark with x)

Notes

Total EB Amounts 0% Enhancement* Subtotal 6
 *Capped at the Total EB \$ Amount
Approx. Cost of Compliance

SUM OF SUBTOTALS 1-7 Final Subtotal

OTHER FACTORS AS JUSTICE MAY REQUIRE Adjustment

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

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL 20% Reduction Adjustment

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

Notes

PAYABLE PENALTY

PCW

Screening Date 12-Jun-2007

Docket No. 2007-0929-MLM-E

Respondent Southern Forest Products, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 33788

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN102336757

Media [Statute] Water Quality

Enf. Coordinator Merrilee Hupp

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOV's with same or similar violations as those in the current enforcement action (number of NOV's meeting criteria)	1	5%
	Other written NOV's	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 submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
<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) 5%

>> 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

Respondent was issued one NOV with same or similar violations to those in current case.

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

Screening Date 12-Jun-2007	Docket No. 2007-0929-MLM-E	PCW		
Respondent Southern Forest Products, L.L.C.	<i>Policy Revision 2 (September 2002)</i>			
Case ID No. 33788	<i>PCW Revision May 25, 2007</i>			
Reg. Ent. Reference No. RN102336757				
Media [Statute] Water Quality				
Enf. Coordinator Merrilee Hupp				
Violation Number <input type="text" value="1"/>				
Rule Cite(s)	Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and TPDES Permit No. WQ0004241000, Permit Conditions No. 2.g.			
Violation Description	Failed to prevent the unauthorized discharge of wastewater into a road ditch and creek. Specifically, the Respondent pulled a plug on a 12" culvert, allowing wastewater and stormwater to enter a road ditch along Farm-to-Market Road 2626 and a creek, as documented during the April 26, 2007 investigation. The culvert is located between the scale house and the mechanic shop, approximately halfway between Outfall 001 and County Road 2012.			
Base Penalty		<input type="text" value="\$10,000"/>		
>> Environmental, Property and Human Health Matrix				
OR	Harm			
	Release	Major	Moderate	Minor
	Actual	<input type="text"/>	<input type="text"/>	x
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
			Percent <input type="text" value="10%"/>	
>> Programmatic Matrix				
			Percent <input type="text" value="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			<input type="text" value="\$9,000"/>	
			<input type="text" value="\$1,000"/>	
Violation Events				
Number of Violation Events		<input type="text" value="1"/>	<input type="text" value="47"/> Number of violation days	
<i>mark only one with an x</i>	daily	<input type="text"/>	Violation Base Penalty <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 April 26, 2007 investigation date to the May 21, 2007 date of compliance.				
Economic Benefit (EB) for this violation		Statutory Limit Test		
Estimated EB Amount <input type="text" value="\$3"/>		Violation Final Penalty Total <input type="text" value="\$1,050"/>		
		This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$1,050"/>		

Economic Benefit Worksheet

Respondent Southern Forest Products, L.L.C.
Case ID No. 33788
Reg. Ent. Reference No. RN102336757
Media Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.0	\$0	\$0		\$0
Buildings				0.0	\$0	\$0		\$0
Other (as needed)				0.0	\$0	\$0		\$0
Engineering/construction				0.0	\$0	\$0		\$0
Land				0.0	\$0	n/a		\$0
Record Keeping System				0.0	\$0	n/a		\$0
Training/Sampling				0.0	\$0	n/a		\$0
Remediation/Disposal				0.0	\$0	n/a		\$0
Permit Costs				0.0	\$0	n/a		\$0
Other (as needed)	\$1,000	26-Apr-2007	21-May-2007	0.1	\$3	n/a		\$3

Notes for DELAYED costs

The estimated cost is for the labor and materials necessary to prevent unauthorized discharges through the construction of a dam and grates to prevent bark from backing up in the culvert which was the source of the unauthorized discharge. Date required is the investigation date and final date is the date compliance was achieved.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$3

Screening Date 12-Jun-2007	Docket No. 2007-0929-MLM-E	PCW
Respondent Southern Forest Products, L.L.C.	<i>Policy Revision 2 (September 2002)</i>	
Case ID No. 33788	<i>PCW Revision May 25, 2007</i>	
Reg. Ent. Reference No. RN102336757		
Media [Statute] Water Quality		
Enf. Coordinator Merrilee Hupp		
Violation Number	2	
Rule Cite(s)	Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and TPDES Permit No. WQ0004241000, Permit Conditions No. 2.g.	
Violation Description	Failed to prevent an unauthorized discharge of wastewater generated by a kiln humidity controller as documented during the April 26, 2007 investigation. This flow was estimated to be 0.5 gallon per minute and entered the central ditch which discharges to Outfall 002.	
Base Penalty		\$10,000

>> Environmental, Property and Human Health Matrix

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

>> Programmatic Matrix

	Major	Moderate	Minor	Percent <input type="text" value="0%"/>
Falsification				

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

Violation Events

	<input type="text" value="1"/>	<input type="text" value="2"/>	Number of violation days
<i>mark only one with an x</i>	daily		Violation Base Penalty <input type="text" value="\$1,050"/>
	monthly		
	quarterly	x	
	semiannual		
	annual		
	single event		

One quarterly event is recommended from the April 26, 2007 investigation date to the April 30, 2007 compliance date.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$0"/>	Violation Final Penalty Total <input type="text" value="\$1,050"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$1,050"/>	

Economic Benefit Worksheet

Respondent Southern Forest Products, L.L.C.
Case ID No. 33788
Reg. Ent. Reference No. RN102336757
Media Water Quality
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
No commas or \$							

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)	\$300	26-Apr-2007	30-Apr-2007	0.0	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost is for the labor associated with the adjustment of the flow rate of the well water used for the kiln humidity controller to prevent an unauthorized discharge. Date required is the investigation date and final date is the date the discharge was stopped.

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

\$300

TOTAL

\$0

Screening Date 12-Jun-2007

Docket No. 2007-0929-MLM-E

PCW

Respondent Southern Forest Products, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 33788

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN102336757

Media [Statute] Water Quality

Enf. Coordinator Merrilee Hupp

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 305.125(7), TPDES Permit No. WQ0004241000, Permit Conditions No. 4.a. and Operational Requirements No. 11.d.

Violation Description Failed to give notice to the TCEQ before physical alterations or additions to the wastewater treatment facility. Specifically, Pond 3 was added and Outfall 001 was eliminated, as documented during the April 26, 2007 investigation.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
	Actual				0%
	Potential				

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
		x			10%

Matrix Notes 100 percent (%) of the requirement was not met.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1 47 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$1,000

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$16

Violation Final Penalty Total \$1,050

This violation Final Assessed Penalty (adjusted for limits) \$1,050

Economic Benefit Worksheet

Respondent: Southern Forest Products, L.L.C.
Case ID No.: 33788
Reg. Ent. Reference No.: RN102336757
Media: Water Quality
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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No commas or \$

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)	\$400	26-Apr-2007	15-Feb-2008	0.8	\$16	n/a	\$16

Notes for DELAYED costs

The estimated cost is associated with administrative costs and labor involved with the notice and documentation required for submittal to TCEQ. Date required is the investigation date and final date is when compliance is expected to be achieved.

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 \$400

TOTAL \$16

Screening Date 12-Jun-2007	Docket No. 2007-0929-MLM-E	PCW
Respondent Southern Forest Products, L.L.C.	<small>Policy Revision 2 (September 2002)</small>	
Case ID No. 33788	<small>PCW Revision May 25, 2007</small>	
Reg. Ent. Reference No. RN102336757		
Media [Statute] Water Quality		
Enf. Coordinator Merrilee Hupp		
Violation Number	4	
Rule Cite(s)	30 Tex. Admin. Code § 319.5(b) and TPDES Permit No. WQ0004241000, Other Requirements No. 8	
Violation Description	Failed to sample and analyze the wastewater retained in each pond in 2006, as documented during the April 26, 2007 investigation.	
Base Penalty		\$10,000

>> Environmental, Property and Human Health Matrix				
OR	Harm			
		Major	Moderate	Minor
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Potential	<input type="text"/>	<input type="text"/>	x
				Percent <input type="text" value="5%"/>
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
				Percent <input type="text" value="0%"/>
Matrix Notes	Human health or the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.			
Adjustment				<input type="text" value="\$9,500"/>
				<input type="text" value="\$500"/>

Violation Events				
	Number of Violation Events <input type="text" value="2"/>		Number of violation days <input type="text" value="235"/>	
<small>mark only one with an x</small>	daily <input type="text"/>	monthly <input type="text"/>	quarterly <input type="text"/>	Violation Base Penalty <input type="text" value="\$1,000"/>
	semiannual <input type="text"/>	annual <input type="text"/>	single event <input type="text" value="x"/>	
Two single discrete events are recommended for the two ponds which required sampling.				

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$525"/>	Violation Final Penalty Total <input type="text" value="\$1,050"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$1,050"/>	

Economic Benefit Worksheet

Respondent Southern Forest Products, L.L.C.
Case ID No. 33788
Reg. Ent. Reference No. RN102336757
Media Water Quality
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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No commas or \$

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	\$500	16-Sep-2005	16-Sep-2006	1.0	\$25	\$500	\$525
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

The estimated cost is for the sampling of two ponds for six different parameters on a yearly basis. Date required is the beginning of the year when the previous annual sample (for 2005) results had been obtained and the final date is the last possible date that the sample results could have been submitted to the TCEQ to be compliant for 2006.

Approx. Cost of Compliance

\$500

TOTAL

\$525

Screening Date 12-Jun-2007

Docket No. 2007-0929-MLM-E

PCW

Respondent Southern Forest Products, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 33788

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN102336757

Media [Statute] Water Quality

Enf. Coordinator Merrilee Hupp

Violation Number 5

Rule Cite(s)

30 Texas Admin. Code § 305.125(1) and TPDES Permit No. WQ0004241000, Other Requirements No. 13

Violation Description

Failed to construct a definitive outfall structure for Pond 1 and install weir flow measurement devices at both Outfalls 001 and 002.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 5%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$9,500

\$500

Violation Events

Number of Violation Events 2

569 Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$1,000

Two single events are recommended for the two different outfalls.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$235

Violation Final Penalty Total \$1,050

This violation Final Assessed Penalty (adjusted for limits) \$1,050

Economic Benefit Worksheet

Respondent Southern Forest Products, L.L.C.
Case ID No. 33788
Reg. Ent. Reference No. RN102336757
Media Water Quality
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction	\$1,500	20-Nov-2005	15-Feb-2008	2.2	\$11	\$224	\$235
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

The estimated cost is for the design and construction of the weir and installation of the weir flow measurement devices at Outfalls 001 and 002. Date required is completion date originally required by the permit and the final date is the expected completion date for the construction and required installation.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,500

TOTAL

\$235

Screening Date	12-Jun-2007	Docket No.	2007-0929-MLM-E	PCW
Respondent	Southern Forest Products, L.L.C.			<i>Policy Revision 2 (September 2002)</i>
Case ID No.	33788			<i>PCW Revision May 25, 2007</i>
Reg. Ent. Reference No.	RN102336757			
Media [Statute]	Water Quality			
Enf. Coordinator	Merrilee Hupp			
Violation Number	6			
Rule Cite(s)	30 Tex. Admin. Code § 305.125(1), TPDES Permit No. WQ0004241000 and Other Requirements No. 12			
Violation Description	Failed to develop a storm water pollution prevention plan ("SWP3"), as documented during the April 26, 2007 investigation.			
		Base Penalty	\$10,000	

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="0%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>		

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
	<input type="text"/>	<input checked="" type="text" value="x"/>	<input type="text"/>	<input type="text"/>	Percent <input type="text" value="10%"/>
Matrix Notes	100% of the requirement was not met.				

Adjustment

Violation Events

Number of Violation Events	<input type="text" value="1"/>	<input type="text" value="659"/>	Number of violation days	
<i>mark only one with an x</i>	daily	<input type="text"/>	Violation Base Penalty	<input type="text" value="\$1,000"/>
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
single event	<input checked="" type="text" value="x"/>			

One single event is recommended based upon the April 26, 2007 investigation date.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$78"/>	Violation Final Penalty Total <input type="text" value="\$1,050"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$1,050"/>	

Economic Benefit Worksheet

Respondent Southern Forest Products, L.L.C.
Case ID No. 33788
Reg. Ent. Reference No. RN102336757
Media Water Quality
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
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction	\$600	22-Aug-2005	28-Jun-2007	1.8	\$4	\$74	\$78
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

The estimated cost is for consultant fees, labor, and administrative costs associated with the development of a stormwater pollution prevention plan. Date required is the issuance date of the permit and final date is when the plan, required by the permit, was submitted to the TCEQ.

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

\$600

TOTAL

\$78

Screening Date 12-Jun-2007

Docket No. 2007-0929-MLM-E

PCW

Respondent Southern Forest Products, L.L.C.

Policy Revision 2 (September 2002)

Case ID No. 33788

PCW Revision May 25, 2007

Reg. Ent. Reference No. RN102336757

Media [Statute] Water Quality

Enf. Coordinator Merrilee Hupp

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code §§ 335.4 and 305.125(1), and TPDES WQ0004241000, Operational Requirements No. 11.a.

Violation Description

Failed to prevent the unauthorized disposal of industrial solid waste, as documented during the April 26, 2007 investigation. Specifically, a debris pile consisting of timber framing, roofing materials and electrical wiring components was observed on the northeast section of the facility.

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 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 1 Number of violation days 47

mark only one with an x	daily	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$1,000

One quarterly event is recommended from the investigation date (April 26, 2007) to the screening date (June 12, 2007).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$40

Violation Final Penalty Total \$1,050

This violation Final Assessed Penalty (adjusted for limits) \$1,050

Economic Benefit Worksheet

Respondent Southern Forest Products, L.L.C.
Case ID No. 33788
Reg. Ent. Reference No. RN102336757
Media Water Quality
Violation No. 7

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	\$1,000	26-Apr-2007	15-Feb-2008	0.8	\$40	n/a	\$40
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost is for transportation and disposal cost for waste at the site. Date required is the investigation date and final date is when waste is expected to be disposed of at an authorized disposal site.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$40

Compliance History

Customer/Respondent/Owner-Operator:	CN600392948	Southern Forest Products, L.L.C.	Classification: AVERAGE	Rating: 4.22
Regulated Entity:	RN102336757	SOUTHERN FOREST PRODUCTS LLC	Classification: AVERAGE	Site Rating: 0.32
ID Number(s):	WASTEWATER	PERMIT		WQ0004241000
	WASTEWATER	PERMIT		TPDES0123200
	WASTEWATER	PERMIT		TX0123200
Location:	Adj. to and E of FM 2626, approx. 2.3 mi. NE of the inters. of US Hwy. 190 and FM2626, Newton Co.		Rating Date: 9/1/2006	Repeat Violator: NO
TCEQ Region:	REGION 10 - BEAUMONT			
Date Compliance History Prepared:	June 11, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	June 11, 2002 to June 11, 2007			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	<u>Merrilee Hupp</u>	Phone:	<u>512-239-4490</u>	

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)? | <u>N/A</u> |
| 5. When did the change(s) in ownership occur? | <u>N/A</u> |

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 | 06/30/2004 | (367771) |
| 2 | 06/30/2004 | (367773) |
| 3 | 06/30/2004 | (367774) |
| 4 | 06/30/2004 | (367775) |
| 5 | 06/30/2004 | (367777) |
| 6 | 06/30/2004 | (367778) |
| 7 | 06/30/2004 | (367779) |
| 8 | 06/30/2004 | (367781) |
| 9 | 06/30/2004 | (367782) |
| 10 | 06/30/2004 | (367783) |
| 11 | 06/30/2004 | (367785) |
| 12 | 06/30/2004 | (367786) |
| 13 | 06/30/2004 | (367787) |
| 14 | 06/30/2004 | (367788) |
| 15 | 06/30/2004 | (367789) |
| 16 | 06/30/2004 | (367790) |
| 17 | 06/30/2004 | (367791) |
| 18 | 06/30/2004 | (367792) |
| 19 | 06/30/2004 | (367793) |

20 06/30/2004 (367755)
 21 06/30/2004 (367756)
 22 06/30/2004 (367757)
 23 06/30/2004 (367758)
 24 06/30/2004 (367759)
 25 06/30/2004 (367760)
 26 06/30/2004 (367761)
 27 06/30/2004 (367762)
 28 06/30/2004 (367763)
 29 06/30/2004 (367764)
 30 06/30/2004 (367765)
 31 06/30/2004 (367766)
 32 06/30/2004 (367767)
 33 06/30/2004 (367768)
 34 06/30/2004 (367769)
 35 06/30/2004 (367770)
 36 07/23/2004 (367772)
 37 08/19/2004 (367776)
 38 09/09/2004 (367780)
 39 10/05/2004 (336586)
 40 10/22/2004 (367784)
 41 11/24/2004 (390438)
 42 01/07/2005 (390439)
 43 02/28/2005 (427912)
 44 06/20/2005 (427913)
 45 07/22/2005 (447879)
 46 09/23/2005 (447880)
 47 09/23/2005 (447881)
 48 11/18/2005 (493277)
 49 11/18/2005 (493278)
 50 12/27/2005 (493279)
 51 01/09/2006 (493280)
 52 02/10/2006 (493276)
 53 05/17/2006 (506691)
 54 05/17/2006 (506692)
 55 05/17/2006 (506693)
 56 07/14/2006 (528837)
 57 07/14/2006 (528838)
 58 10/26/2006 (552015)
 59 10/26/2006 (552016)
 60 10/26/2006 (552017)
 61 05/24/2007 (560961)

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

Date: 07/15/2004 (274100)
 Self Report? NO Classification: Moderate
 Rqmt Prov: PERMIT WQ 4241-000
 Description: The permittee has not performed compliance sampling of the Outfalls.
 Self Report? NO Classification: Moderate
 Rqmt Prov: PERMIT WQ 4241
 Description: The permittee also did not possess any records prior to the 03/26/2004 renewal application.
 Self Report? NO Classification: Moderate
 Rqmt Prov: PERMIT WQ 4241-000
 Description: Failure by Southern Forest Products, LLC. to evaluate the quality of the ponded water and the potential to affect groundwater as required by Other Requirements, No. 8.
 Self Report? NO Classification: Moderate
 Rqmt Prov: PERMIT WQ 4241
 Description: On 05/25/2004 a trench containing facility generated wastes, debris, shingles, and household garbage was observed on site.
 Self Report? NO Classification: Moderate
 Rqmt Prov: PERMIT WQ 4241-000
 Description: On 05/25/2004, the facility was observing to be burning wood waste in a burn area on

the northeast side of the facility.

Self Report? NO

Classification: Moderate

Rqmt Prov: PERMIT WQ 4241

Description: Septage and portable toilet waste is transported and disposed of by Presley Portable Toilets, from DeRitter La. The transporter is not registered to transport sludge and similar waste in Texas.

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
SOUTHERN FOREST PRODUCTS,
L.L.C.
RN102336757

§
§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2007-0929-MLM-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Southern Forest Products, L.L.C. ("Southern Forest") under the authority of TEX. HEALTH & SAFETY CODE ch. 361 and TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and Southern Forest appear before the Commission and together stipulate that:

1. Southern Forest owns and operates a wastewater treatment facility located adjacent to and east of Farm-to-Market Road 2626, approximately 2.3 miles northeast of the intersection of United States Highway 190 and Farm-to-Market Road 2626 in Newton County, Texas (the "Facility").
2. Southern Forest has discharged industrial waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26.
3. The Facility involves or involved the management of industrial solid waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.
4. The Commission and Southern Forest agree that the Commission has jurisdiction to enter this Agreed Order, and that Southern Forest is subject to the Commission's jurisdiction.
5. Southern Forest received notice of the violations alleged in Section II ("Allegations") on or about May 29, 2007.

6. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Southern Forest of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
7. An administrative penalty in the amount of Seven Thousand Three Hundred Fifty Dollars (\$7,350) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Southern Forest has paid Five Thousand Eight Hundred Eighty Dollars (\$5,880) of the administrative penalty and One Thousand Four Hundred Seventy Dollars (\$1,470) is deferred contingent upon Southern Forest'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 Southern Forest fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Southern Forest to pay all or part of the deferred penalty.
8. 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.
9. The Executive Director of the TCEQ and Southern Forest have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
10. The Executive Director recognizes that Southern Forest has implemented the following corrective measures at the Facility:
 - a. By May 21, 2007, replaced the plug on the culvert, constructed a dam and grates to prevent bark from entering the culvert and causing a backup of wastewater, and cleaned up the ditch where the wastewater had entered;
 - b. By April 30, 2007, adjusted the flow rate of the well water used for the kiln humidity controller to stop and prevent unauthorized discharges;
 - c. On May 23, 2007, submitted sampling results to the TCEQ for the two ponds, for the sampling performed on May 8, 2007; and
 - d. On June 28, 2007, submitted the storm water pollution prevention plan ("SWP3") to the TCEQ.
11. 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 Southern Forest has not complied with one or more of the terms or conditions in this Agreed Order.
12. 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.
13. 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, Southern Forest is alleged to have:

1. Failed to prevent the unauthorized discharge of wastewater into a road ditch and a creek, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0004241000, Permit Conditions No. 2.g., as documented during an investigation conducted on April 26, 2007. Specifically, Southern Forest pulled a plug on a 12" culvert, allowing wastewater and stormwater to enter a road ditch along Farm-to-Market Road 2626 and a creek. The culvert is located between the scale house and the mechanic shop, approximately halfway between Outfall 001 and County Road 2012.
2. Failed to prevent an unauthorized discharge of wastewater generated by a kiln humidity controller, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and TPDES Permit No. WQ0004241000, Permit Conditions No. 2.g., as documented during an investigation conducted on April 26, 2007. Specifically, the discharge was flowing about 0.5 gallon per minute and entering the central ditch which discharges to Outfall 002.
3. Failed to give notice to the TCEQ before making physical alterations or additions to the Facility, in violation of 30 TEX. ADMIN. CODE § 305.125(7) and TPDES Permit No. WQ0004241000, Permit Conditions No. 4.a. and Operational Requirements No. 11.d., as documented during an investigation conducted on April 26, 2007. Specifically, Pond 3 was added and Outfall 001 was eliminated.
4. Failed to sample and analyze the wastewater retained in each pond in 2006, in violation of 30 TEX. ADMIN. CODE § 319.5(b) and TPDES Permit No. WQ0004241000, Other Requirements No. 8, as documented during an investigation conducted on April 26, 2007.
5. Failed to construct a definitive outfall structure for Pond 1 and install weir flow measurement devices at both Outfalls 001 and 002, in violation of 30 TEXAS ADMIN. CODE § 305.125(1) and TPDES Permit No. WQ0004241000, Other Requirements No. 13, as documented during an investigation conducted on April 26, 2007.
6. Failed to develop an SWP3, in violation of 30 TEX. ADMIN. CODE § 305.125(1), TPDES Permit No. WQ0004241000 and Other Requirements No. 12, as documented during an investigation conducted on April 26, 2007.
7. Failed to prevent the unauthorized disposal of industrial solid waste, in violation of 30 TEX. ADMIN. CODE §§ 335.4 and 305.125(1), and TPDES WQ0004241000, Operational Requirements No. 11.a., as documented during an investigation conducted on April 26, 2007. Specifically, a debris pile consisting of timber framing, roofing materials and electrical wiring components was observed on the northeast section of the Facility.

III. DENIALS

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

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Southern Forest pay an administrative penalty as set forth in Section I, Paragraph 7 above. The payment of this administrative penalty and Southern Forest'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: Southern Forest Products, L.L.C., Docket No. 2007-0929-MLM-E" to:

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

2. It is further ordered that Southern Forest shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, submit notification and any information necessary to determine whether cause exists for amending the permit, including a description of the rerouting of any wastewater or storm water runoff, the design and construction of Pond 3, and any other modifications of the original Facility design or treatment units since the renewal of TPDES Permit No. WQ0004241000.

The notification and information shall be submitted to:

Wastewater Permitting Section
Water Quality Division, MC 148
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

- b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the notice within 30 days after the date of such requests or by any other deadline specified in writing;
- c. Within 60 days after the effective date of this Agreed Order, remove and dispose of the debris pile at the northeast section of the Facility at an authorized disposal facility;
- d. Within 90 days after the effective date of this Agreed Order, construct a definitive outfall structure for Pond 1 and install weir flow measurement devices at both Outfalls 001 and

002 in accordance with TPDES Permit No. WQ0004241000, Other Requirements No. 13 or in accordance with a modification approved in writing by TCEQ; and

- e. Within 105 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision Nos. 2.a. through 2.d. 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 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 Southern Forest. Southern Forest 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 Southern Forest 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, Southern Forest's failure to comply is not a violation of this Agreed Order. Southern Forest shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Southern Forest shall notify the Executive Director within seven days after Southern Forest 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 Southern Forest shall be

made in writing to the Executive Director. Extensions are not effective until Southern Forest 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 Southern Forest 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 Southern Forest, or three days after the date on which the Commission mails notice of the Order to Southern Forest, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

Southern Forest Products, L.L.C.
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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

John S. Soder
For the Executive Director

12/03/2007
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.

Tony B. Damron
Signature

9-19-07
Date

Tony B Damron
Name (Printed or typed)
Authorized Representative of
Southern Forest Products, L.L.C.

President
Title

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

Cassi Jane Hall



