

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-1132-AIR-E **TCEQ ID:** RN104924543 **CASE NO.:** 34187
RESPONDENT NAME: Coastal Industrial Coatings, Incorporated

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 checked="" type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input 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: Coastal Industrial Coatings, 8089 Highway 69 South, Kountze, Hardin County</p> <p>TYPE OF OPERATION: Sandblasting and surface coating plant</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: Six complaints were received on February 5, March 20, April 26, May 7, May 8, and August 9, 2007 alleging paint overspray and dust nuisance conditions. No nuisance conditions were confirmed.</p> <p>INTERESTED PARTIES: Six complaints were received but the complainants have not expressed the desire to protest this action or speak at Agenda.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on December 27, 2007. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Ms. LaMia Handy, Enforcement Division, Enforcement Team 4, MC R-12 (713) 767-3682; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. David Hicks, President, Coastal Industrial Coatings, Incorporated, P.O. Box 471, Kountze, Texas 77625 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 checked="" type="checkbox"/> Complaint <input type="checkbox"/> Routine <input checked="" 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: May 25 through June 4, 2007</p> <p>Date of NOV/NOE Relating to this Case: June 28, 2007 (NOE)</p> <p>Background Facts: These were enforcement follow-up investigations and a complaint investigation.</p> <p>AIR</p> <p>Failure to obtain a permit or meet the conditions of a permit by rule ("PBR"). Specifically, the Plant did not meet the distance requirements of a PBR and failed to either obtain a New Source Review permit or cease operations since operations began on or about February 28, 2006 [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].</p>	<p>Total Assessed: \$1,700</p> <p>Total Deferred: \$340 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid (Due) to General Revenue: \$112 (remaining \$1,248 due in 12 monthly payments of \$104 each)</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>The Executive Director recognizes that Coastal Industrial Coatings has ceased outdoor sandblasting and surface coating operations at the Plant on or about June 26, 2007.</p>

Additional ID No(s): AIR 78625



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

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

RESPONDENT/FACILITY INFORMATION			
Respondent	Coastal Industrial Coatings, Incorporated		
Reg. Ent. Ref. No.	RN104924543		
Facility/Site Region	10-Beaumont	Major/Minor Source	Minor

CASE INFORMATION				
Enf./Case ID No.	34187	No. of Violations	1	
Docket No.	2007-1132-AIR-E	Order Type	1660	
Media Program(s)	Air	Enf. Coordinator	Lindsey Jones	
Multi-Media		EC's Team	EnforcementTeam 4	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$2,000
---	-------------------	---------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	10% Enhancement	Subtotals 2, 3, & 7	\$200
---------------------------	-----------------	--------------------------------	-------

Notes: The penalty was enhanced due to two prior similar NOV's.

Culpability	No	0% Enhancement	Subtotal 4	\$0
--------------------	----	----------------	-------------------	-----

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply	25% Reduction	Subtotal 5	\$500
------------------------------------	---------------	-------------------	-------

Before NOV NOV to EDRP/Settlement Offer

Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes: The Respondent came into compliance by June 26, 2007.

Total EB Amounts	\$66	0% Enhancement*	Subtotal 6	\$0
Approx. Cost of Compliance	\$1,000	*Capped at the Total EB \$ Amount		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$1,700
-----------------------------	-----------------------	---------

OTHER FACTORS AS JUSTICE MAY REQUIRE

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

Notes:

Adjustment	\$0
-------------------	-----

Final Penalty Amount	\$1,700
-----------------------------	---------

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty	\$1,700
-------------------------------	---------

DEFERRAL

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

Notes:

Deferral offered for expedited settlement.

Adjustment	-\$340
-------------------	--------

PAYABLE PENALTY

\$1,360

Screening Date 10-Jul-2007

Docket No. 2007-1132-AIR-E

PCW

Respondent Coastal Industrial Coatings, Incorporated

Policy Revision 2 (September 2002)

Case ID No. 34187

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN104924543

Media [Statute] Air

Enf. Coordinator Lindsey Jones

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)	2	10%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 10%

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

No

Adjustment Percentage (Subtotal 3) 0%

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

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> **Compliance History Summary**

Compliance History Notes

The penalty was enhanced due to two prior similar NOV's.

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

Screening Date 10-Jul-2007	Docket No. 2007-1132-AIR-E	PCW
Respondent Coastal Industrial Coatings, Incorporated	<i>Policy Revision 2 (September 2002)</i>	
Case ID No. 34187	<i>PCW Revision June 26, 2007</i>	
Reg. Ent. Reference No. RN104924543		
Media [Statute] Air		
Enf. Coordinator Lindsey Jones		
Violation Number	1	
Rule Cite(s)	30 Tex. Admin. Code § 116.110(a) and Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b)	
Violation Description	Failed to obtain a permit or meet the conditions of a permit by rule ("PBR"). Specifically, the Plant did not meet the distance requirements of a PBR and failed to either obtain a New Source Review permit or cease operations since operations began on or about February 28, 2006.	
Base Penalty		\$10,000

>> Environmental, Property and Human Health Matrix

OR		Harm					
	Release	Major	Moderate	Minor			
	Actual				Percent	0%	
Potential							
>> Programmatic Matrix							
		Falsification	Major	Moderate	Minor		
			x			Percent	10%
Matrix Notes	100% of the rule requirement was not met.						
Adjustment					\$9,000		
					\$1,000		

Violation Events

Number of Violation Events	2	Number of violation days	32	
<i>mark only one with an x</i>	daily		Violation Base Penalty	\$2,000
	monthly	x		
	quarterly			
	semiannual			
	annual			
	single event			
Two monthly events are recommended from the date the investigation began (May 25, 2007) to the date of compliance (June 26, 2007).				

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount	\$66
	Violation Final Penalty Total
	\$1,700
This violation Final Assessed Penalty (adjusted for limits)	
\$1,700	

Economic Benefit Worksheet

Respondent Coastal Industrial Coatings, Incorporated
Case ID No. 34187
Reg. Ent. Reference No. RN104924543
Media Air
Violation No. 1

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$1,000	28-Feb-2006	26-Jun-2007	1.3	\$66	n/a	\$66
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs Estimated cost to obtain a permit for outdoor sandblasting and surface coating operations. Date required is the approximate date operations began and final date is the date by which operations ceased.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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	\$66
-----------------------------------	---------	--------------	------

Compliance History

Customer/Respondent/Owner-Operator:	CN603009283 Coastal Industrial Coatings, Incorporated	Classification: AVERAGE	Rating: 6.00
Regulated Entity:	RN104924543 COASTAL INDUSTRIAL COATINGS	Classification: AVERAGE	Site Rating: 6.00
ID Number(s):	AIR NEW SOURCE PERMITS	REGISTRATION	78625
Location:	8089 HIGHWAY 69 S, KOUNTZE, TX, 77625	Rating Date: 9/1/2006 Repeat Violator: NO	
TCEQ Region:	REGION 10 - BEAUMONT		
Date Compliance History Prepared:	July 10, 2007		
Agency Decision Requiring Compliance History:	Enforcement		
Compliance Period:	July 10, 2002 to July 10, 2007		
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History			
Name:	Lindsey Jones	Phone:	512-239-4930

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 | 06/02/2006 | (463573) | |
| 2 | 11/28/2006 | (518603) | |
| 3 | 06/28/2007 | (562899) | |
- E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)
- | | | | |
|--------------|--|-----------------|----------|
| Date: | 06/02/2006 | (463082) | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 101, SubChapter A 101.4
5C THC Chapter 382, SubChapter D 382.085(b) | | |
| Description: | Failure to prevent unauthorized outdoor burning. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 101, SubChapter A 101.4
5C THC Chapter 382, SubChapter D 382.085(b) | | |
| Description: | Failure to prevent nuisance conditions. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 116, SubChapter B 116.110(a)(1)
5C THC Chapter 382, SubChapter D 382.085(b) | | |
| Description: | Failure to obtain a New Source Review Permit. | | |
| Self Report? | NO | Classification: | Moderate |
| Citation: | 30 TAC Chapter 106, SubChapter S 106.433(9)
30 TAC Chapter 106, SubChapter T 106.452(2)(D)
30 TAC Chapter 116, SubChapter B 116.110(a)(4)
5C THC Chapter 382, SubChapter D 382.085(b) | | |
| Description: | Failure to comply with a permit by rule. | | |

Date: 04/05/2007 (541496)

Self Report? NO

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to obtain authorization prior to constructing a facility which may emit air contaminants into the air of this state.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter A 101.4
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failure to prevent a nuisance condition.

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
COASTAL INDUSTRIAL COATINGS,
INCORPORATED
RN104924543**

§
§
§
§
§
§

**BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-1132-AIR-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 Coastal Industrial Coatings, Incorporated ("Coastal Industrial Coatings") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and Coastal Industrial Coatings appear before the Commission and together stipulate that:

1. Coastal Industrial Coatings owns and operates a sandblasting and surface coating plant at 8089 Highway 69 South in Kountze, Hardin County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. The Commission and Coastal Industrial Coatings agree that the Commission has jurisdiction to enter this Agreed Order, and that Coastal Industrial Coatings is subject to the Commission's jurisdiction.
4. Coastal Industrial Coatings received notice of the violations alleged in Section II ("Allegations") on or about July 3, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Coastal Industrial Coatings of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of One Thousand Seven Hundred Dollars (\$1,700) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Coastal Industrial Coatings has paid One Hundred Twelve Dollars (\$112) of the administrative penalty and Three Hundred Forty Dollars (\$340) is deferred contingent upon Coastal Industrial Coatings' 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 Coastal Industrial Coatings fails to timely and satisfactorily comply with all requirements of this Agreed Order, including the payment schedule, the Executive Director may require Coastal Industrial Coatings to pay all or part of the deferred penalty.

The remaining amount of One Thousand Two Hundred Forty Eight Dollars (\$1,248) of the administrative penalty shall be payable in 12 monthly payments of One Hundred Four Dollars (\$104) each. The next monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall each be paid not later than 30 days following the due date of the previous payment until paid in full. If Coastal Industrial Coatings fails to timely and satisfactorily comply with the payment requirements of this Agreed Order, the Executive Director may, at the Executive Director's option, accelerate the maturity of the remaining installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. In addition, the failure of Coastal Industrial Coatings to meet the payment schedule of this Agreed Order constitutes the failure by Coastal Industrial Coatings to timely and satisfactorily comply with all the terms of this Agreed Order.

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 Coastal Industrial Coatings 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 Coastal Industrial Coatings has ceased outdoor sandblasting and surface coating operations at the Plant on or about June 26, 2007.
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 Coastal Industrial Coatings has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, Coastal Industrial Coatings is alleged to have failed to obtain a permit or meet the conditions of a permit by rule ("PBR"), in violation of 30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted from May 25 through June 4, 2007. Specifically, the Plant did not meet the distance requirements of a PBR and failed to either obtain a New Source Review permit or cease operations since operations began on or about February 28, 2006.

III. DENIALS

Coastal Industrial Coatings generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Coastal Industrial Coatings pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and Coastal Industrial Coatings' 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: Coastal Industrial Coatings, Incorporated, Docket No. 2007-1132-AIR-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. The provisions of this Agreed Order shall apply to and be binding upon Coastal Industrial Coatings. Coastal Industrial Coatings is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
3. This Agreed Order, issued by the Commission, shall not be admissible against Coastal Industrial Coatings 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.
4. 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.
5. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Coastal Industrial Coatings, or three days after the date on which the Commission mails notice of the Order to Coastal Industrial Coatings, 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

2/20/2008

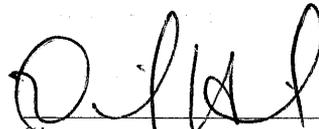
Date

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.



Signature

10/17/07

Date

Daniel Hicks

Name (Printed or typed)
Authorized Representative of
Coastal Industrial Coatings, Incorporated

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.

