

**EXECUTIVE SUMMARY - ENFORCEMENT MATTER** Page 1 of 2  
**DOCKET NO.:** 2007-1461-AIR-E **TCEQ ID:** RN100218999 **CASE NO.:** 34595  
**RESPONDENT NAME:** SI Group, Inc.

<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 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><b>SITE WHERE VIOLATION(S) OCCURRED:</b> SI Group Texas Operations, 702 Farm-to-Market Road 523, Freeport, Brazoria County</p> <p><b>TYPE OF OPERATION:</b> Industrial organic chemical manufacturing plant</p> <p><b>SMALL BUSINESS:</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on March 10, 2008. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> None  <b>TCEQ Enforcement Coordinator:</b> Mr. Samuel Short, Enforcement Division, Enforcement Team 3, MC 149, (512) 239-5363; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171  <b>Respondent:</b> Ms. Katie Ellet, EHS Manager, SI Group, Inc., 702 Farm-to-Market Road 523, Freeport, Texas 77541  Mr. Gary C. Crabtree, Director-Texas Operations, SI Group, Inc., 702 Farm-to-Market Road 523, Freeport, Texas 77541  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

**VIOLATION SUMMARY CHART:**

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input checked="" type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> August 23, 2007</p> <p><b>Date of NOV/NOE Relating to this Case:</b> August 31, 2007 (NOE)</p> <p><b>Background Facts:</b> This was a routine record review.</p> <p><b>AIR</b></p> <p>Failed to submit the Annual Permit Compliance Certification ("PCC") within 30 days of the end of the certification period. Specifically, the PCC for the certification period of February 22, 2006 through February 21, 2007 was due on March 23, 2007 and was submitted on August 6, 2007 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), Federal Operating Permit No. O-01431, General Terms and Conditions, and TEX. HEALTH &amp; SAFETY CODE § 382.085(b)].</p>	<p><b>Total Assessed:</b> \$5,700</p> <p><b>Total Deferred:</b> \$1,140  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$4,560</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that the Respondent submitted the Annual PCC for the certification period of February 22, 2006 through February 21, 2007 on August 6, 2007.</p>

Additional ID No(s): BL0048R



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

<b>DATES</b>	<b>Assigned</b>	4-Sep-2007	<b>Screening</b>	10-Sep-2007	<b>EPA Due</b>	18-May-2008
	<b>PCW</b>	14-Sep-2007				

<b>RESPONDENT/FACILITY INFORMATION</b>			
<b>Respondent</b>	SI Group, Inc.		
<b>Reg. Ent. Ref. No.</b>	RN100218999		
<b>Facility/Site Region</b>	12-Houston	<b>Major/Minor Source</b>	Major

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	34595	<b>No. of Violations</b>	1
<b>Docket No.</b>	2007-1461-AIR-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Air	<b>Enf. Coordinator</b>	Samuel Short
<b>Multi-Media</b>		<b>EC's Team</b>	EnforcementTeam 3
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$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**  Enhancement **Subtotals 2, 3, & 7**

**Notes**

**Culpability**   Enhancement **Subtotal 4**

**Notes**

**Good Faith Effort to Comply**  Reduction **Subtotal 5**

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

**Notes**

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

**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**  Reduction **Adjustment**

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

**Notes**

**PAYABLE PENALTY**

Screening Date 10-Sep-2007

Docket No. 2007-1461-AIR-E

PCW

Respondent SI Group, Inc.

Policy Revision 2 (September 2002)

Case ID No. 34595

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN100218999

Media [Statute] Air

Enf. Coordinator Samuel Short

## Compliance History Worksheet

## &gt;&gt; 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	42	84%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	3	60%
	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)	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)	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) 153%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

## Compliance History Notes

A 153% enhancement is recommended for having two NOVs for the same or similar violations, 42 NOVs for non-similar violations, three Agreed Orders with denial, and one Notice of Intent within the last five years.

Total Adjustment Percentage (Subtotals 2, 3, &amp; 7) 153%

<b>Screening Date</b> 10-Sep-2007 <b>Respondent</b> SI Group, Inc. <b>Case ID No.</b> 34595 <b>Reg. Ent. Reference No.</b> RN100218999 <b>Media [Statute]</b> Air <b>Enf. Coordinator</b> Samuel Short <b>Violation Number</b> <input type="text" value="1"/>	<b>Docket No.</b> 2007-1461-AIR-E <div style="text-align: right;"><b>PCW</b></div> <div style="text-align: right; font-size: small;"> <i>Policy Revision 2 (September 2002)</i>  <i>PCW Revision June 26, 2007</i> </div>																							
<b>Rule Cite(s)</b> 30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Federal Operating Permit No. O-01431, General Terms and Conditions, and Tex. Health & Safety Code § 382.085(b)																								
<b>Violation Description</b> <div style="border: 1px solid black; padding: 5px;">           Failed to submit the Annual Permit Compliance Certification ("PCC") within 30 days of the end of the certification period. Specifically, the PCC for the certification period of February 22, 2006 through February 21, 2007 was due on March 23, 2007 and was submitted on August 6, 2007.         </div>																								
<b>Base Penalty</b> <input type="text" value="\$10,000"/>																								
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>																								
<b>OR</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th colspan="3" style="text-align: center;">Harm</th> <th></th> </tr> <tr> <th colspan="2">Release</th> <th style="text-align: center;">Major</th> <th style="text-align: center;">Moderate</th> <th style="text-align: center;">Minor</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Actual</td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td rowspan="2" style="vertical-align: middle;"><b>Percent</b> <input type="text" value="0%"/></td> </tr> <tr> <td style="text-align: center;">Potential</td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> <td><input type="text"/></td> </tr> </tbody> </table>			Harm				Release		Major	Moderate	Minor		Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0%"/>	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
		Harm																						
Release		Major	Moderate	Minor																				
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="0%"/>																			
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>																				
<b>&gt;&gt; Programmatic Matrix</b>																								
<b>Matrix Notes</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2"></th> <th style="text-align: center;">Major</th> <th style="text-align: center;">Moderate</th> <th style="text-align: center;">Minor</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Falsification</td> <td><input type="text"/></td> <td style="text-align: center;">x</td> <td><input type="text"/></td> <td><input type="text"/></td> <td rowspan="2" style="vertical-align: middle;"><b>Percent</b> <input type="text" value="25%"/></td> </tr> </tbody> </table> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">           100% of the rule requirement was not met.         </div>			Major	Moderate	Minor		Falsification	<input type="text"/>	x	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="25%"/>											
		Major	Moderate	Minor																				
Falsification	<input type="text"/>	x	<input type="text"/>	<input type="text"/>	<b>Percent</b> <input type="text" value="25%"/>																			
<b>Adjustment</b> <input type="text" value="\$7,500"/>																								
<input type="text" value="\$2,500"/>																								
<b>Violation Events</b>																								
<b>Number of Violation Events</b> <input type="text" value="1"/>																								
<input type="text" value="136"/> <b>Number of violation days</b>																								
<b>mark only one with an x</b>	<table border="1" style="width:100%; border-collapse: collapse;"> <tbody> <tr><td style="text-align: center;">daily</td><td><input type="text"/></td></tr> <tr><td style="text-align: center;">monthly</td><td><input type="text"/></td></tr> <tr><td style="text-align: center;">quarterly</td><td><input type="text"/></td></tr> <tr><td style="text-align: center;">semiannual</td><td><input type="text"/></td></tr> <tr><td style="text-align: center;">annual</td><td><input type="text"/></td></tr> <tr><td style="text-align: center;">single event</td><td style="text-align: center;">x</td></tr> </tbody> </table>	daily	<input type="text"/>	monthly	<input type="text"/>	quarterly	<input type="text"/>	semiannual	<input type="text"/>	annual	<input type="text"/>	single event	x											
daily	<input type="text"/>																							
monthly	<input type="text"/>																							
quarterly	<input type="text"/>																							
semiannual	<input type="text"/>																							
annual	<input type="text"/>																							
single event	x																							
<b>Violation Base Penalty</b> <input type="text" value="\$2,500"/>																								
<div style="border: 1px solid black; padding: 5px; margin: 10px auto; width: 80%;">           One single event is recommended.         </div>																								
<b>Economic Benefit (EB) for this violation</b>																								
<b>Statutory Limit Test</b>																								
<b>Estimated EB Amount</b> <input type="text" value="\$4"/>	<b>Violation Final Penalty Total</b> <input type="text" value="\$5,700"/>																							
<b>This violation Final Assessed Penalty (adjusted for limits)</b> <input type="text" value="\$5,700"/>																								

## Economic Benefit Worksheet

**Respondent** SI Group, Inc.  
**Case ID No.** 34595  
**Reg. Ent. Reference No.** RN100218999  
**Media** Air  
**Violation No.** 1

<b>Percent Interest</b>	<b>Years of Depreciation</b>
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	\$200	23-Mar-2007	6-Aug-2007	0.4	\$4	n/a	\$4
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 to prepare and submit the PCC. Date required is the date the PCC was due and the final date is the date in which it was submitted.

**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	\$200	<b>TOTAL</b>	\$4
----------------------------	-------	--------------	-----



Rqmt Prov: ELMRO 101, 1 PERMIT

Description: Failed to comply with permitted effluent limits for pH and/or phenol for 14 months between October 2000 and January 2003.

Classification: Moderate

Citation: 2D TWC Chapter 26, SubChapter A 26.121[G]  
30 TAC Chapter 305, SubChapter F 305.125(1)

Rqmt Prov: ELMR Outfall 101, No. 1 PERMIT

Description: Failed to comply with permitted effluent limits for biochemical oxygen demand (BOD) in November 2002.

Effective Date: 12/20/2004

ADMINORDER 2004-0512-AIR-E

Classification: Moderate

Citation: 30 TAC Chapter 101, SubChapter H 101.359[G]  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to submit a completed ECT-1 Form, Annual Compliance Report, to the executive director by March 31, 2003.

Effective Date: 03/06/2006

ADMINORDER 2005-0136-AIR-E

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B)  
5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failed to submit initial emissions event notification in a timely manner.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
5C THC Chapter 382, SubChapter A 382.085(b)

Rqmt Prov: TCEQ Air Permit No. 2341, SC #1 PERMIT

Description: Exceeded permit limits during an avoidable emissions event.

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	09/18/2002	(194668)
2	10/14/2002	(194671)
3	10/30/2002	(14533)
4	11/19/2002	(194674)
5	12/17/2002	(310898)
6	01/21/2003	(194679)
7	02/04/2003	(270230)
8	02/13/2003	(194647)
9	03/14/2003	(310880)
10	04/07/2003	(310883)
11	05/14/2003	(310886)
12	06/16/2003	(310888)
13	07/16/2003	(310891)
14	08/14/2003	(310893)
15	09/17/2003	(310895)
16	10/16/2003	(310896)
17	11/12/2003	(310897)
18	12/16/2003	(310899)
19	01/12/2004	(310900)
20	02/17/2004	(310878)
21	03/19/2004	(310882)
22	04/15/2004	(310884)
23	04/20/2004	(269395)
24	04/26/2004	(270052)
25	05/13/2004	(358352)
26	06/14/2004	(310889)
27	07/16/2004	(358353)
28	07/30/2004	(282644)
29	08/16/2004	(358354)

30 09/15/2004 (358355)  
 31 10/18/2004 (358356)  
 32 10/26/2004 (333342)  
 33 11/15/2004 (385303)  
 34 12/13/2004 (385304)  
 35 12/22/2004 (284652)  
 36 12/30/2004 (284621)  
 37 01/03/2005 (284641)  
 38 01/20/2005 (385305)  
 39 01/24/2005 (347453)  
 40 02/22/2005 (430337)  
 41 03/28/2005 (375320)  
 42 03/28/2005 (375328)  
 43 03/28/2005 (385302)  
 44 04/18/2005 (430338)  
 45 05/19/2005 (430339)  
 46 06/17/2005 (430340)  
 47 07/18/2005 (444181)  
 48 08/19/2005 (444182)  
 49 09/16/2005 (444183)  
 50 10/21/2005 (474562)  
 51 11/21/2005 (474563)  
 52 11/21/2005 (474565)  
 53 12/21/2005 (474564)  
 54 02/21/2006 (474560)  
 55 03/21/2006 (474561)  
 56 04/20/2006 (502355)  
 57 05/22/2006 (502356)  
 58 06/16/2006 (502357)  
 59 07/20/2006 (524675)  
 60 08/18/2006 (524676)  
 61 08/18/2006 (457313)  
 62 09/15/2006 (524677)  
 63 10/16/2006 (524678)  
 64 11/13/2006 (549630)  
 65 12/08/2006 (517904)  
 66 12/13/2006 (549631)  
 67 01/04/2007 (518895)  
 68 01/05/2007 (549632)  
 69 01/31/2007 (536046)  
 70 02/09/2007 (549629)  
 71 03/12/2007 (583557)  
 72 04/12/2007 (583558)  
 73 05/11/2007 (583559)  
 74 06/12/2007 (583560)  
 75 07/09/2007 (583561)  
 76 08/10/2007 (583562)  
 77 08/31/2007 (573378)

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

Date	09/30/2002	(194671)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	10/31/2002	(194674)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	11/30/2002	(310898)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]			
Description:	Failure to meet the limit for one or more permit parameter			
Date	12/31/2002	(194679)		
Self Report?	YES		Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)			

Description:	TWC Chapter 26 26.121(a)[G] Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	01/31/2003 (194647)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	02/28/2003 (310880)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	06/30/2003 (310891)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	07/31/2003 (310893)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	08/31/2003 (310895)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	09/30/2003 (310896)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	10/31/2003 (310897)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	11/30/2003 (310899)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	12/31/2003 (310900)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	01/31/2004 (310878)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	02/29/2004 (310882)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	03/31/2004 (310884)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	04/30/2004 (358352)		
Self Report?	YES		
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter	Classification	Moderate
Date	05/31/2004 (310889)		
Self Report?	YES		

Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	06/30/2004 (358353)		
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	09/30/2004 (358356)		
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	10/26/2004 (333342)		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 115, SubChapter D 115.352(2)		
Description:	Failed to repair leaking valve within 5 days.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter A 101.20 30 TAC Chapter 115, SubChapter D 115.352(2) 30 TAC Chapter 116, SubChapter B 116.115(c) 40 CFR Chapter 60, SubChapter C, PT 60, SubPT VV 60.482-7(d)(1)		
Rqmt Prov:	PA TCEQ Air Permit No. 2341, SC No. 7(H)		
Description:	Failed to repair a leaking valve within 15 days.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 101, SubChapter A 101.20 40 CFR Chapter 60, SubChapter C, PT 60, SubPT NNN 60.665(a)		
Description:	Failed to submit a initial notification within 90 days of the startup for their distillation towers in Plant 2 and 6.		
Date	10/31/2004 (385303)		
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	11/30/2004 (385304)		
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	12/22/2004 (284652)		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT 2341		
Description:	Schenectaday failed to comply with 30 Tex. Admin. Code 101.222(b).		
Date	12/31/2004 (385305)		
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	01/04/2005 (284621)		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter F 101.201(a)(1)(B) 30 TAC Chapter 101, SubChapter F 101.201(c)		
Description:	Schenectady failed to comply with 30 Tex. Admin. Code 101.222(b).		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter A 382.085(b)		
Rqmt Prov:	PERMIT 2341		
Description:	Schenectady failed to comply with 30 Tex. Admin. Code 101.222(b).		
Date	03/31/2005 (430338)		
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	04/30/2005 (430339)		
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		

Description:	Failure to meet the limit for one or more permit parameter		
Date	07/31/2005	(444182)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	08/31/2005	(444183)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	09/30/2005	(474562)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	11/30/2005	(474564)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	01/31/2006	(474560)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	02/28/2006	(474561)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	03/31/2006	(502355)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	04/30/2006	(502356)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	05/31/2006	(502357)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	06/30/2006	(524675)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	07/31/2006	(524676)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	08/18/2006	(457313)	
Self Report?	NO		Classification Moderate
Citation:	30 TAC Chapter 115, SubChapter D 115.356(2)(E)		
	30 TAC Chapter 122, SubChapter B 122.144(1)(A)		
	5C THC Chapter 382, SubChapter D 382.085(b)		
Rqmt Prov:	OP General Terms and Conditions		
Description:	Failure to maintain records on first attempt and final repair of leaking components.		
Date	08/31/2006	(524677)	
Self Report?	YES		Classification Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)		
	TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	09/30/2006	(524678)	

Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		
Date	12/12/2006 (517904)		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 5C THC Chapter 382, SubChapter D 382.085(b)		
Rqmt Prov:	PERMIT TCEQ Air Permit No. 2341, SC #1		
Description:	Schenectady International Inc. failed to maintain a flare gasket.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 101, SubChapter F 101.201(b)(1)(H)		
Description:	Schenectady International, Inc. failed to administratively complete the final report.		
Date	04/30/2007 (583559)		
Self Report?	YES	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TWC Chapter 26 26.121(a)[G]		
Description:	Failure to meet the limit for one or more permit parameter		

F. Environmental audits.

Notice of Intent Date: 06/19/2006 (484474)  
No DOV Associated

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  
SI GROUP, INC.  
RN100218999

§  
§  
§  
§  
§

BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY

AGREED ORDER  
DOCKET NO. 2007-1461-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 SI Group, Inc. ("SI Group") 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 SI Group appear before the Commission and together stipulate that:

1. SI Group owns and operates an industrial organic chemical manufacturing plant at 702 Farm-to-Market Road 523 in Freeport, Brazoria 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 SI Group agree that the Commission has jurisdiction to enter this Agreed Order, and that SI Group is subject to the Commission's jurisdiction.
4. SI Group received notice of the violations alleged in Section II ("Allegations") on or about September 5, 2007.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by SI Group of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Five Thousand Seven Hundred Dollars (\$5,700) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). SI Group has paid Four Thousand Five Hundred Sixty Dollars (\$4,560) of the administrative penalty and One Thousand One Hundred Forty Dollars (\$1,140) is deferred contingent upon SI



- Group'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 SI Group fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require SI Group to pay all or part of the deferred penalty.
7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
  8. The Executive Director of the TCEQ and SI Group 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 SI Group submitted the Annual Permit Compliance Certification ("PCC") for the certification period of February 22, 2006 through February 21, 2007 on August 6, 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 SI Group 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, SI Group is alleged to have failed to submit the PCC within 30 days of the end of the certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), Federal Operating Permit No. O-01431, General Terms and Conditions, and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during a record review conducted on August 23, 2007. Specifically, the PCC for the certification period of February 22, 2006 through February 21, 2007 was due on March 23, 2007 and was submitted on August 6, 2007.

## **III. DENIALS**

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

## **IV. ORDERING PROVISIONS**

1. It is, therefore, ordered by the TCEQ that SI Group pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and SI Group'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: SI Group, Inc., Docket No. 2007-1461-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 SI Group. SI Group 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 SI Group 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 SI Group, or three days after the date on which the Commission mails notice of the Order to SI Group, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

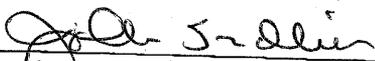


SI Group, Inc.  
DOCKET NO. 2007-1461-AIR-E  
Page 4

### 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

12/10/07  
Date

\_\_\_\_\_  
Gary C. Crabtree  
Name (Printed or typed)  
Authorized Representative of  
SI Group, Inc.

\_\_\_\_\_  
Director-Texas Operation  
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.

