

EXECUTIVE SUMMARY - ENFORCEMENT MATTER
DOCKET NO.: 2006-2045-AIR-E TCEQ ID: RN101698439 CASE NO.: 31785
RESPONDENT NAME: LIDE INDUSTRIES, INC.

ORDER TYPE:		
<input type="checkbox"/> 1660 AGREED ORDER	<input checked="" 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: 1618 West State Highway 84, approximately six miles east of Mexia, Freestone County</p> <p>TYPE OF OPERATION: Metal tank fabrication plant</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: There were two complaints, but the complainants have not expressed an interest to protest this action or speak at Agenda. There is no record of additional pending enforcement actions regarding this facility.</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 February 11, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney: Ms. Kathleen C. Decker, Litigation Division, MC 175, (512) 239-6500 Ms. Jennifer Cook, Litigation Division, MC 175, (512) 239-1873 SEP Coordinator: Ms. Sharon Blue, Litigation Division, MC 175, (512) 239-2223 TCEQ Enforcement Coordinator: Ms. Suzanne Walrath, Air Enforcement Section, MC 219, (512) 239-2134 TCEQ Regional Contact: Mr. Gary Goldman, Waco Regional Office, MC R-9, (254) 761-3008 Respondent: Mr. Bobby Lide, Vice President, Lide Industries, Inc., 1618 West Highway 84, Mexia, Texas 76667 Respondent's Attorney: Ms. Frances E. Phillips, Gardere Wynne Sewell, LLP, 3000 Thanksgiving Tower, 1601 Elm Street, Dallas, Texas 75201-4761.</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 type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date of Complaint Relating to this Case: October 26, 2006</p> <p>Dates of Investigations Relating to this Case: October 27, 2006, March 14, 2007, June 29, 2007 and October 10, 2007</p> <p>Dates of NOEs Relating to this Case: November 20, 2006, May 11, 2007, July 27, 2007 and October 31, 2007</p> <p>Background Facts: An EDRP was filed on July 2, 2007. The Respondent filed an answer and the case was referred to SOAH on September 17, 2007. A signed Agreed Order was received on December 20, 2007.</p> <p>The Respondent in this case does not owe any other penalties according to the Administrative Penalty Database Report.</p> <p>AIR:</p> <p>1. Failed to prevent dust from migrating onto adjacent property and creating a nuisance condition [30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b)].</p> <p>2. Failed to comply with outdoor burning rules which prohibit outdoor burning of waste from a business [30 TEX. ADMIN. CODE § 111.201 and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>3. Failed to route all emissions from EPN MINCIN to the TO and failed to conduct stack sampling, and other testing within 180 days after the start of manufacturing operations to determine the destruction efficiency and the pounds per hour of the VOCs and exempt solvents emitted into the atmosphere from the TO [30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 75952, Special Condition Nos. 3(B) and 9(B); and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>	<p>Total Assessed: \$306,570</p> <p>Total Deferred: \$0</p> <p>SEP Conditional Offset: \$153,285</p> <p>Total Paid to General Revenue: \$153,285</p> <p>The Respondent has paid \$153,285 of the administrative penalty. The remaining amount of \$153,285 of the administrative penalty shall be conditionally offset by the completion of a Supplemental Environmental Project (SEP).</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input checked="" type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input type="checkbox"/> Average <input checked="" type="checkbox"/> Poor (Compliance History Nos. 1-3)</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor (Compliance History No. 4)</p> <p>Major Source: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p> <p>Findings Order Justification: The violations were a gross deviation from a standard of conduct common in a given industry defined as absence of management practices designed to ensure compliance.</p>	<p>Ordering Provisions: The Respondent shall implement and complete a Supplemental Environmental Project (SEP) (See SEP Attachment A).</p> <p>The Respondent shall undertake the following technical requirements:</p> <p>1. Immediately:</p> <p>a. Daily records of coating, thinner, and solvent usage by product name in gallons, the VOC, exempt solvent, and hazardous air pollutant ("HAP") content of each product as applied, actual daily hours of painting and clean up operations for the Main and East facilities, and daily manometer readings shall be maintained and kept on file for 24 months and shall be made immediately available during regular business hours;</p> <p>b. Records obtained through Ordering Provision No. 1.a. shall be reduced weekly to report VOC, particulate matter ("PM"), the exempt solvent emissions by EPN as listed on the MAERT in pounds per hour as a daily average and a monthly report reflecting VOC, PM, exempt solvent, individual HAP, and combined HAP emissions by EPN as listed on the MAERT in tons per year over the most recent 12 month period. Monthly reports shall also include total coating, thinner, and solvent usage in gallons over the most recent 12 month period and all records of filter media replacements as required by Ordering Provision No. 1.c. Reports shall be maintained and kept on file for 24 months, shall be made immediately available during regular business hours, and shall be used to demonstrate compliance with 40 CFR Part 63 Subpart MMMM;</p> <p>c. The North Main building, the North East building, and the West building painting operations shall comply with the emission limitation of six lb/hr of VOC emissions, averaged over any 5-hour period, 500 pounds per week, and 13 tons per year for all operations per facility until such time that the permit is amended in accordance with Ordering Provision No. 6;</p>

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>4. Failed to conduct testing within 180 days after the start of manufacturing operations to demonstrate 100% capture efficiency at the two completed spray booths at the Main and East facilities [30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 75952, Special Conditions Nos. 8(A) and (B); and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>5. Failed to record and maintain on file weekly data of material usage and material VOC and hazardous air pollutant content and data of actual daily hours of operations in order to demonstrate compliance, and failed to compile that data into monthly reports that represent the emissions from each emission point as shown on the MAERT in pounds per hour on a daily average basis and tons emitted [30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 75952, Special Condition No. 11(B) and (C); and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>6. Failed to obtain a permit or adhere to the requirements of Permit by Rule No. 106.452(2)(A) at the sandblasting media storage facilities [30 TEX. ADMIN. CODE § 116.110(a) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].</p> <p>7. Failed to comply with the MAERT in Air Permit No. 75952 for EPN Nos. MINCIN, MPTBLDFUG, MPTOUTFUG and EPTOUTFUG [30 TEX. ADMIN. CODE § 116.115(b)(2)(F); Air Permit No. 75952, General Condition No. 9; and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>8. Failed to comply with the conditions of Permit by Rule 106.433 at the Main, East and West outdoor surface coating facilities by exceeding six pounds per hour limit of VOC emissions averaged over any five-hour period [30 TEX. ADMIN. CODE § 106.433(6)(A) and (7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>9. Failed to prevent paint over-spray from migrating onto adjacent property and creating a nuisance condition [30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b)].</p>		<p>d. Daily records of coating, thinner, and solvent usage by product name in gallons, the VOC, exempt solvent, and HAP content of each product as applied, actually daily hours of outdoor, and subsequently indoor, painting and clean up operations, and daily manometer reading shall be maintained and kept on file for 24 months and shall be made immediately available during regular business hours;</p> <p>e. Records obtained through Ordering Provision No. 1.d. shall be used to generate a weekly report reflecting VOC, PM and exempt solvent emissions per facility in pounds per hour as a daily average and pounds per week and a monthly report reflecting VOC, PM exempt solvent, individual HAP, and combined HAP emissions per facility in tons per year over the most recent 12 month period. Monthly reports shall also include total coating, thinner, and solvent usage in gallons over the most recent 12 month period and all records of filter media replacements as required by Ordering Provision No. 4.a. Reports shall be maintained and kept on file for 24 months, shall be made immediately available during regular business hours, and shall be used to demonstrate compliance with Ordering Provision No. 1.c.;</p> <p>f. All abrasive blasting operations shall comply with the material use limitation of one tone per day, 15 tons per month, and 150 tons per year per facility. Upon completion of the construction of the partial enclosure required by Ordering Provision No. 3.b., all outdoor abrasive blasting shall be performed within the partial enclosures and shall be limited to coal slag material usage with emission limits for each facility, until such time that the permit is amended in accordance with Ordering Provision No. 6;</p> <p>g. Daily records of abrasive blasting media usage per facility shall be maintained and kept on file for 24 months and shall be made immediately available during regular business hours;</p> <p>h. Weekly reports shall be maintained using records obtained through Ordering Provision No. 1.h., reflecting PM per facility in tons per day, tons per month, and tons per year during the previous 24 months. Reports shall be maintained and kept on file for 24 months and shall be used to demonstrate compliance with Ordering Provision No. 1.f;</p>

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>10. Failed to maintain the air pollution capture and abatement equipment in good working order and operating properly during normal facility operations [30 TEX. ADMIN. CODE § 116.115(b)(2)(G); Air Permit No. 75952, General Condition No. 9; and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>11. Failed to comply with the conditions of Permit by Rule 106.433 at the West facility surface coating facility by exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period [30 TEX. ADMIN. CODE § 106.433(7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>12. Failed to comply with Ordering Provision No. 2(c) of Agreed Order Docket No. 2006-0905-AIR-E [30 TEX. ADMIN. CODE § 116.110(a); TEX. WATER CODE § 7.051(a)(1)(B); TCEQ Agreed Order Docket No. 2006-0905-AIR-E, Ordering Provision No. 2.c; and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a)].</p> <p>13. Failed to adhere to the requirements of Permit by Rule No. 106.452(2)(A) at the sandblasting media storage facilities [30 TEX. ADMIN. CODE § 106.452(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>14. Failed to comply with the conditions of Permit by Rule 106.433 at the West surface coating facility by exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period [30 TEX. ADMIN. CODE § 106.433(7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p> <p>15. Failed to adhere to the requirements of Permit by Rule No. 106.452(2)(A) at the sandblasting media storage facilities [30 TEX. ADMIN. CODE § 106.452(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		<p>i. All parking lots and facility roads subject to regular vehicular traffic shall be maintained and cleaned regularly to achieve adequate control of dust emissions. Other facility areas shall be sprinkled with water, as necessary, to maintain adequate control of dust emissions;</p> <p>j. Comply with its emission limits set forth by the MAERT of Air Permit No. 75952 for EBLD2 also known as EPTSTACK and EPTBLDFUG;</p> <p>k. EPN No. MBLD1 also known as MINCIN and MPTBLDFUG painting operation shall comply with the emission limitation of six lb/hr of VOC emissions averaged over any five hour period, 500 pounds per week, and thirteen tons per year for all operations; until such time as the permit is amended in accordance with Ordering Provision No. 6; and</p> <p>l. Comply with SITEWIDE hazardous air pollutant (HAP) limits set forth by the MAERT of Air Permit No. 75952, until such time as the permit is amended in accordance with Ordering Provision No. 6.</p> <p>2. Within 15 days, submit written certification to demonstrate compliance with Ordering Provision No. 1.</p> <p>3. Within 30 days:</p> <p>a. Remove and properly dispose of the unauthorized piles of waste accumulated at the Plant to an authorized landfill; and</p> <p>b. Construction of partial enclosures for all outdoor abrasive blasting areas at each facility shall be complete. The partial enclosures shall consist of a three-sided structure made of steel with a minimum height of 40 feet. Fresh and reclaimed abrasive blast media shall be stored in silos to minimize PM emissions and captured during operation through the use of the partial enclosure shall be removed and disposed of in such a manner that prevents visible dust emissions. The spent media may be stored in piles prior to removal from the site if they are covered with shroud material or other fabric covers that are free of holes. Alternatively the piles shall be watered as necessary to limit PM emissions.</p>

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
		<p>4. Within 60 days:</p> <p>a. All paint buildings shall be equipped with a dry filter system that achieves an over-spray arrestment of at least 99.8 percent and a manometer to measure the pressure drop across the filter media in inches of water column. Manometer readings shall be taken daily. The filter media shall be changed whenever the pressure differential across the media exceeds the limits recommended by the filter media manufacturer. Documentation of paint over-spray deposition originating from this facility beyond the property lines shall be considered as demonstrating that the filters are not being maintained in good condition;</p> <p>b. Construction of the South Main facility paint building shall be complete. In lieu of the thermal oxidizer, the following alternative means of control shall include the use of high transfer efficiency application equipment such as high volume low pressure (HVLP), airless, electrostatic paint guns, or guns that can achieve the same or greater transfer efficiency and a building design that meets the criteria for Permanent Total Enclosure as outlined in 40 CFR § 52.741, Appendix B, Method 204 with an in-draft velocity of 200 fpm maintained across all natural draft openings. All paint and clean up emissions shall be exhausted through stacks of no restrictions or obstructions to their vertical discharge, which have a minimum stack height as determined by and agreed through the ventilation design, and a minimum exit velocity of 6200 feet per minute ("fpm"). All stacks shall be equipped with a dry filter system complying with Ordering Provision No. 4.a.;</p> <p>c. Upon completion of the construction of the Main North facility paint building, the North East facility paint building, and the West facility paint building required by Ordering Provision No. 4.d., all outdoor painting operations shall cease and all painting and cleanup shall be performed indoors with the ventilation and filter system properly and fully operational, until such time that the permit is amended in accordance with Ordering Provision 6;</p>

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
		<p>d. Construction of the remaining paint buildings (North Main facility paint building, North East facility paint building, South East facility paint building, and the West facility paint building) shall be complete. Coating operations shall utilize high transfer efficiency application equipment such as HVLP, airless, electrostatic paint guns, or guns that can achieve the same or greater transfer efficiency. Building designs shall be such that they meet the criteria for Permanent Total Enclosure as outlined in 40 CFR § 52.741, Appendix B, Method 204 with an indraft velocity of 200 fpm maintained across all natural draft openings. All paint and cleanup emissions shall be exhausted through stacks with no restrictions or obstructions to their vertical discharge, which have a minimum stack height as determined by and agreed to through the ventilation design, and a minimum exit velocity of 6200 fpm. All stacks shall be equipped with a dry filter system complying with Ordering Provision No. 4.a.; and</p> <p>e. Testing shall be performed at each paint building using EPA Method 204 to demonstrate compliance with the requirements set forth in Ordering Provision No. 4.b. and 4.d., for Permanent Total Enclosures;</p> <p>5. Within 75 days, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 4.</p> <p>6. Within 180 days, obtain an amended Air Permit No. 75952 to include the Main, East, and West surface coating facilities and the Main, East, and West sandblasting operations.</p> <p>7. Within 195 days, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 6.</p>



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision November 17, 2006

TCEQ

PCW No. 1 of 4

DATES	Assigned	27-Nov-2006	Screening	27-Nov-2006	EPA Due	17-Aug-2007
	PCW	20-Dec-2007				

RESPONDENT/FACILITY INFORMATION	
Respondent	Lide Industries, Inc.
Reg. Ent. Ref. No.	RN101698439
Facility/Site Region	9-Waco
Major/Minor Source	Major

CASE INFORMATION				
Enf./Case ID No.	31785	No. of Violations	8	
Docket No.	2006-2045-AIR-E	Order Type	Findings	
Media Program(s)	Air Quality	Enf. Coordinator	Suzanne Walrath	
Multi-Media		EC's Team	Enforcement Team 4	
Admin. Penalty \$	Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$67,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	86% Enhancement	Subtotals 2, 3, & 7	\$57,620
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Notes: The respondent received two NOV's for same or similar violations, one NOV for not same or similar violations, two 1660 orders, and one letter was sent notifying of an intended audit.

Culpability	No	0% Enhancement	Subtotal 4	\$0
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Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply	0% Reduction	Subtotal 5	\$0
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	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes: The respondent does not meet the good faith criteria.

Total EB Amounts	\$42,003	50% Enhancement*	Subtotal 6	\$33,500
Approx. Cost of Compliance	\$55,500	*Capped at the Total EB \$ Amount		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$158,120
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OTHER FACTORS AS JUSTICE MAY REQUIRE	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount	\$158,120
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$158,120
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DEFERRAL	0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral not offered as this case did not settle within the sixty day settlement period.

PAYABLE PENALTY	\$158,120
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PCW #1

Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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)	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) 51%

>> Repeat Violator (Subtotal 3)

Yes

Adjustment Percentage (Subtotal 3) 25%

>> Compliance History Person Classification (Subtotal 7)

Poor Performer

Adjustment Percentage (Subtotal 7) 10%

>> Compliance History Summary

Compliance History Notes

The respondent received two NOVs for same or similar violatons, one NOV for not same or similar violations, two 1660 orders, and one letter was sent notifying of an intended audit.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 86%

Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.4 and Tex. Health and Safety Code § 382.085(a) and (b)

Violation Description Failed to prevent dust from migrating onto adjacent property and creating a nuisance condition.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$2,500

One single event is recommended for the nuisance condition which was documented by the investigation on 10/27/06.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$5

Violation Final Penalty Total \$5,900

This violation Final Assessed Penalty (adjusted for limits) \$5,900

Economic Benefit Worksheet

Respondent Lide Industries, Inc.
Case ID No. 31785
Reg. Ent. Reference No. RN101698439
Media Air 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	EB Amount
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Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$5,000	27-Oct-2006	3-Nov-2006	0.0	\$5	n/a	\$5

Notes for DELAYED costs

These are estimated costs for the amount to pave the road at the plant, beginning on the date of investigation, and ending on the date the paving was completed.

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

\$5,000

TOTAL

\$5

Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 111.201, and Tex. Health and Safety Code § 382.085(b)

Violation Description Failed to comply with outdoor burning rules which prohibits outdoor burning of waste from a business.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual				x	25%
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

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.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$2,500

One single event is recommended as documented by the investigation on 10/27/06.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$34

Violation Final Penalty Total \$5,900

This violation Final Assessed Penalty (adjusted for limits) \$5,900

Economic Benefit Worksheet

Respondent Lide Industries, Inc.
Case ID No. 31785
Reg. Ent. Reference No. RN101698439
Media Air 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
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	\$500	27-Oct-2006	1-Mar-2008	1.3	\$34	n/a	\$34
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

These are approximate costs of having plant debris hauled to a landfill, beginning on the date of the investigation, and ending on the proposed date of compliance.

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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 \$500

TOTAL \$34

Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Air Permit No. 75952, Special Condition Nos. 3(B) and 9(B), and Tex. Health and Safety Code § 382.085(b)

Violation Description

Failed to route all emissions from Emission Point No. MINCIN to the thermal oxidizer ("TO"), and failed to conduct stack sampling, and other testing within 180 days after the start of manufacturing operations to determine the destruction efficiency and the pounds per hour of the volatile organic compounds ("VOCs") and exempt solvents emitted into the atmosphere from the TO. Specifically, the permit requires all paint booth emissions from MINCIN to be controlled and routed to a TO.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				25%
Potential		x		

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

Matrix Notes

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 Number of violation days 31

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

mark only one with an x

Violation Base Penalty \$2,500

One quarterly event is recommended beginning on the date of the investigation (10/27/06), and ending on case screening date (11/27/06).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$32,866

Violation Final Penalty Total \$5,900

This violation Final Assessed Penalty (adjusted for limits) \$5,900

Economic Benefit Worksheet

Respondent: Lide Industries, Inc.

Case ID No.: 31785

Reg. Ent. Reference No.: RN101698439

Media: Air 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
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)	\$6,500	17-Jul-2007	1-Mar-2008	0.6	\$203	n/a	\$203

Notes for DELAYED costs

These are approximate costs for stack testing and other testing at the TO, beginning 180 days after the permit was issued which required the testing, and ending on the projected date of compliance.

Avoided Costs

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

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)	\$30,000	18-Jan-2006	27-Nov-2006	1.8	\$2,663	\$30,000	\$32,663

Notes for AVOIDED costs

This amount represents one month of fuel costs to operate the TO, beginning on the date the permit was issued, and ending on case screening date.

Approx. Cost of Compliance

\$36,500

TOTAL

\$32,866

Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Air Permit No. 75952, Special Condition Nos. 8(A) and (B), and Tex. Health and Safety Code § 382.085(b)

Violation Description Failed to conduct testing within 180 days after the start of manufacturing operations to demonstrate 100% capture efficiency at the two completed spray booths at the Main and East facilities.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				25%
Potential		x		

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
				0%

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 4 133 Number of violation days

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$10,000

Four quarterly events (2 quarters each for the Main facility, and the East facility) are recommended beginning 180 days after the permit was issued when testing was required (7/17/06), and ending on case screening date (11/27/06), as documented by the investigation on 10/27/06.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$244

Violation Final Penalty Total \$23,600

This violation Final Assessed Penalty (adjusted for limits) \$23,600

Economic Benefit Worksheet

Respondent Lide Industries, Inc.
Case ID No. 31785
Reg. Ent. Reference No. RN101698439
Media Air 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
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	\$3,000	17-Jul-2006	1-Mar-2008	1.6	\$244	n/a	\$244
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

These are approximate costs for testing the capture efficiency at the spray booths to demonstrate that they meet the criteria of a permanent total enclosure according to Method 204, 40 Code of Federal Regulations § 52.7241, Appendix B, beginning 180 days after the permit was issued which required the testing, and ending on the projected date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,000

TOTAL

\$244

Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code § 116.115(c), Air Permit No. 75952, Special Condition No. 11(B) and (C), and Tex. Health and Safety Code § 382.085(b)

Violation Description

Failed to record and maintain on file weekly data of material usage and material VOC and hazardous air pollutant content and data of actual daily hours of operations in order to demonstrate compliance, and failed to compile that data into monthly reports that represents the emissions from each emission point as shown on the Maximum Allowable Emissions Rate Table ("MAERT") in pounds per hour on a daily average basis and tons emitted.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor
		x	

Percent 10%

Matrix Notes

Less than 70%, but more than 30% of the rule requirement was not met.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

313 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$1,000

One quarterly event is recommended as documented by the investigation date (10/27/06), until case screening date (11/27/06).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$212

Violation Final Penalty Total \$2,360

This violation Final Assessed Penalty (adjusted for limits) \$2,360

Economic Benefit Worksheet

Respondent Lide Industries, Inc.
Case ID No. 31785
Reg. Ent. Reference No. RN101698439
Media Air 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
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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	\$2,000	18-Jan-2006	1-Mar-2008	2.1	\$212	n/a	\$212
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

These are estimated avoided costs by not having a record keeping system, beginning on the date that the permit was issued, and ending on the projected date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$212

Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 116.110(a), and Tex. Health and Safety Code §§ 382.0518(a) and 382.085(b)

Violation Description

Failed to obtain a permit or adhere to the requirements of Permit By Rule No. 106.452(2)(A) [formerly Standard Exemption No. 102(b)(1) and (3)] at the sandblasting media storage facilities. Specifically, Lide was unable to provide records of hours of operation, and was unable to determine its abrasive material usage rate at the sandblasting media storage facilities at the Main Plant, East Plant, and West Plant.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
		x	

Percent 10%

Matrix Notes

Less than 70%, but more than 30% of the rule requirement was not met. (2 out of 5 requirements)

Adjustment \$9,000

\$1,000

Violation Events

1

31

Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$1,000

One quarterly event is recommended beginning on the date of the investigation (10/27/06) and ending on case screening date (11/27/06).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$168

Violation Final Penalty Total \$2,360

This violation Final Assessed Penalty (adjusted for limits) \$2,360

Economic Benefit Worksheet

Respondent: Lide Industries, Inc.
Case ID No.: 31785
nmnf RN: RN101698439
Media: Air 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
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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	\$2,500	27-Oct-2006	1-Mar-2008	1.3	\$168	n/a	\$168
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

These are estimated costs for amending a permit, beginning on the date the permit amendment application was submitted, and ending on the projected date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance \$2,500

TOTAL \$168

Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 7

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2)(F), Air Permit No. 75952, General Condition No. 9, and Tex. Health and Safety Code § 382.085(b)

Violation Description

Failed to comply with the MAERT in Air Permit No. 75952 for Emission Point Nos. MINCIN, MPTBLDFUG, MPTOUTFUG, and EPTOUTFUG. Specifically, the EPN exceedances were as follows: MINCIN (limit 1.48 lbs./hr.) - actual range was 2.08 - 22.86 lbs./hr. on 19 days during 9/06, and 4.16 lbs./hr. - 27.16 lbs./hr. on 22 days during 10/06; MPTBLDFUG (limit 1.66 lbs./hr.) - actual range was 13.42 - 46.97 lbs/hr. on 23 days during 9/06, and 20.13 - 53.68 lbs/hr. on 19 days during 10/06; MPTOUTFUG (limit 4.98 lbs./hr.) - actual range was 7.12 - 26.84 lbs./hr. on 6 days during 9/06, and 6.60 - 33.55 lbs./hr. on 6 days during 10/06; and EPTOUTFUG (limit 1.66 lbs./hr.) - actual range was 20.13 - 107.36 lbs./hr. on 21 days during 9/06, and 26.84 - 53.68 lbs./hr. on 18 days during 10/06.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		x	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$5,000

\$5,000

Violation Events

8

134

Number of violation days

mark only one with an x

daily	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$40,000

Eight monthly events are recommended for the two monthly periods in which exceedances occurred at the four EPNs during September and October of 2006, as documented by the investigation on 10/27/06.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$4,237

Violation Final Penalty Total \$94,400

This violation Final Assessed Penalty (adjusted for limits) \$94,400

Economic Benefit Worksheet

Respondent Lide Industries, Inc.
Case ID No. 31785
Reg. Ent. Reference No. RN101698439
Media Air 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
<small>No commas or \$</small>							

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	\$1,500	27-Oct-2006	1-Mar-2008	1.3	\$101	\$2,018	\$2,119
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment	\$1,500	27-Oct-2006	1-Mar-2008	1.3	\$101	\$2,018	\$2,119
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

These are estimated costs that were avoided by not having adequate plant personnel and equipment needed to assure that the MAERT limits for Emission Point Nos. MINCIN, MPTBLDFUG, and MPTOUTFUG were not exceeded, beginning on the date of the investigation, and ending on the projected date of compliance.

Approx. Cost of Compliance	\$3,000	TOTAL	\$4,237
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Screening Date 27-Nov-2006

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 8

Rule Cite(s) 30 Tex. Admin. Code § 106.433(6)(A) and (7)(A), and Tex. Health and Safety Code § 382.085(b)

Violation Description

Failed to comply with the conditions of Permit by Rule 106.433 at the Main, East, and West outdoor surface coating facilities by exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period. Specifically, the three facilities exceeded the limit as follows: Main - in exceedance on 4 days during 9/06, and 6 days during 10/06, East - in exceedance on 11 days during 9/06, and 7 days during 10/06; and West - in exceedance on 20 days during 9/06, and on 23 days during 10/06.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 25%

>> 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.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3

71 Number of violation days

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

Violation Base Penalty \$7,500

Three quarterly events are recommended for the three quarterly periods in which exceedance occurred at the three outdoor surface coating facilities.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$4,237

Violation Final Penalty Total \$17,700

This violation Final Assessed Penalty (adjusted for limits) \$17,700

Economic Benefit Worksheet

Respondent: Lide Industries, Inc.
Case ID No.: 31785
Reg. Ent. Reference No.: RN101698439
Media: Air Quality
Violation No.: 8

PCW

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)				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	\$1,500	27-Oct-2006	1-Mar-2008	1.3	\$101	\$2,018	\$2,119
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment	\$1,500	27-Oct-2006	1-Mar-2008	1.3	\$101	\$2,018	\$2,119
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

These are estimated costs that were avoided during September and October of 2006 by not having adequate plant personnel and equipment needed to assure that the VOC emission limits at the Main, East, and West surface coating facilities were not exceeded, beginning on the date of investigation and ending on the projected compliance date.

Approx. Cost of Compliance \$3,000

TOTAL \$4,237

Compliance History

Customer/Respondent/Owner-Operator: CN600917579 Lide Industries, Inc. Classification: POOR Rating 67.80
Regulated Entity: RN101698439 LIDE INDUSTRIES Classification: POOR Site Rating 67.80
ID Number(s): AIR NEW SOURCE PERMITS ACCOUNT NUMBER FI0159N
AIR NEW SOURCE PERMITS PERMIT 49863
AIR NEW SOURCE PERMITS PERMIT 75952
AIR NEW SOURCE PERMITS PERMIT 27190
AIR NEW SOURCE PERMITS PERMIT 27379
AIR NEW SOURCE PERMITS AFS NUM 0636
ON SITE SEWAGE FACILITY PERMIT 0810256
Location: 1618 West State Highway 84, Freestone County Rating Date: 9/1/2006 Repeat Violator: YES
TCEQ Region: REGION 09 - WACO
Date Compliance History Prepared: January 25, 2007
Agency Decision Requiring Compliance History: Enforcement
Compliance Period: January 18, 2002 to January 18, 2007
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History
Name: Suzanne Walrath Phone: 512/239-2134

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.

Effective Date: 12/22/2006

ADMINORDER 2006-0905-AIR-E

Classification: Moderate

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

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to prevent nuisance conditions from paint overspray.

Classification: Major

Citation: 30 TAC Chapter 122, SubChapter B 122.121
30 TAC Chapter 122, SubChapter B 122.130(b)(1)

5C THC Chapter 382, SubChapter A 382.054

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to obtain a Title V Federal Operating. Records show that Lide Industries emits the HAP Xylene in excess of 10 tpy and a combination of other HAPS in excess of 25 tpy.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to meet Permit By Rule 106.433 requirement to not exceed 6.0 lbs/hr VOC emission rate for outdoor surface coating operations.

Classification: Moderate

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

Rqmt Prov: 11B PERMIT

CH #1 for
PCW #1

Description: Failed to keep records of actual hours of operation and failed to keep records of cleaning solvents used in the plant.

Effective Date: 06/09/2005

ADMINORDER 2004-1270-AIR-E

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)[G]
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to satisfy the conditions of Permit by Rule (PBR) 30 Tex. Admin. Code §106.433 or obtaining a permit under §116.111.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)[G]
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to meet the conditions of Standard Exemption 75, August 16, 1993 Standard Exemption List (now 30 TAC Sec. 106.433) for surface coating operations or obtain a permit under 30 Tex. Admin. Code §116.111.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	07/14/2004	(280896)
2	03/24/2004	(266686)
3	05/12/2004	(272043)
4	06/27/2005	(395541)
5	05/12/2004	(272041)
6	07/14/2004	(281764)
7	04/06/2006	(454589)
8	08/04/2004	(287252)
9	11/29/2006	(531152)
10	01/24/2002	(101529)
11	11/01/2005	(435570)

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

Date: 03/24/2004 (264787)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.4(1)
TWC Chapter 26 26.121

Description: Unauthorized discharge of paint onto the ground.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.62
40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(a)

Description: Failure to conduct a hazardous waste determination on the the used blasting sand.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter R 335.503(a)(4)(A)
30 TAC Chapter 335, SubChapter R 335.513(a)

Description: According to Mr. Bobby Lide, a waste classification has not been conducted on the used blasting sand

Date: 03/25/2004 (264530)

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)

Rqmt Prov: PA IA

Description: Failure to keep records of abrasive blasting usage for the main office facility as required in provision 2 (C) of PBR 106.452.

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)

Rqmt Prov: PA IA

Description: Failure to keep records of surface coating operation for the main office facility as required in provision 8 (C) of PBR 106.433.

Date: 09/11/2006 (510807)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Failure to keep records of actual hours of operation.

F. Environmental audits.

Notice of Intent Date: 10/25/2006 (532696)

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



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision November 17, 2006

TCEQ

PCW No. 2 of 4

DATES	Assigned	12-Jun-2007	Screening	13-Jun-2007	EPA Due	2-Feb-2008
	PCW	20-Dec-2007				

RESPONDENT/FACILITY INFORMATION			
Respondent	Lide Industries, Inc.		
Reg. Ent. Ref. No.	RN101698439		
Facility/Site Region	9-Waco	Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	31785	No. of Violations	2
Docket No.	2006-2045-AIR-E	Order Type	Findings
Media Program(s)	Air Quality	Enf. Coordinator	Suzanne Walrath
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

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History 80% Enhancement Subtotals 2, 3, & 7

Notes: The respondent received three NOV's for not same or similar violations, two 1660 orders, and one letter was sent notifying of an intended audit.

Culpability No 0% Enhancement Subtotal 4

Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction Subtotal 5

Before NOV NOV to EDRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes: The respondent does not meet the good faith criteria.

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 0% Reduction Adjustment

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

Notes

No deferral offered, as this case is a direct referral to the Litigation Division.

PAYABLE PENALTY

PCW #2

Screening Date 13-Jun-2007

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	3	6%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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)	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) 45%

>> Repeat Violator (Subtotal 3)

Yes

Adjustment Percentage (Subtotal 3) 25%

>> Compliance History Person Classification (Subtotal 7)

Poor Performer

Adjustment Percentage (Subtotal 7) 10%

>> Compliance History Summary

Compliance History Notes

The respondent received three NOVs for not same or similar violations, two 1660 orders, and one letter was sent notifying of an intended audit.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 80%

Screening Date 13-Jun-2007

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 101.4, and Tex. Health and Safety Code § 382.085(a) and (b)

Violation Description Failed to prevent paint over-spray from migrating onto adjacent property and creating a nuisance condition. Specifically, tapelift samples taken on March 14, 2007, and March 23, 2007, documented off property paint over-spray.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes Human health or the environment has been exposed to insignificant amounts of pollutants as a result of the violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

1 Number of violation days

daily	
monthly	
quarterly	
semiannual	
annual	
single event	X

mark only one with an x

Violation Base Penalty \$2,500

One single event is recommended for the nuisance condition which was documented by the investigation conducted on March 14, 2007.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$3,097

Violation Final Penalty Total \$4,500

This violation Final Assessed Penalty (adjusted for limits) \$4,500

Economic Benefit Worksheet

Respondent Lide Industries, Inc.
Case ID No. 31785
Reg. Ent. Reference No. RN101698439
Media Air 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	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	\$50,000	14-Mar-2007	31-Jan-2008	0.9	\$147	\$2,950	\$3,097
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

These are estimated costs for the amount to complete the construction of the paint booths, beginning on the date of the investigation, and ending on the projected date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$50,000

TOTAL

\$3,097

Screening Date 13-Jun-2007

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 116.115(b)(2)(G), Air Permit No. 75952, General Condition No. 9, and Tex. Health and Safety Code § 382.085(b)

Violation Description

Failed to maintain the air pollution capture and abatement equipment in good working order and operating properly during normal plant operations. Specifically, the East paint booth filtration system was not in operation and the filter screen was not completely covered with abatement filters.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Release	Harm			Percent
		Major	Moderate	Minor	
Actual				X	25%
Potential					

>> Programmatic Matrix

Matrix Notes	Falsification	Harm			Percent
		Major	Moderate	Minor	
					0%

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.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1 90 Number of violation days

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

Violation Base Penalty \$2,500

One quarterly event is recommended beginning on the date of the investigation (March 14, 2007), and ending on case screening date (June 12, 2007).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$124

Violation Final Penalty Total \$4,500

This violation Final Assessed Penalty (adjusted for limits) \$4,500

Economic Benefit Worksheet

Respondent: Lide Industries, Inc.
Case ID No.: 31785
Reg. Ent. Reference No.: RN101698439
Media: Air 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
<small>No commas or \$</small>							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)	\$2,000	14-Mar-2007	31-Jan-2008	0.9	\$6	\$118	\$124
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

These are approximate costs for additional management supervision to insure that the proper abatement equipment is installed on equipment during plant operations, beginning on the date of the investigation, and ending on the projected date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$124

Xylene in excess of 10 tpy and a combination of other HAPS in excess of 25 tpy.

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to meet Permit By Rule 106.433 requirement to not exceed 6.0 lbs/hr VOC emission rate for outdoor surface coating operations.

Classification: Moderate

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

Rqmt Prov: 11B PERMIT

Description: Failed to keep records of actual hours of operation and failed to keep records of cleaning solvents used in the plant.

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	03/24/2004	(266686)
2	05/12/2004	(272043)
3	05/12/2004	(272041)
4	07/14/2004	(280896)
5	07/14/2004	(281764)
6	08/04/2004	(287252)
7	06/27/2005	(395541)
8	11/01/2005	(435570)
9	04/06/2006	(454589)
10	11/29/2006	(531152)
11	02/14/2007	(538792)

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

Date 03/24/2004 (264787)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.4(1)
TWC Chapter 26 26.121

Description: Unauthorized discharge of paint onto the ground.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.62
40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(a)

Description: Failure to conduct a hazardous waste determination on the the used blasting sand.

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter R 335.503(a)(4)(A)
30 TAC Chapter 335, SubChapter R 335.513(a)

Description: According to Mr. Bobby Lide, a waste classification has not been conducted on the used blasting sand

Date 03/25/2004 (264530)

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)

Rqmt Prov: PA PBR 106.452

Description: Failure to keep records of abrasive blasting usage for the main office facility as required in provision 2 (C) of PBR 106.452.

Self Report? NO

Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)

Rqmt Prov: PA PBR 106.433

Description: Failure to keep records of surface coating operation for the main office facility as required in provision 8 (C) of PBR 106.433.

Date 09/11/2006 (510807)

Self Report? NO

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Failure to keep records of actual hours of operation.

F. Environmental audits.

Notice of Intent Date: 10/25/2006 (532696)

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



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision November 17, 2006

TCEQ

PCW No. 3 of 4

DATES	Assigned	30-Jul-2007	Screening	30-Jul-2007	EPA Due	22-Apr-2008
	PCW	20-Dec-2007				

RESPONDENT/FACILITY INFORMATION	
Respondent	Lide Industries, Inc.
Reg. Ent. Ref. No.	RN101698439
Facility/Site Region	9-Waco
Major/Minor Source	Major

CASE INFORMATION				
Enf./Case ID No.	31785	No. of Violations	3	
Docket No.	2006-2045-AIR-E	Order Type	Findings	
Media Program(s)	Air Quality	Enf. Coordinator	Suzanne Walrath	
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	\$55,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	84% Enhancement	Subtotals 2, 3, & 7	\$46,200
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Notes: The respondent received two NOVs for same or similar violatons, one NOV for not same or similar violations, two 1660 orders, one letter was sent notifying of an intended audit, and violations were disclosed once.

Culpability	No	0% Enhancement	Subtotal 4	\$0
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Notes: The respondent does not meet the culpability criteria.

Good Faith Effort to Comply	0% Reduction	Subtotal 5	\$0
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Before NOV NOV to EDRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes: The respondent does not meet the good faith criteria.

Total EB Amounts	\$12,871	0% Enhancement*	Subtotal 6	\$0
Approx. Cost of Compliance	\$18,500	*Capped at the Total EB \$ Amount		

SUM OF SUBTOTALS 1-7	Final Subtotal	\$101,200
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OTHER FACTORS AS JUSTICE MAY REQUIRE		Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount	\$101,200
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$101,200
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DEFERRAL	0% Reduction	Adjustment	\$0
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Reduces the Final Assessed Penalty by the indicted percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral not offered as this case did not settle within the sixty day settlement period.

PAYABLE PENALTY	\$101,200
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PCW # 3

Screening Date 30-Jul-2007

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

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	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%

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) 49%

>> Repeat Violator (Subtotal 3)

Yes

Adjustment Percentage (Subtotal 3) 25%

>> Compliance History Person Classification (Subtotal 7)

Poor Performer

Adjustment Percentage (Subtotal 7) 10%

>> Compliance History Summary

Compliance History Notes

The respondent received two NOVs for same or similar violatons, one NOV for not same or similar violations, two 1660 orders, one letter was sent notifying of an intended audit, and violations were disclosed once.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 84%

Screening Date 30-Jul-2007

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 106.433(7)(A), and Tex. Health and Safety Code § 382.085(b)

Violation Description Failed to comply with the conditions of Permit by Rule 106.433 at the West Plant surface coating facility by exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period. Specifically, the West Plant exceeded the limit as follows: 23 days in January 2007, 23 days in February 2007, 22 days in March 2007, 22 days in April 2007, 25 days in May 2007, and 22 days in June 2007.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR		Harm			
	Release	Major	Moderate	Minor	
	Actual			X	Percent 25%
Potential					

>> Programmatic Matrix

	Falsification	Major	Moderate	Minor	
					Percent 0%

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

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 2 137 Number of violation days

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

Violation Base Penalty \$5,000

Two quarterly events are recommended for the two quarterly periods in which exceedances occurred at Lide's West Plant from January through June 2007, as documented by the investigation on June 29, 2007.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6,352

Violation Final Penalty Total \$9,200

This violation Final Assessed Penalty (adjusted for limits) \$9,200

Economic Benefit Worksheet

Respondent: Lide Industries, Inc.
Case ID No.: 31785
Reg. Ent. Reference No.: RN101698439
Media: Air 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	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Avoided Costs

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

Disposal				0.0	\$0	\$0	\$0
Personnel	\$6,000	29-Jun-2007	31-Mar-2008	0.8	\$227	\$4,537	\$4,764
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment	\$2,000	29-Jun-2007	31-Mar-2008	0.8	\$76	\$1,512	\$1,588
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

These are estimated costs that were avoided by not having adequate plant personnel and equipment needed to assure that the VOC limits were not exceeded, beginning on the date of the investigation, and ending on the projected date of compliance.

Approx. Cost of Compliance	\$8,000	TOTAL	\$6,352
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Screening Date 30-Jul-2007

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 2

Rule Cite(s) Tex. Admin. Code § 116.110(a), Tex. Health and Safety Code §§ 382.085(b) and 382.0518(a), Tex. Water Code § 7.051(a)(1)(B), and Agreed Order Docket No. 2006-0905-AIR-E, Ordering Provision No. 2.c.

Violation Description Failed to comply with Ordering Provision No. 2(c) of Agreed Order, Docket No. 2006-0905-AIR-E. Specifically, Lide did not obtain its Air Permit Amendment by June 20, 2007, which was 180 days after the effective date of the order adopted on December 22, 2006.

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			25%
100% of the rule requirement was not met.					

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 8 Number of violation days 220

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

Violation Base Penalty \$20,000

Eight monthly events are recommended, from the effective date of the agreed order (12/22/06), until case screenint date (7/30/07).

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$168

Violation Final Penalty Total \$36,800

This violation Final Assessed Penalty (adjusted for limits) \$36,800

Economic Benefit Worksheet

Respondent: Lide Industries, Inc.
Case ID No.: 31785
Reg. Ent. Reference No.: RN101698439
Media: Air 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	\$2,500	27-Nov-2006	31-Mar-2008	1.3	\$168	n/a	\$168
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

These costs are associated with obtaining a permit amendment, beginning on the date the amendment application was submitted, and ending on the projected date of compliance.

Avoided Costs

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

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

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,500

TOTAL

\$168

Screening Date 30-Jul-2007

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 17, 2006

Reg. Ent. Reference No. RN101698439

Media [Statute] Air Quality

Enf. Coordinator Suzanne Walrath

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code § 106.452(2)(A), and Tex. Health and Safety Code § 382.085(b)

Violation Description

Failed to adhere to the requirements of Permit By Rule No. 106.452(2)(A) [formerly Standard Exemption No. 102(b)(1) and (3)] at the sandblasting media storage facilities. Specifically, Lide exceeded its daily material usage rate for the West Plant for 22 days in January 2007, 16 days in February 2007, 20 days in March 2007, 14 days in April 2007, 17 days in May 2007, and 18 days in June 2007; and Lide exceeded the yearly limit of 150 tons at the Main, West, and East plant. Specifically, by the end of May 2007, the year to date totals were 559.8 tons for the Main Plant, 413.1 tons for the West Plant, and 454.1 tons for the East Plant.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual		X	
Potential			

Percent 50%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

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

Adjustment \$5,000

\$5,000

Violation Events

Number of Violation Events 6

178 Number of violation days

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

Violation Base Penalty \$30,000

Six monthly events are recommended for the six monthly periods in which exceedances occurred at the three Lide plants from January through June 2007, as documented by the investigation on June 29, 2007.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6,352

Violation Final Penalty Total \$55,200

This violation Final Assessed Penalty (adjusted for limits) \$55,200

Economic Benefit Worksheet

Respondent **Lide Industries, Inc.**
 Case ID No. **31785**
 Reg. Ent. Reference No. **RN101698439**
 Media **Air 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
<i>No commas or \$</i>							

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	\$6,000	29-Jun-2007	31-Mar-2008	0.8	\$227	\$4,537	\$4,764
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment	\$2,000	29-Jun-2007	31-Mar-2008	0.8	\$76	\$1,512	\$1,588
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

These are estimated costs that were avoided by not having adequate plant personnel and equipment needed to assure that the material usage limits were not exceeded, beginning on the date of the investigation, and ending on the projected date of compliance.

Approx. Cost of Compliance \$8,000

TOTAL \$6,352

Compliance History

Customer/Respondent/Owner-Operator:	CN600917579	Lide Industries, Inc.	Classification: POOR	Rating: 67.80
Regulated Entity:	RN101698439	LIDE INDUSTRIES	Classification: POOR	Site Rating: 67.80
ID Number(s):	AIR NEW SOURCE PERMITS AIR NEW SOURCE PERMITS ON SITE SEWAGE FACILITY AIR OPERATING PERMITS AIR OPERATING PERMITS		ACCOUNT NUMBER PERMIT PERMIT PERMIT PERMIT AFS NUM PERMIT PERMIT ACCOUNT NUMBER	FI0159N 49863 75952 27190 27379 4816100636 0810256 2916 FI0159N
Location:	6 M E OF MEXIA ON HWY 84		Rating Date: 9/1/2006 Repeat Violator: NO	
TCEQ Region:	REGION 09 - WACO			
Date Compliance History Prepared:	August 10, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	August 10, 2002 to August 10, 2007			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	<u>Suzanne Walrath</u>		Phone:	<u>512/239-2134</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? | 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.

1660 Effective Date: 06/09/2005 ADMINORDER 2004-1270-AIR-E

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)[G]
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to satisfy the conditions of Permit by Rule (PBR) 30 Tex. Admin. Code §106.433 or obtaining a permit under §116.111.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)[G]
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to meet the conditions of Standard Exemption 75, August 16, 1993 Standard Exemption List (now 30 TAC Sec. 106.433) for surface coating operations or obtain a permit under 30 Tex. Admin. Code §116.111 .

1660 Effective Date: 12/22/2006 ADMINORDER 2006-0905-AIR-E

Classification: Moderate

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

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to prevent nuisance conditions from paint overspray.

Classification: Major

Citation: 30 TAC Chapter 122, SubChapter B 122.121
30 TAC Chapter 122, SubChapter B 122.130(b)(1)

CH #3

5C THC Chapter 382, SubChapter A 382.054
5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to obtain a Title V Federal Operating. Records show that Lide Industries emits the HAP Xylene in excess of 10 tpy and a combination of other HAPS in excess of 25 tpy.
Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to meet Permit By Rule 106.433 requirement to not exceed 6.0 lbs/hr VOC emission rate for outdoor surface coating operations.
Classification: Moderate

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

Rqmt Prov: 11B PERMIT

Description: Failed to keep records of actual hours of operation and failed to keep records of cleaning solvents used in the plant.

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	03/24/2004	(266686)
2	05/12/2004	(272043)
3	05/12/2004	(272041)
4	07/14/2004	(280896)
5	07/14/2004	(281764)
6	08/04/2004	(287252)
7	06/27/2005	(395541)
8	11/01/2005	(435570)
9	04/06/2006	(454589)
10	11/29/2006	(531152)
11	02/14/2007	(538792)

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

ns	Date	03/24/2004	(264787)		
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 335, SubChapter A 335.4(1) TWC Chapter 26 26.121			
	Description:	Unauthorized discharge of paint onto the ground.			
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 335, SubChapter C 335.62 40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(a)			
	Description:	Failure to conduct a hazardous waste determination on the the used blasting sand.			
	Self Report?	NO		Classification:	Moderate
	Citation:	30 TAC Chapter 335, SubChapter R 335.503(a)(4)(A) 30 TAC Chapter 335, SubChapter R 335.513(a)			
	Description:	According to Mr. Bobby Lide, a waste classification has not been conducted on the used blasting sand			
SS	Date	03/25/2004	(264530)		
	Self Report?	NO		Classification:	Minor
	Citation:	30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)			
	Rqmt Prov:	PA PBR 106.452			
	Description:	Failure to keep records of abrasive blasting usage for the main office facility as required in provision 2 (C) of PBR 106.452.			
	Self Report?	NO		Classification:	Minor
	Citation:	30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)			
	Rqmt Prov:	PA PBR 106.433			
	Description:	Failure to keep records of surface coating operation for the main office facility as required in provision 8 (C) of PBR 106.433.			



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision November 6, 2007

TCEQ

PCW No. 4 of 4

DATES	Assigned	5-Nov-2007	Screening	5-Nov-2007	EPA Due	27-Jul-2008
	PCW	15-Nov-2007				

RESPONDENT/FACILITY INFORMATION	
Respondent	Lide Industries, Inc.
Reg. Ent. Ref. No.	RN101698439
Facility/Site Region	9-Waco
Major/Minor Source	Major

CASE INFORMATION			
Enf./Case ID No.	31785	No. of Violations	2
Docket No.	2006-2045-AIR-E	Order Type	Findings
Media Program(s)	Air	Enf. Coordinator	Suzanne Walrath
Multi-Media		EC's Team	Enforcement Team 3
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 70% Enhancement Subtotals 2, 3, & 7

Notes: The Respondent received four NOVs without same or similar violations, was issued two Agreed Orders with denials of liability, submitted one letter notifying of an intended audit, and disclosed violations once with respect to that audit.

Culpability No 0% Enhancement Subtotal 4

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply 0% Reduction Subtotal 5

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

Notes: The Respondent does not meet the good faith criteria.

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 0% Adjustment

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount

STATUTORY LIMIT ADJUSTMENT Final Assessed Penalty

DEFERRAL 0% Reduction Adjustment

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

Notes

Deferral not offered for non-expedited settlement.

PAYABLE PENALTY

PCW #4

Screening Date 5-Nov-2007

Docket No. 2006-2045-AIR-E

PCW

Respondent Lide Industries, Inc.

Policy Revision 2 (September 2002)

Case ID No. 31785

PCW Revision November 6, 2007

Reg. Ent. Reference No. RN101698439

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

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)	0	0%
	Other written NOV's	4	8%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	2	40%
	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)	1	-2%

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) 45%

>> Repeat Violator (Subtotal 3)

Yes

Adjustment Percentage (Subtotal 3) 25%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The Respondent received four NOV's without same or similar violations, was issued two Agreed Orders with denials of liability, submitted one letter notifying of an intended audit, and disclosed violations once with respect to that audit.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 70%

Screening Date 5-Nov-2007 **Docket No.** 2006-2045-AIR-E **PCW**
Respondent Lide Industries, Inc. *Policy Revision 2 (September 2002)*
Case ID No. 31785 *PCW Revision November 6, 2007*
Reg. Ent. Reference No. RN101698439
Media [Statute] Air
Enf. Coordinator Suzanne Walrath
Violation Number
Rule Cite(s) 30 Tex. Admin. Code § 106.433(7)(A), and Tex. Health and Safety Code § 382.085(b)
Violation Description Failed to comply with the conditions of Permit by Rule 106.433 at the West Plant surface coating facility by exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period. Specifically, the West Plant exceeded the limit as follows: 22 days in July 2007, 17 days in August 2007, and six days in September 2007.
Base Penalty

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input checked="" type="checkbox"/>	<input type="text" value="25%"/>
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

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

Adjustment

Violation Events

Number of Violation Events Number of violation days

mark only one with an x

daily	<input type="text"/>
monthly	<input type="text"/>
quarterly	<input checked="" type="checkbox"/>
semiannual	<input type="text"/>
annual	<input type="text"/>
single event	<input type="text"/>

Violation Base Penalty

One quarterly event is recommended for the one quarterly period in which exceedances occurred at Lide's West Plant from July 2, 2007 through September 29, 2007, as documented by the investigation on October 10, 2007.

Economic Benefit (EB) for this violation	Statutory Limit Test
Estimated EB Amount <input type="text" value="\$5,615"/>	Violation Final Penalty Total <input type="text" value="\$4,250"/>
This violation Final Assessed Penalty (adjusted for limits) <input type="text" value="\$4,250"/>	

Economic Benefit Worksheet

Respondent: Lide Industries, Inc.
Case ID No.: 31785
Reg. Ent. Reference No.: RN101698439
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

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	\$6,000	10-Oct-2007	10-Jun-2008	0.7	\$201	\$4,011	\$4,212
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment	\$2,000	10-Oct-2007	10-Jun-2008	0.7	\$67	\$1,337	\$1,404
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

These are estimated costs that were avoided by not having adequate plant personnel and equipment needed to assure that the VOC limits were not exceeded, beginning on the date of the investigation, and ending on the projected date of compliance.

Approx. Cost of Compliance

\$8,000

TOTAL

\$5,615

Screening Date 5-Nov-2007 **Docket No.** 2006-2045-AIR-E

Respondent Lide Industries, Inc. *Policy Revision 2 (September 2002)*

Case ID No. 31785 *PCW Revision November 6, 2007*

Reg. Ent. Reference No. RN101698439

Media [Statute] Air

Enf. Coordinator Suzanne Walrath

Violation Number

Rule Cite(s)

Violation Description

Base Penalty

>> Environmental, Property and Human Health Matrix

OR	Harm			Percent <input type="text" value="50%"/>	
	Release	Major	Moderate		Minor
	Actual	<input type="text"/>	<input checked="" type="text" value="x"/>		<input type="text"/>
	Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	

>> Programmatic Matrix

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

Matrix Notes

Adjustment

Violation Events

Number of Violation Events Number of violation days

<i>mark only one with an x</i>	daily	<input type="text"/>
	monthly	<input checked="" type="text" value="x"/>
	quarterly	<input type="text"/>
	semiannual	<input type="text"/>
	annual	<input type="text"/>
	single event	<input type="text"/>

Violation Base Penalty

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

Estimated EB Amount

Violation Final Penalty Total

This violation Final Assessed Penalty (adjusted for limits)

Economic Benefit Worksheet

Respondent Lide Industries, Inc.
Case ID No. 31785
Reg. Ent. Reference No. RN101698439
Media Air
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)				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	\$6,000	10-Oct-2007	10-Jun-2008	0.7	\$201	\$4,011	\$4,212
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment	\$2,000	10-Oct-2007	10-Jun-2008	0.7	\$67	\$1,337	\$1,404
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

These are estimated costs that were avoided by not having adequate plant personnel and equipment needed to assure that the material usage limits were not exceeded, beginning on the date of the investigation, and ending on the projected date of compliance.

Approx. Cost of Compliance \$8,000

TOTAL \$5,615

Compliance History

Customer/Respondent/Owner-Operator: CN600917579 Lide Industries, Inc. Classification: AVERAGE Rating: 38.38
 Regulated Entity: RN101698439 LIDE INDUSTRIES Classification: POOR Site Rating: 73.75

ID Number(s):

AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	FI0159N
AIR NEW SOURCE PERMITS	PERMIT	49863
AIR NEW SOURCE PERMITS	REGISTRATION	49863
AIR NEW SOURCE PERMITS	PERMIT	75952
AIR NEW SOURCE PERMITS	PERMIT	27190
AIR NEW SOURCE PERMITS	PERMIT	27379
AIR NEW SOURCE PERMITS	AFS NUM	4816100636
ON SITE SEWAGE FACILITY	PERMIT	0810256
AIR OPERATING PERMITS	PERMIT	2916
AIR OPERATING PERMITS	ACCOUNT NUMBER	FI0159N

Location: 1618 W HWY 84, MEXIA, TX, 76667 Rating Date: 9/1/2007 Repeat Violator: YES

TCEQ Region: REGION 09 - WACO

Date Compliance History Prepared: November 08, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 08, 2002 to November 08, 2007

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

Name: Suzanne Walrath Phone: 512/239-2134

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.

1660 Effective Date: 06/09/2005 ADMINORDER 2004-1270-AIR-E

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to satisfy the conditions of Permit by Rule (PBR) 30 Tex. Admin. Code §106.433 or obtaining a permit under §116.111.

Classification: Major

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)
5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter A 382.085(b)

Description: Failure to meet the conditions of Standard Exemption 75, August 16, 1993 Standard Exemption List (now 30 TAC Sec. 106.433) for surface coating operations or obtain a permit under 30 Tex. Admin. Code §116.111.

1660 Effective Date: 12/22/2006 ADMINORDER 2006-0905-AIR-E

Classification: Moderate

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

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to prevent nuisance conditions from paint overspray.

Classification: Major

Citation: 30 TAC Chapter 122, SubChapter B 122.121
30 TAC Chapter 122, SubChapter B 122.130(b)(1)

5C THC Chapter 382, SubChapter A 382.054

5C THC Chapter 382, SubChapter D 382.085(b)

CH #4

Description: Failed to obtain a Title V Federal Operating. Records show that Lide Industries emits the HAP Xylene in excess of 10 tpy and a combination of other HAPS in excess of 25 tpy.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.110(a)

5C THC Chapter 382, SubChapter A 382.0518(a)

5C THC Chapter 382, SubChapter D 382.085(b)

Description: Failed to meet Permit By Rule 106.433 requirement to not exceed 6.0 lbs/hr VOC emission rate for outdoor surface coating operations.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

5C THC Chapter 382, SubChapter D 382.085(b)

Rqmt Prov: 11B PERMIT

Description: Failed to keep records of actual hours of operation and failed to keep records of cleaning solvents used in the plant.

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	03/24/2004	(266686)
2	05/12/2004	(272043)
3	05/12/2004	(272041)
4	07/14/2004	(280896)
5	07/14/2004	(281764)
6	08/04/2004	(287252)
7	06/27/2005	(395541)
8	11/01/2005	(435570)
9	04/06/2006	(454589)
10	11/29/2006	(531152)
11	02/14/2007	(538792)

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

ns Date: 03/24/2004 (264787)
Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter A 335.4(1)
TWC Chapter 26 26.121

Description: Unauthorized discharge of paint onto the ground.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter C 335.62
40 CFR Chapter 262, SubChapter I, PT 262, SubPT A 262.11(a)

Description: Failure to conduct a hazardous waste determination on the the used blasting sand.

Self Report? NO Classification: Moderate

Citation: 30 TAC Chapter 335, SubChapter R 335.503(a)(4)(A)
30 TAC Chapter 335, SubChapter R 335.513(a)

Description: According to Mr. Bobby Lide, a waste classification has not been conducted on the used blasting sand

ns Date: 03/25/2004 (266686)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)

Rqmt Prov: PA SE 102

Description: Failure to keep records of abrasive blasting as required by Standard Exemption 102 (8/16/1993).

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)

Rqmt Prov: PA SE 75

Description: Failure to keep records of surface coating to demonstrate compliance with Standard Exemption 75 (8/16/1993).

ns Date: 03/25/2004 (264530)

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)

Rqmt Prov: PA PBR 106.452

Description: Failure to keep records of abrasive blasting usage for the main office facility as required in provision 2 (C) of PBR 106.452.

Self Report? NO Classification: Minor

Citation: 30 TAC Chapter 106, SubChapter A 106.8(c)(2)(B)
Rqmt Prov: PA PBR 106.433
Description: Failure to keep records of surface coating operation for the main office facility as required in provision 8 (C) of PBR 106.433.

ns

Date 09/11/2006 (510807)

Self Report? NO

Classification Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

Description: Failure to keep records of actual hours of operation.

F. Environmental audits.

Notice of Intent Date: 10/25/2006 (532696)

Disclosure Date: 01/05/2007

Viol. Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter A

Description: Failure to maintain documentation on site to demonstrate requirements with SE and PBRs.

Viol. Classification: Moderate

Rqmt PERMIT 40 CFR 63.3910(b)

Description: Failure to comply with Subpart M-MMM-National Emission Standards for Haz. Air Pollutants for Surface Coating of Miscellaneous Metal Parts and Products.

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.

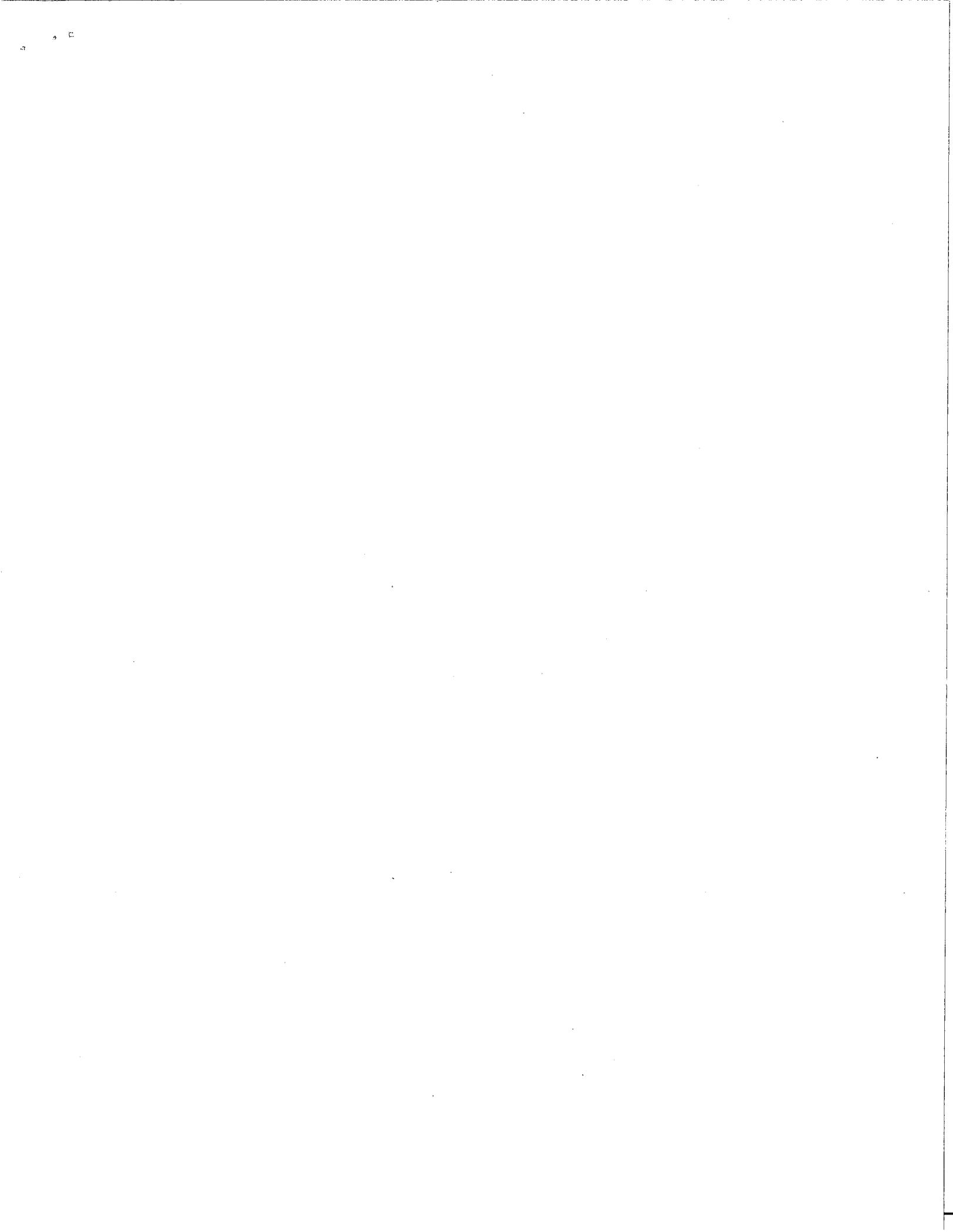
N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
AGAINST
LIDE INDUSTRIES, INC.,
RN101698439

§
§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2006-2045-AIR-E

At its _____ agenda, the Texas Commission on Environmental Quality ("Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Lide Industries, Inc. ("Lide ") under the authority of TEX. WATER CODE ch. 7 and TEX. HEALTH & SAFETY CODE ch. 382. The Executive Director of the TCEQ, represented by the Litigation Division, and Lide, represented by Frances E. Phillips, of the law firm of Gardere Wynne Sewell, LLP, presented this agreement to the Commission.

Lide understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, Lide agrees to waive all notice and procedural rights.

It is further understood and agreed that this Agreed Order represents the complete and fully-integrated agreement of the parties. 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. The duties and responsibilities imposed by this Agreed Order are binding upon Lide.

The Commission makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. Lide owns and operates a metal tank fabrication plant consisting of three separate facilities (Main facility, West facility and East facility) located at 1618 West State Highway 84 approximately six miles east of Mexia, in Freestone County, Texas collectively known as "the Plant".

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During an investigation conducted on October 27, 2006, a TCEQ Waco Regional Investigator documented that Lide:
 - a. Failed to prevent dust from migrating onto adjacent property and creating a nuisance condition.
 - b. Failed to comply with outdoor burning rules which prohibit outdoor burning of waste from a business.
 - c. Failed to route all emissions from Emission Point No. ("EPN") MINCIN to the thermal oxidizer ("TO") and failed to conduct stack sampling, and other testing within 180 days after the start of manufacturing operations to determine the destruction efficiency and the pounds per hour of the volatile organic compounds ("VOCs") and exempt solvents emitted into the atmosphere from the TO. Specifically, the permit requires all paint booth emissions from MINCIN to be controlled and routed to a TO.
 - d. Failed to conduct testing within 180 days after the start of manufacturing operations to demonstrate 100% capture efficiency at the two completed spray booths at the Main and East facilities.
 - e. Failed to record and maintain on file weekly data of material usage and material VOC and hazardous air pollutant content and data of actual daily hours of operations in order to demonstrate compliance, and failed to compile that data into monthly reports that represent the emissions from each emission point as shown on the Maximum Allowable Emissions Rate Table ("MAERT") in pounds per hour on a daily average basis and tons emitted.
 - f. Failed to obtain a permit or adhere to the requirements of Permit by Rule No. 106.452(2)(A), at the sandblasting media storage facilities. Specifically, Lide was unable to provide records of hours of operation, and was unable to determine its abrasive material usage rate at the sandblasting media storage facilities at the Main facility, East facility and West facility.
 - g. Failed to comply with the MAERT in Air Permit No. 75952 for EPN Nos. MINCIN, MPTBLDFUG, MPTOUTFUG and EPTOUTFUG. Specifically, the EPN exceedances were as follows: MINCIN (limit 1.48 lbs/hr)-actual range was 2.08-22.86 lbs/hr on 19 days during September 2006, and 4.16

- b. Failed to comply with Ordering Provision No. 2(c) of Agreed Order Docket No. 2006-0905-AIR-E. Specifically, Lide did not obtain its Air Permit Amendment by June 20, 2007 which was 180 days after the effective date of the order adopted on December 22, 2006.
 - c. Failed to adhere to the requirements of Permit by Rule No. 106.452(2)(A), at the sandblasting media storage facilities. Specifically, Lide exceeded its daily material usage rate for the West facility for 22 days in January 2007, 16 days in February 2007, 20 days in March 2007, 14 days in April 2007, 17 days in May 2007, and 18 days in June 2007; and Lide exceeded the yearly limit of 150 tons at the Main, West and East facilities. Specifically, by the end of May 2007, the year-to-date totals were 559.8 tons for the Main facility, 413.1 tons for the West facility and 454.1 tons for the East facility.
6. During an investigation conducted on October 10, 2007, a TCEQ Waco Regional Investigator documented that Lide violated the following requirements:
- a. Failed to comply with the conditions of Permit by Rule 106.433 at the West facility surface coating facility by exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period. Specifically, the West facility exceeded the limit as follows: 22 days in July 2007, 17 days in August 2007, and 6 days in September 2007.
 - b. Failed to adhere to the requirements of Permit by Rule No. 106.452(2)(A), at the sandblasting media storage facilities. Specifically, Lide exceeded its monthly material usage rate of one ton per day at the West facility during the months of July through October 2007, and exceeded its 16 tons per month limit at the East, West and Main facilities from July through October 2007. Specifically, the daily limit was exceeded at the West facility 22 times in July 2007, 23 times in August 2007, 20 times in September 2007 and 7 times in October 2007.
7. Lide received notice of the violations on or about November 27, 2006, May 13, 2007 and November 5, 2007.

CONCLUSIONS OF LAW

1. As evidenced by Finding of Fact Nos. 1 and 2, Lide is subject to the jurisdiction of the TCEQ pursuant to TEX. WATER CODE § 7.002; TEX. HEALTH & SAFETY CODE ch. 382; and the rules of the Commission.

2. As evidenced by Finding of Fact No. 3.a., Lide failed to prevent dust from migrating onto adjacent property and creating a nuisance condition, in violation of 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b).
3. As evidenced by Finding of Fact No. 3.b., Lide failed to comply with outdoor burning rules which prohibit outdoor burning of waste from a business, in violation of 30 TEX. ADMIN. CODE § 111.201 and TEX. HEALTH & SAFETY CODE § 382.085(b).
4. As evidenced by Finding of Fact No. 3.c., Lide failed to route all emissions from EPN MINCIN to the TO and failed to conduct stack sampling, and other testing within 180 days after the start of manufacturing operations to determine the destruction efficiency and the pounds per hour of the VOCs and exempt solvents emitted into the atmosphere from the TO, in violation of 30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 75952, Special Condition Nos. 3(B) and 9(B); and TEX. HEALTH & SAFETY CODE § 382.085(b).
5. As evidenced by Finding of Fact No. 3.d., Lide failed to conduct testing within 180 days after the start of manufacturing operations to demonstrate 100% capture efficiency at the two completed spray booths at the Main and East facilities, in violation of 30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 75952, Special Condition Nos. 8(A) and (B); and TEX. HEALTH & SAFETY CODE § 382.085(b).
6. As evidenced by Finding of Fact No. 3.e., Lide failed to record and maintain on file weekly data of material usage and material VOC and hazardous air pollutant content and data of actual daily hours of operations in order to demonstrate compliance, and failed to compile that data into monthly reports that represent the emissions from each emission point as shown on the MAERT in pounds per hour on a daily average basis and tons emitted, in violation of 30 TEX. ADMIN. CODE § 116.115(c); Air Permit No. 75952, Special Condition No. 11(B) and (C); and TEX. HEALTH & SAFETY CODE § 382.085(b).
7. As evidenced by Finding of Fact No. 3.f., Lide failed to obtain a permit or adhere to the requirements of Permit by Rule No. 106.452(2)(A) at the sandblasting media storage facilities, in violation of 30 TEX. ADMIN. CODE § 116.110(a); and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b).
8. As evidenced by Finding of Fact No. 3.g., Lide failed to comply with the MAERT in Air Permit No. 75952 for EPN Nos. MINCIN, MPTBLDFUG, MPTOUTFUG and EPTOUTFUG, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(F); Air Permit No. 75952, General Condition No. 9; and TEX. HEALTH & SAFETY CODE § 382.085(b).
9. As evidenced by Finding of Fact No. 3.h., Lide failed to comply with the conditions of Permit by Rule 106.433 at the Main, East and West outdoor surface coating facilities by

exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period, in violation of 30 TEX. ADMIN. CODE § 106.433(6)(A) and (7)(A); and TEX. HEALTH & SAFETY CODE § 382.085(b)

10. As evidenced by Finding of Fact No. 4.a., Lide failed to prevent paint over-spray from migrating onto adjacent property and creating a nuisance condition, in violation of 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b).
11. As evidenced by Finding of Fact No. 4.b., Lide failed to maintain the air pollution capture and abatement equipment in good working order and operating properly during normal facility operations, in violation of 30 TEX. ADMIN. CODE § 116.115(b)(2)(G); Air Permit No. 75952, General Condition No. 9; and TEX. HEALTH & SAFETY CODE § 382.085(b).
12. As evidenced by Finding of Fact No. 5.a., Lide failed to comply with the conditions of Permit by Rule 106.433 at the West facility surface coating facility by exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period, in violation of 30 TEX. ADMIN. CODE § 106.433(7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b).
13. As evidenced by Finding of Fact No. 5.b., Lide failed to comply with Ordering Provision No. 2(c) of Agreed Order Docket No. 2006-0905-AIR-E, in violation of 30 TEX. ADMIN. CODE § 116.110(a); TEX. WATER CODE § 7.051(a)(1)(B); TCEQ Agreed Order Docket No. 2006-0905-AIR-E, Ordering Provision No. 2.c; and TEX. HEALTH & SAFETY CODE §§ 382.085(b) and 382.0518(a).
14. As evidenced by Finding of Fact No. 5.c., Lide failed to adhere to the requirements of Permit by Rule No. 106.452(2)(A) at the sandblasting media storage facilities, in violation of 30 TEX. ADMIN. CODE § 106.452(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b).
15. As evidenced by Finding of Fact No. 6.a., Lide failed to comply with the conditions of Permit by Rule 106.433 at the West surface coating facility by exceeding the six pounds per hour limit of VOC emissions averaged over any five-hour period, in violation of 30 TEX. ADMIN. CODE § 106.433(7)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b).
16. As evidenced by Finding of Fact No. 6.b., Lide failed to adhere to the requirements of Permit by Rule No. 106.452(2)(A) at the sandblasting media storage facilities, in violation of 30 TEX. ADMIN. CODE § 106.452(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b).
17. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against Lide for violations of the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statute; or for violations of orders or permits issued under such statute.

18. An administrative penalty in the amount of three hundred six thousand five hundred seventy dollars (\$306,570.00) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. Lide has paid one hundred fifty-three thousand two hundred eighty-five dollars (\$153,285.00) of the administrative penalty. The remaining amount of one hundred fifty-three thousand two hundred eighty-five dollars (\$153,285.00) of the administrative penalty shall be conditionally offset by Lide's completion of a Supplemental Environmental Project ("SEP") as defined in Attachment A and incorporated herein by reference. Lide's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all provisions of the SEP agreement.

ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. Lide is assessed an administrative penalty in the amount of three hundred six thousand five hundred seventy dollars (\$306,570.00) as set forth in Conclusion of Law No. 18 for violations of TCEQ rules and state statutes. The payment of this administrative penalty and Lide's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "Texas Commission on Environmental Quality" and shall be sent with the notation "Re: Lide Industries, Inc.; Docket No. 2006-2045-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. Lide shall implement and complete a Supplemental Environmental Project in accordance with TEX. WATER CODE § 7.067. One hundred fifty-three thousand two hundred eighty-five dollars (\$153,285.00) of the assessed administrative penalty shall be conditionally offset by Lide's completion of a SEP as defined in "Attachment A." Lide's obligation to pay the conditionally offset portion of the administrative penalty assessed shall be discharged upon final completion of all portions of the SEP agreement.

3. It is further ordered that Lide shall undertake the following technical requirements:

- a. Immediately, upon the effective date of this Agreed Order:
 - i. Daily records of coating, thinner, and solvent usage by product name in gallons, the VOC, exempt solvent, and hazardous air pollutant ("HAP") content of each product as applied, actual daily hours of painting and clean up operations for the Main and East facilities, and daily manometer readings shall be maintained and kept on file for 24 months and shall be made immediately available during regular business hours.
 - ii. Records obtained through Ordering Provision No. 3.a.i. shall be reduced weekly to report VOC, particulate matter ("PM"), and exempt solvent emissions by EPN as listed on the MAERT in pounds per hour as a daily average and a monthly report reflecting VOC, PM, exempt solvent, individual HAP, and combined HAP emissions by EPN as listed on the MAERT in tons per year over the most recent 12 month period. Monthly reports shall also include total coating, thinner, and solvent usage in gallons over the most recent 12 month period and all records of filter media replacements as required by Ordering Provision No. 3.a.iii. Reports shall be maintained and kept on file for 24 months, shall be made immediately available during regular business hours, and shall be used to demonstrate compliance with 40 CFR Part 63 Subpart M.
 - iii. The North Main building, the North East building, and the West building painting operations shall comply with the emission limitation of six lb/hr of VOC emissions, averaged over any five-hour period, 500 pounds per week, and 13 tons per year for all operations per facility as set forth by 30 TEX. ADMIN. CODE § 106.433(6)(A), until such time that the permit is amended in accordance with Ordering Provision No. 3.f.
 - iv. Daily records of coating, thinner, and solvent usage by product name in gallons, the VOC, exempt solvent, and HAP content of each product as applied, actual daily hours of outdoor, and subsequently indoor, painting and clean up operations, and daily manometer readings shall be maintained and kept on file

for 24 months and shall be made immediately available during regular business hours.

- v. Records obtained through Ordering Provision No. 3.a.iv. shall be used to generate a weekly report reflecting VOC, PM, and exempt solvent emissions per facility in pounds per hour as a daily average and pounds per week and a monthly report reflecting VOC, PM, exempt solvent, individual HAP, and combined HAP emissions per facility in tons per year over the most recent 12 month period. Monthly reports shall also include total coating, thinner, and solvent usage in gallons over the most recent 12 month period and all records of filter media replacements as required by Ordering Provision No. 3.d.i. Reports shall be maintained and kept on file for 24 months, shall be made immediately available during regular business hours, and shall be used to demonstrate compliance with Ordering Provision No. 3.a.iii., 30 TEX. ADMIN. CODE § 106.433(6)(A) or 30 TEX. ADMIN. CODE § 106.433(7)(A), whichever may apply, and 40 CFR Part 63 Subpart M. M. M. M.
- vi. All abrasive blasting operations shall comply with the material use limitation of one ton per day, 15 tons per month, and 150 tons per year per facility as set forth by 30 TEX. ADMIN. CODE § 106.452(2)(A). Upon completion of the construction of the partial enclosures required by Ordering Provision No. 3.c.ii, all outdoor abrasive blasting shall be performed within the partial enclosures and shall be limited to coal slag material usage with emission limits for each facility set by 30 TEX. ADMIN. CODE § 106.452(2)(A), until such time that the permit is amended in accordance with Ordering Provision No. 3.f.
- vii. Daily records of abrasive blasting media usage per facility and actual daily hours of operation per facility shall be maintained and kept on file for 24 months and shall be made immediately available during regular business hours.
- viii. Weekly reports shall be maintained using records obtained through Ordering Provision No. 3.a.vii., reflecting PM per facility in tons per day, tons per month, and tons per year during the previous 12 months. Reports shall be maintained and kept on file for 24 months and shall be used to

demonstrate compliance with Ordering Provision No. 3.a.vi., and 30 TEX. ADMIN. CODE § 106.452(2)(A).

- ix. All parking lots and facility roads subject to regular vehicular traffic shall be maintained and cleaned regularly to achieve adequate control of dust emissions. Other facility areas shall be sprinkled with water, as necessary, to maintain adequate control of dust emissions.
 - x. Lide shall comply with its emission limits set forth by the MAERT of Air Permit No. 75952 for EBLD2 also known as EPTSTACK and EPTBLDFUG.
 - xi. EPN No. MBLD1 also known as MINCIN and MPTBLDFUG painting operation shall comply with the emission limitation of six lb/hr of VOC emissions averaged over any five hour period, 500 pounds per week, and thirteen tons per year for all operations as set forth by 30 TEX. ADMIN. CODE § 106.433 (6)(A), until such time as the permit is amended in accordance with Ordering Provision No. 3.f.
 - xii. Lide shall comply with SITEWIDE hazardous air pollutant (HAP) limits set forth by the MAERT of Air Permit No. 75952, until such time as the permit is amended in accordance with Ordering Provision No. 3.f.
- b. Within 15 days after the effective date of this Agreed Order, Lide shall submit written certification to demonstrate compliance with Ordering Provision Nos. 3.a.i through 3.a.xii., as described by Ordering Provision No. 3.h.
- c. Within 30 days after the effective date of this Agreed Order Lide shall:
- i. Remove and properly dispose of the unauthorized piles of waste accumulated at the Plant to an authorized landfill.
 - ii. Construction of partial enclosures for all outdoor abrasive blasting areas at each facility shall be complete. The partial enclosures shall consist of a three-sided structure made of steel with a minimum height of 40 feet. Fresh and reclaimed abrasive blast media shall be stored in silos to minimize PM emissions and PM captured during operation through the use

of the partial enclosure shall be removed and disposed of in such a manner that prevents visible dust emissions. The spent media may be stored in piles prior to removal from the site if they are covered with shroud material or other fabric covers that are free of holes. Alternatively the piles shall be watered as necessary to limit PM emissions.

- d. Within 60 days after the effective date of this Agreed Order:
- i. All paint buildings shall be equipped with a dry filter system that achieves an over-spray arrestment of at least 99.8 percent and a manometer to measure the pressure drop across the filter media in inches of water column. Manometer readings shall be taken daily. The filter media shall be changed whenever the pressure differential across the media exceeds the limits recommended by the filter media manufacturer. Documentation of paint over-spray deposition originating from this facility beyond the property lines shall be considered as demonstrating that the filters are not being maintained in good condition.
 - ii. Construction of the South Main facility paint building shall be complete. In lieu of the thermal oxidizer, the following alternative means of control shall include the use of high transfer efficiency application equipment such as high volume low pressure (HVLP), airless, electrostatic paint guns, or guns that can achieve the same or greater transfer efficiency and a building design that meets the criteria for Permanent Total Enclosure as outlined in 40 CFR § 52.741, Appendix B, Method 204 with an in-draft velocity of 200 fpm maintained across all natural draft openings. All paint and clean up emissions shall be exhausted through stacks with no restrictions or obstructions to their vertical discharge, which have a minimum stack height as determined by and agreed to through the ventilation design, and a minimum exit velocity of 6200 feet per minute ("fpm"). All stacks shall be equipped with a dry filter system complying with Ordering Provision No. 3.d.i.

- iii. Upon completion of the construction of the North Main facility paint building, the North East facility paint building, and the West facility paint building required by Ordering Provision No. 3.d.iv., all outdoor painting operations shall cease and all painting and cleanup shall be performed indoors with the ventilation and filter system properly and fully operational, until such time that the permit is amended in accordance with Ordering Provision No. 3.f.
- iv. Construction of the remaining paint buildings (North Main facility paint building, North East facility paint building, South East facility paint building and the West facility paint building) shall be complete. Coating operations shall utilize high transfer efficiency application equipment such as HVLP, airless, electrostatic paint guns, or guns that can achieve the same or greater transfer efficiency. Building designs shall be such that they meet the criteria for Permanent Total Enclosure as outlined in 40 CFR § 52.741, Appendix B, Method 204 with an indraft velocity of 200 fpm maintained across all natural draft openings. All paint and clean up emissions shall be exhausted through stacks with no restrictions or obstructions to their vertical discharge, which have a minimum stack height as determined by and agreed to through the ventilation design, and a minimum exit velocity of 6200 fpm. All stacks shall be equipped with a dry filter system complying with Ordering Provision No. 3.d.i.
- v. Testing shall be performed at each paint building using EPA Method 204 to demonstrate compliance with the requirements set forth in Ordering Provision Nos. 3.d.ii. and 3.d.iv., for Permanent Total Enclosures.
- e. Within 75 days after the effective date of this Agreed Order, Lide shall 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. 3.d.i. through 3.d.v., as described by Ordering Provision No. 3.h.
- f. Within 180 days after the effective date of this Agreed Order, Lide shall obtain an amended Air Permit No. 75952 to include the Main, East, and West

surface coating facilities and the Main, East, and West sandblasting operations, in accordance with 30 TEX. ADMIN. CODE § 116.116(b).

- g. Within 195 days after the effective date of this Agreed Order, Lide shall submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.f. as described by Ordering Provision No. 3.h.
- h. The certifications required by Ordering Provision Nos. 3.b., 3.e. and 3.g. shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

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:

Gary Goldman, Waco Air Section Manager
Waco Regional Office
Texas Commission on Environmental Quality
6801 Sanger Avenue, Suite 2500
Waco, Texas 76710-7826

- 4. The provisions of this Agreed Order shall apply to and be binding upon Lide. Lide is ordered to give notice of this Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.

5. If Lide 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, Lide's failure to comply is not a violation of this Agreed Order. Lide has the burden of establishing to the Executive Director's satisfaction that such an event has occurred. Lide shall notify the Executive Director within seven days after Lide becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
6. 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 Lide shall be made in writing to the Executive Director. Extensions are not effective until Lide receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
7. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to Lide if the Executive Director determines that Lide has not complied with one or more of the terms or conditions in this Agreed Order.
8. 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.
9. This Agreed Order, issued by the Commission, shall not be admissible against Lide 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.
10. 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.
11. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date is the date of hand-delivery of the Order to Lide, or three days after the date on which the Commission mails notice of the Order to Lide, whichever is earlier.

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SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Isbrynnon Perdue

For the Executive Director

12/3/08

Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Lide Industries, Inc. I represent that I am authorized to agree to the attached Agreed Order on behalf of Lide Industries, Inc., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Lide Industries, Inc. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that Lide's failure to comply with the Ordering Provisions, if any, in this order and/or its failure to timely pay the penalty amount, may result in:

- A negative impact on Lide's compliance history;
- Greater scrutiny of any permit applications submitted by Lide;
- Referral of this case to the Attorney General's office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against Lide;
- Automatic referral to the Attorney General's Office of any future enforcement actions against Lide; and
- TCEQ seeking other relief as authorized by law.

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

[Signature]

Bobby L Lide

Name (printed or typed)
Authorized Representative
Lide Industries, Inc.

12-20-07

Date

V.P.

Title

Attachment A

Docket Number: 2006-2045-AIR-E

SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent: Lide Industries, Inc.

Penalty Amount: Three hundred six thousand five hundred seventy dollars
(\$306,570)

SEP Amount: One hundred fifty-three thousand two hundred eighty-five dollars
(\$153,285)

Type of SEP: Pre-approved SEP

Third-Party Recipient: Texas Association of Resource Conservation & Development
Areas, Inc. ("RC&D") *Clean School Bus*

Location of SEP: Freestone County

The Texas Commission on Environmental Quality ("TCEQ") agrees to offset a portion of the administrative Penalty Amount assessed in this Agreed Order for Respondent to contribute to a Supplemental Environmental Project ("SEP"). The offset is equal to the SEP Amount set forth above and is conditioned upon completion of the project in accordance with the terms of this Attachment A.

1. Project Description

A. Project

Respondent shall contribute the SEP Amount to the Third-Party Recipient pursuant to the agreement between the Third-Party Recipient and the TCEQ. Specifically, the contribution will be to the *Texas Association of Resource Conservation and Development Areas, Inc. ("RC&D")* for the Clean School Bus project in Freestone County. Specifically, SEP monies will be used aid local school districts, area transit agencies, and local governments in need of funding assistance to pay for the cost of the following activities to reduce emissions: 1) replacing older diesel buses with alternative fueled or clean diesel buses; or 2) retrofitting older diesel buses with new cleaner technology. RC&D shall disburse SEP Funds to school districts, area transit agencies, or local governments on a needs-rated basis, using non-attainment area status, condition of buses, or economic status of recipient as possible rating factors if competition for funds exists. Any remaining SEP funds after completion of the Clean School Bus project may, upon approval of the Executive Director, be spent on the Abandoned Tire Site Clean-Up, Wastewater Treatment Assistance, or other approved project to be conducted within Freestone County.

The projects will be administered in accordance with federal, state, and local environmental laws and regulations.

Respondent certifies that there is no prior commitment to do this project and that it is being performed solely in an effort to settle this enforcement action.

B. Environmental Benefit

Passengers, drivers, and students in the area where buses idle during transportation are subject to harmful diesel exhaust emissions every day. Apart from containing the ozone precursors nitrous oxide (NO_x) and hydrocarbons (HC), diesel exhaust is known to cause or exacerbate a number of respiratory diseases, including asthma. Due to the more stringent emissions standards introduced by the Environmental Protection Agency (EPA), a model year 2007 bus will be 90% cleaner in terms of particulate matter emissions than a model year 2004 bus. New HC and NO_x standards phased in between 2007 and 2010 will result in new bus engines being 72% cleaner for HC and 90% cleaner for NO_x than a bus produced to meet the 2004 federal standards for these pollutants. Children and drivers riding on school buses will benefit from the reduced levels of air pollutants.

The unauthorized trash dump and abandoned tire clean up portions of this project would provide a discernable environmental benefit by providing for the proper disposal of debris and waste, reducing the potential health threats associated with illegally dumped wastes, helping rid the community of hazardous contaminants that may leach into the soil and water, and helping to prevent the release of harmful chemicals into the air should illegally dumped tires catch fire.

The wastewater portion of this SEP would provide a discernible environmental benefit by preventing the release of sewage into the environment. Raw sewage can carry bacteria, viruses, protozoa (parasitic organisms), helminthes (intestinal worms), and bioaerosols (inhalable molds and fungi). The diseases they may cause range in severity from mild gastroenteritis (causing stomach cramps and diarrhea) to life-threatening ailments such as cholera, dysentery, infectious hepatitis, and severe gastroenteritis. People can be exposed through:

- Sewage in drinking water sources.
- Direct contact in areas of public access such as in lawns or streets, or waters used for recreation.
- Shellfish harvested from areas contaminated by raw sewage.
- Inhalation and skin absorption.

Sewage overflows may cause damage to the environment. A key concern with sewage overflows is the effect on rivers, lakes, streams, or aquifer systems. In addition to potential spread of disease, sewage in the environment contributes excess nutrients, metals, and toxic pollutants that contaminate water quality, cause excess algae blooms, and kill fish and other organisms in aquatic habitats.

The plugging of abandoned wells project would provide an environmental benefit by reducing the potential for contamination of groundwater and aquifers from pollutants that may be dumped into the well opening.

Recycling of antifreeze would provide an environmental benefit by providing a convenient disposal method for used antifreeze. Antifreeze (ethylene glycol) is a common coolant for automobile engines. Ingestion of antifreeze and its derivatives may lead to kidney failure and harmful effects to the liver. Exposure to ethylene glycol may cause eye and skin irritation. If improperly disposed in the environment, ethylene glycol may be ingested by domestic animals or wildlife. Ingestion may be fatal to small animals. A sudden release of ethylene or propylene glycol into a waterway can produce adverse impacts upon fresh water and marine environments. Glycol degradation in the environment has a high oxygen demand and as a result threatens or negatively impacts aquatic life. Ammonia gas is also released to the environment by the degradation of glycols.

C. Minimum Expenditure

Respondent shall contribute at least the SEP Amount to the Third-Party Recipient and comply with all other provisions of this SEP.

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, Respondent shall contribute the SEP Amount to the Third-Party Recipient. Respondent shall mail the contribution, with a copy of the Agreed Order, to:

Texas Association of Resource Conservation
and Development Areas, Inc. (RC&D)
Attention: Eddi Darilek
1716 Briarcrest Drive Suite 510
Bryan, Texas 77802-2700

3. Records and Reporting

Concurrent with the payment of the SEP Amount, Respondent shall provide the TCEQ SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Amount to the Third-Party Recipient. Respondent shall mail a copy of the check and transmittal letter to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

4. Failure to Fully Perform

If Respondent does not perform its obligations under this SEP in any way, including full payment of the SEP Amount and submittal of the required reporting described in Section 3 above, the Executive Director may require immediate payment of all or part of the SEP Amount.

In the event of incomplete performance, the Respondent shall submit a check for any remaining amount due with the notation "SEP Refund" and the docket number of the case, and shall send it to "Texas Commission on Environmental Quality" and mailed to:

Litigation Division
Attention: SEP Coordinator, MC 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

5. Publicity

Lide Industries, Inc.
Agreed Order – Attachment A Docket No. 2006-2045-AIR-E

Any public statements concerning this SEP made by or on behalf of Respondent must include a clear statement that the project was performed as part of the settlement of an enforcement action brought by the TCEQ. Such statements include advertising, public relations, and press releases.

6. Clean Texas Program

Respondent shall not include this SEP in any application made to TCEQ under the "Clean Texas" (or any successor) program(s). Similarly, Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

The SEP identified in this Agreed Order has not been, and shall not be, included as a SEP for Respondent under any other Agreed Order negotiated with the TCEQ or any other agency of the state or federal government.