EXECUTIVE SUMMARY - ENFORCEMENT MATTER

DOCKET NO.: 2007-1294-AIR-E **TCEQ ID:** RN104707633 **CASE NO.:** 34442

RESPONDENT NAME: Robert Lerma, Jr. and Marta Villarreal dba G S I II

ORDER TYPE:		
X 1660 AGREED ORDER	__FINDINGS AGREED ORDER	__FINDINGS ORDER FOLLOWING SOAH HEARING
__FINDINGS DEFAULT ORDER	__SHUTDOWN ORDER	__IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
__AMENDED ORDER	__EMERGENCY ORDER	
CASE TYPE:		
X AIR	__MULTI-MEDIA (check all that apply)	__INDUSTRIAL AND HAZARDOUS WASTE
__PUBLIC WATER SUPPLY	__PETROLEUM STORAGE TANKS	__OCCUPATIONAL CERTIFICATION
__WATER QUALITY	__SEWAGE SLUDGE	__UNDERGROUND INJECTION CONTROL
__MUNICIPAL SOLID WASTE	__RADIOACTIVE WASTE	__DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: G S I II, 6077 South U.S. Highway 281, Alice, Jim Wells County

TYPE OF OPERATION: Abrasive cleaning and surface coating facility

SMALL BUSINESS: X **Yes** ___ **No**

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondents have expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on April 28, 2008. No comments were received.

CONTACTS AND MAILING LIST:

TCEQ Attorney/SEP Coordinator: None
TCEQ Enforcement Coordinator: Ms. Audra L. Ruble, Enforcement Division, Enforcement Team 4, MC R-14, (361) 825-3126; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171
Respondent: Mr. Jacob Maldonado, Operations Manager, G S I II, P.O. Box 3647, Alice, Texas 78333
Mr. Robert Lerma, Jr. and Ms. Marta Villarreal, Owners, G S I II, P.O. Box 3647, Alice, Texas 78333
Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
Type of Investigation: ___ Complaint _X_ Routine ___ Enforcement Follow-up ___ Records Review **Date(s) of Complaints Relating to this Case:** None **Date of Investigation Relating to this Case:** January 25, 2007 **Date of NOV/NOE Relating to this Case:** July 13, 2007 (NOE) **Background Facts:** This was a routine investigation. **AIR** 1) Failed to obtain authority to operate a site with air emissions. Specifically, records reviewed for the period of June through December 2006 show that the material usage for abrasive cleaning was more than double what was represented in the permit by rule ("PBR") application and the Plant has continued to operate without proper authorization [30 TEX. ADMIN. CODE § 116.110(a)(1) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)]. 2) Failed to maintain records at the Plant for the most recent 24 months and make them immediately available to the Commission to demonstrate compliance with PBR requirements. Specifically, no records for the surface coating operation were available showing daily coatings and solvent use, actual hours of operation, monthly reports that represent actual hours of operation each day and emissions from each operation, and examples of the method of data reduction [30 TEX. ADMIN. CODE § 106.433(8) and TEX. HEALTH & SAFETY CODE § 382.085(b)].	**Total Assessed:** $5,750 **Total Deferred:** $1,150 _X_ Expedited Settlement __Financial Inability to Pay **SEP Conditional Offset:** $0 **Total Paid (Due) to General Revenue:** $350 (remaining $4,250 due in 17 monthly payments of $250 each) CN603259821 and CN603259839 **Site Compliance History Classification** ___ **High** _X_ **Average** __ **Poor** **Person Compliance History Classification** __ **High** _X_ **Average** __ **Poor** **Major Source:** ___ Yes _X_ No **Applicable Penalty Policy:** September 2002	**Ordering Provisions:** The Order will require the Respondents to: a. Within 30 days after the effective date of this Agreed Order: i. Certify compliance with the operating and record keeping requirements of 30 TEX. ADMIN. CODE § 106.433(8); and ii. Certify compliance with the requirements of 30 TEX. ADMIN. CODE § 106.452; or submit an administratively complete permit application for the abrasive cleaning operation. b. If a permit application is submitted, then respond completely and adequately, as determined by the TCEQ, to all requests for information concerning its permit application within 30 days after the date of such requests, or by any other deadline specified in writing; c. If a permit application is submitted, then within 180 days after the effective date of this Agreed Order, submit written certification that either authorization to operate a source of air emissions has been obtained or that operation has ceased until such time that appropriate authorization is obtained; and d. Written certifications required by Ordering Provisions a. and c. shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance.

Additional ID No(s).: JGA002B

Penalty Calculation Worksheet (PCW)

TCEQ

Policy Revision 2 (September 2002) — *PCW Revision June 26, 2007*

DATES					
Assigned	15-Nov-2007				
PCW	15-Nov-2007	Screening	15-Nov-2007	EPA Due	

RESPONDENT/FACILITY INFORMATION

Respondent	Robert Lerma, Jr. and Marta Villarreal dba G S I II		
Reg. Ent. Ref. No.	RN104707633		
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	34442	No. of Violations	2
Docket No.	2007-1294-AIR-E	Order Type	1660
Media Program(s)	Air	Enf. Coordinator	Audra L. Ruble
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* **$5,000**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History — **15%** Enhancement — *Subtotals 2, 3, & 7* **$750**

Notes: The Respondents have received a 1660 Order and one same or similar NOV, and have participated in a voluntary on-site compliance assessment in the past five years.

Culpability — No — **0%** Enhancement — *Subtotal 4* **$0**

Notes: The Respondents do not meet the culpability criteria.

Good Faith Effort to Comply — **0%** Reduction — *Subtotal 5* **$0**

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes: The Respondents do not meet the good faith effort criteria.

0% Enhancement* — *Subtotal 6* **$0**

**Capped at the Total EB $ Amount*

Total EB Amounts	$279
Approx. Cost of Compliance	$3,000

SUM OF SUBTOTALS 1-7 — *Final Subtotal* **$5,750**

OTHER FACTORS AS JUSTICE MAY REQUIRE — *Adjustment* **$0**

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

Notes:

Final Penalty Amount **$5,750**

STATUTORY LIMIT ADJUSTMENT — *Final Assessed Penalty* **$5,750**

DEFERRAL — **20%** Reduction — *Adjustment* **-$1,150**

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

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY **$4,600**

Screening Date 15-Nov-2007 **Docket No.** 2007-1294-AIR-E **PCW**

Respondent Robert Lerma, Jr. and Marta Villarreal dba G S I II

Policy Revision 2 (September 2002)

Case ID No. 34442

PCW Revision June 26, 2007

Reg. Ent. Reference No. RN104707633

Media [Statute] Air

Enf. Coordinator Audra L. Ruble

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*)	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability (*number of orders meeting criteria*)	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (*number of judgements or consent decrees meeting criteria*)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (*number of counts*)	0	0%
Emissions	Chronic excessive emissions events (*number of events*)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which notices were submitted*)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (*number of audits for which violations were disclosed*)	0	0%

		Please Enter Yes or No	
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	Yes	-10%
	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) 15%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

The Respondents have received a 1660 Order and one same or similar NOV, and have participated in a voluntary on-site compliance assessment in the past five years.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 15%

PCW

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

Screening Date 15-Nov-2007 **Docket No.** 2007-1294-AIR-E

Respondent Robert Lerma, Jr. and Marta Villarreal dba G S I II

Case ID No. 34442

Reg. Ent. Reference No. RN104707633

Media [Statute] Air

Enf. Coordinator Audra L. Ruble

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 116.110(a)(1); Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b)

Violation Description Failed to obtain authority to operate a site with air emissions, as documented during an investigation conducted on January 25, 2007. Specifically, records reviewed for the period of June through December 2006 show that the material usage for abrasive cleaning was more than double what was represented in the PBR application and the Plant has continued to operate without proper authorization.

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: 100% of the requirement was not met.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 4

518 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty $4,000

Four quarterly events are recommended from investigation (January 25, 2007) through screening (November 15, 2007).

Economic Benefit (EB) for this violation

Estimated EB Amount $246

Statutory Limit Test

Violation Final Penalty Total $4,600

This violation Final Assessed Penalty (adjusted for limits) $4,600

Economic Benefit Worksheet

Respondent Robert Lerma, Jr. and Marta Villarreal dba G S I II
Case ID No. 34442
Reg. Ent. Reference No. RN104707633
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Delayed Costs							
Equipment				0.0	$0	$0	$0
Buildings				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Engineering/construction				0.0	$0	$0	$0
Land				0.0	$0	n/a	$0
Record Keeping System				0.0	$0	n/a	$0
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs	$2,500	15-Jun-2006	1-Jun-2008	2.0	$246	n/a	$246
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated cost to obtain permit authorization. Date required is the initial date of noncompliance and Final date is when compliance is expected to be achieved.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	$2,500	TOTAL	$246

PCW

Policy Revision 2 (September 2002)

PCW Revision June 26, 2007

Screening Date 15-Nov-2007 **Docket No.** 2007-1294-AIR-E

Respondent Robert Lerma, Jr. and Marta Villarreal dba G S I II

Case ID No. 34442

Reg. Ent. Reference No. RN104707633

Media [Statute] Air

Enf. Coordinator Audra L. Ruble

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 106.433(8); Tex. Health & Safety Code § 382.085(b)

Violation Description Failed to maintain records at the Plant for the most recent 24 months and make them immediately available to the Commission to demonstrate compliance with PBR requirements, as documented during an investigation conducted on January 25, 2007. Specifically, no records for the surface coating operation were available showing daily coatings and solvent use, actual hours of operation, monthly reports that represent actual hours of operation each day and emissions from each operation, and examples of the method of data reduction.

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: Greater than 70% of the rule requirement was not met.

Adjustment $9,000

$1,000

Violation Events

Number of Violation Events 1

294 Number of violation days

mark only one with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty $1,000

One single event is recommended.

Economic Benefit (EB) for this violation

Estimated EB Amount $34

Statutory Limit Test

Violation Final Penalty Total $1,150

This violation Final Assessed Penalty (adjusted for limits) $1,150

Economic Benefit Worksheet

Respondent Robert Lerma, Jr. and Marta Villarreal dba G S I II
Case ID No. 34442
Reg. Ent. Reference No. RN104707633
Media Air
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description (No commas or $)	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	$500	25-Jan-2007	1-Jun-2008	1.4	$34	n/a	$34
Training/Sampling				0.0	$0	n/a	$0
Remediation/Disposal				0.0	$0	n/a	$0
Permit Costs				0.0	$0	n/a	$0
Other (as needed)				0.0	$0	n/a	$0
Notes for DELAYED costs	Estimated cost to implement a record keeping system. Date required is the date of the investigation and Final date is when compliance is expected to be achieved.						
Avoided Costs	ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)						
Disposal				0.0	$0	$0	$0
Personnel				0.0	$0	$0	$0
Inspection/Reporting/Sampling				0.0	$0	$0	$0
Supplies/equipment				0.0	$0	$0	$0
Financial Assurance [2]				0.0	$0	$0	$0
ONE-TIME avoided costs [3]				0.0	$0	$0	$0
Other (as needed)				0.0	$0	$0	$0
Notes for AVOIDED costs							

Approx. Cost of Compliance	$500	TOTAL	$34

Compliance History

Customer/Respondent/Owner-Operator:	CN603259821	LERMA, ROBERT JR	Classification: AVERAGE	Rating: 31.00
Regulated Entity:	RN104707633	G S I II	Classification: AVERAGE	Site Rating: 31.00

ID Number(s):

AIR NEW SOURCE PERMITS	REGISTRATION	76629
AIR NEW SOURCE PERMITS	REGISTRATION	78339
AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	JGA002B
AIR NEW SOURCE PERMITS	AFS NUM	4824900030

Location: 6077 S US HIGHWAY 281, ALICE, TX, 78332 Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 14 - CORPUS CHRISTI

Date Compliance History Prepared: November 15, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 15, 2002 to November 15, 2007

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

Name: Audra Ruble Phone: (361) 825-3126

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: 07/14/2006 ADMINORDER 2006-0029-AIR-E

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 A 382.085(b)

Description: The facility failed to gain authority for emissions from it's abrasive cleaning operations through either a permit or permit by rule.

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 A 382.085(b)

Description: Failure to obtain authority either through a permit-by-rule or permit for surface coating operations.

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 05/02/2007 (554448)
2 07/13/2007 (562299)

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

Date: 08/05/2005 (402732)

Self Report? NO 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 A 382.085(b)

Description: The facility failed to gain authority for emissions from it's abrasive cleaning operations through either a permit or permit by rule.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

08/26/2005

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

Compliance History

Customer/Respondent/Owner-Operator:	CN603259839	VILLARREAL, MARTA	Classification: AVERAGE	Rating: 31.00
Regulated Entity:	RN104707633	G S I II	Classification: AVERAGE	Site Rating: 31.00

ID Number(s):			
	AIR NEW SOURCE PERMITS	REGISTRATION	76629
	AIR NEW SOURCE PERMITS	REGISTRATION	78339
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	JGA002B
	AIR NEW SOURCE PERMITS	AFS NUM	4824900030

Location: 6077 S US HIGHWAY 281, ALICE, TX, 78332 Rating Date: September 01 07 Repeat Violator: NO

TCEQ Region: REGION 14 - CORPUS CHRISTI

Date Compliance History Prepared: November 15, 2007

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: November 15, 2002 to November 15, 2007

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

Name: Audra Ruble Phone: (361) 825-3126

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: 07/14/2006 ADMINORDER 2006-0029-AIR-E

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 A 382.085(b)

Description: The facility failed to gain authority for emissions from it's abrasive cleaning operations through either a permit or permit by rule.

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 A 382.085(b)

Description: Failure to obtain authority either through a permit-by-rule or permit for surface coating operations.

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 05/02/2007 (554448)
2 07/13/2007 (562299)

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

Date: 08/05/2005 (402732)

Self Report? NO 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 A 382.085(b)

Description: The facility failed to gain authority for emissions from it's abrasive cleaning operations through either a permit or permit by rule.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

08/26/2005

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	§	**BEFORE THE**
ENFORCEMENT ACTION	§	
CONCERNING	§	**TEXAS COMMISSION ON**
ROBERT LERMA, JR. AND MARTA	§	
VILLARREAL DBA G S I II	§	
RN104707633	§	**ENVIRONMENTAL QUALITY**

AGREED ORDER
DOCKET NO. 2007-1294-AIR-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Robert Lerma, Jr. and Marta Villarreal dba G S I II ("the Respondents") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondents appear before the Commission and together stipulate that:

1. The Respondents own and operate an abrasive cleaning and surface coating facility located at 6077 South U.S. Highway 281 in Alice, Jim Wells County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).

3. The Commission and the Respondents agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondents are subject to the Commission's jurisdiction.

4. The Respondents received notice of the violations alleged in Section II ("Allegations") on or about July 18, 2007.

5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondents of any violation alleged in Section II ("Allegations"), nor of any statute or rule.

6. An administrative penalty in the amount of Five Thousand Seven Hundred Fifty Dollars ($5,750) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondents have paid Three Hundred Fifty Dollars ($350) of the

administrative penalty and One Thousand One Hundred Fifty Dollars ($1,150) is deferred contingent upon the Respondents' timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondents fail to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondents to pay all or part of the deferred penalty.

The remaining amount of Four Thousand Two Hundred Fifty Dollars ($4,250) of the administrative penalty shall be payable in 17 monthly payments of Two Hundred Fifty Dollars ($250) each. The next monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall each be paid not later than 30 days following the due date of the previous payment until paid in full. If the Respondents fail to timely and satisfactorily comply with the payment requirements of this Agreed Order, the Executive Director may, at the Executive Director's option, accelerate the maturity of the remaining installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. In addition, the failure of the Respondents to meet the payment schedule of this Agreed Order constitutes the failure by the Respondents to timely and satisfactorily comply with all the terms of this Agreed Order.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.

8. The Executive Director of the TCEQ and the Respondents have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.

9. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondents have not complied with one or more of the terms or conditions in this Agreed Order.

10. 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.

11. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondents are alleged to have:

1. Failed to obtain authority to operate a site with air emissions, in violation of 30 TEX. ADMIN. CODE § 116.110(a)(1) and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b), as documented during an investigation conducted on January 25, 2007. Specifically, records reviewed for the period of June through December 2006 show that the material usage for abrasive cleaning was more than double what was represented in the permit by rule ("PBR") application and the Plant has continued to operate without proper authorization.

2. Failed to maintain records at the Plant for the most recent 24 months and make them immediately available to the Commission to demonstrate compliance with PBR requirements, in violation of

30 TEX. ADMIN. CODE § 106.433(8) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on January 25, 2007. Specifically, no records for the surface coating operation were available showing daily coatings and solvent use, actual hours of operation, monthly reports that represent actual hours of operation each day and emissions from each operation, and examples of the method of data reduction.

III. DENIALS

The Respondents generally deny each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondents pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondents' compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Robert Lerma, Jr. and Marta Villarreal dba G S I II, Docket No. 2007-1294-AIR-E" to:

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

2. The Respondents are jointly and severally liable for the violations documented in this Agreed Order, and are jointly and severally liable for timely and satisfactory compliance with all terms and conditions of this Agreed Order.

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

   a. Within 30 days after the effective date of this Agreed Order:

      i. Certify compliance with the operating and record keeping requirements of 30 TEX. ADMIN. CODE § 106.433(8); and

      ii. Certify compliance with the requirements of 30 TEX. ADMIN. CODE § 106.452; or submit an administratively complete permit application for the abrasive cleaning operation, in accordance with 30 TEX. ADMIN. CODE § 116.110(a) to:

      Air Permits Division, MC 162
      Texas Commission on Environmental Quality
      P.O. Box 13087
      Austin, Texas 78711-3087

   b. If a permit application is submitted, then respond completely and adequately, as determined by the TCEQ, to all requests for information concerning its permit application

within 30 days after the date of such requests, or by any other deadline specified in writing;

c. If a permit application is submitted, then within 180 days after the effective date of this Agreed Order, submit written certification that either authorization to operate a source of air emissions has been obtained or that operation has ceased until such time that appropriate authorization is obtained; and

d. Written certifications required by Ordering Provision Nos. 3.a. and 3.c. shall be as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance. The certifications 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 fines 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:

Air Section, Manager
Corpus Christi Regional Office
Texas Commission on Environmental Quality
6300 Ocean Drive, Suite 1200
Corpus Christi, Texas 78412-5503

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

5. If the Respondents fail 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, the Respondents' failure to comply is not a violation of this Agreed Order. The Respondents shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondents shall notify the Executive Director within seven days after the Respondents become 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 the Respondents shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

7. This Agreed Order, issued by the Commission, shall not be admissible against the Respondents 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.

8. 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.

9. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondents, or three days after the date on which the Commission mails notice of the Order to the Respondents, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

_____
For the Commission

_____ 4/6/2008
For the Executive Director Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

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

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

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

_____ 1.25.08
Signature Date

Robert Lerma Jr owner
Name (Printed or typed) Title
Authorized Representative of
Robert Lerma, Jr. dba G S I II

_____ 1.25.08
Signature Date

Marta L. Villarreal Owner
Name (Printed or typed) Title
Authorized Representative of
Marta Villarreal dba G S I II

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