

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 3
DOCKET NO.: 2008-1112-MLM-E **TCEQ ID:** RN102566429 **CASE NO.:** 36167
RESPONDENT NAME: State Service Co., Inc.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input checked="" type="checkbox"/> AIR	<input checked="" type="checkbox"/> MULTI-MEDIA (check all that apply)	<input checked="" type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input 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: Surface Coat Abras Blast, located off Bishop Road, Ingleside, San Patricio County</p> <p>TYPE OF OPERATION: Surface coating and abrasive blasting facility</p> <p>SMALL BUSINESS: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>OTHER SIGNIFICANT MATTERS: A complaint was received April 7, 2008, alleging that paint overspray from the Respondent was impacting the complainant's property. There is no record of additional pending enforcement actions regarding this facility location.</p> <p>INTERESTED PARTIES: A complaint was received, but the complainant has not expressed a desire to protest this action or to speak at Agenda.</p> <p>COMMENTS RECEIVED: The <i>Texas Register</i> comment period expired on December 22, 2008. No comments were received.</p> <p>CONTACTS AND MAILING LIST: TCEQ Attorney/SEP Coordinator: None TCEQ Enforcement Coordinator: Mr. John Muennink, Enforcement Division, Enforcement Team 5, MC R-14, (361) 825-3423; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171 Respondent: Mr. Russel Little, President, State Service Co., Inc., P.O. Box 1321, Rockport, Texas 78381 Respondent's Attorney: Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input checked="" type="checkbox"/> Complaint <input type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: April 7, 2008</p> <p>Date of Investigation Relating to this Case: April 7 through May 20, 2008</p> <p>Date of NOV/NOE Relating to this Case: June 20, 2008 (NOE)</p> <p>Background Facts: This was a complaint investigation.</p> <p>WASTE</p> <p>1) Failure to prevent the unauthorized discharge of industrial waste into or adjacent to any water of the state. Specifically, it was documented on April 7, 2008 that overspray from surface coating operations was discharged into the wetland area waters adjacent to Aransas Bay, in Ingleside, San Patricio County, Texas [TEX. WATER CODE § 26.121(a)(1) and 30 TEX. ADMIN. CODE § 335.4].</p> <p>AIR</p> <p>2) Failure to prevent an unauthorized discharge of air contaminants causing nuisance conditions. Specifically, analytical results from tape lift samples obtained at the complainant's residence revealed the presence of white and yellow overspray paint that originated from the Plant [30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b)].</p> <p>3) Failure to adhere to permit limitations for volatile organic compounds ("VOCs"). Specifically, the permit limit is 15.51 tons per year ("tpy"), and records provided for the period of April 1, 2007 through March 31, 2008 indicated that the Respondent had emitted 27.36 tpy of VOCs [30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 33959, Special Condition No. 5].</p>	<p>Total Assessed: \$5,775</p> <p>Total Deferred: \$1,155 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$4,620</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Corrective Actions Taken:</p> <p>The Executive Director recognizes that the Respondent submitted a permit amendment application to request an increase of VOC emissions and an increase of abrasive cleaning material limitations on July 8, 2008.</p> <p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Within 30 days after the effective date of this Agreed Order, implement measures designed to contain surface coating overspray emissions in order to prevent future occurrences of unauthorized discharges into or adjacent to water of the state and future nuisance conditions;</p> <p>b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision a.;</p> <p>c. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment application within 30 days after the date of such requests, or by any other deadline specified in writing regarding the permit amendment application for Permit No. 33959; and</p> <p>d. Within 180 days after the effective date of this Agreed Order, submit written certification to demonstrate that the permit amendment has been approved by the TCEQ or certify compliance with existing permit limits.</p>

<p>4) Failure to adhere to permit limitations for abrasive cleaning material. Specifically, the permit by rule limit is 150 tpy, and records provided for the period of April 1, 2007 through March 31, 2008 indicated that the Respondent had used 1,370 tpy of abrasive cleaning material [30 TEX. ADMIN. CODE §§ 116.110(a), 106.452(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b)].</p>		
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Additional ID No(s): SD0156E



Policy Revision 2 (September 2002)

Penalty Calculation Worksheet (PCW)

PCW Revision June 12, 2008

DATES	Assigned	23-Jun-2008			
	PCW	7-Jul-2008	Screening	8-Jul-2008	EPA Due

RESPONDENT/FACILITY INFORMATION			
Respondent	State Service Co., Inc.		
Reg. Ent. Ref. No.	RN102566429		
Facility/Site Region	14-Corpus Christi	Major/Minor Source	Minor

CASE INFORMATION			
Enf./Case ID No.	36167	No. of Violations	4
Docket No.	2008-1112-MLM-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media	Industrial and Hazardous Waste	Enf. Coordinator	John Muennink
	Water Quality	EC's Team	Enforcement Team 5
Admin. Penalty \$	Limit Minimum	\$0	Maximum
			\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$5,500
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ADJUSTMENTS (+/-) TO SUBTOTAL 1		
<small>Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.</small>		
Compliance History	5.0% Enhancement	Subtotals 2, 3, & 7
		\$275

Notes Enhancement due to one NOV with same or similar violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$0
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$176
Approx. Cost of Compliance \$4,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$5,775
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount	\$5,775
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$5,775
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DEFERRAL	20.0% Reduction	Adjustment	-\$1,155
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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	\$4,620
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Screening Date	8-Jul-2008	Docket No.	2008-1112-MLM-E	PCW
Respondent	State Service Co., Inc.	<i>Policy Revision 2 (September 2002)</i>		
Case ID No.	36167	<i>PCW Revision June 12, 2008</i>		
Reg. Ent. Reference No.	RN102566429			
Media [Statute]	Air			
Enf. Coordinator	John Muennink			

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 <i>(number of NOVs meeting criteria)</i>	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability <i>(number of orders meeting criteria)</i>	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government <i>(number of judgements or consent decrees meeting criteria)</i>	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 <i>(number of counts)</i>	0	0%
Emissions	Chronic excessive emissions events <i>(number of events)</i>	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 <i>(number of audits for which notices were submitted)</i>	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 <i>(number of audits for which violations were disclosed)</i>	0	0%
<i>Please Enter Yes or No</i>			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 5%

>> Repeat Violator (Subtotal 3)

No			Adjustment Percentage (Subtotal 3)	0%
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>> Compliance History Person Classification (Subtotal 7)

Average Performer			Adjustment Percentage (Subtotal 7)	0%
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>> Compliance History Summary

Compliance History Notes	Enhancement due to one NOV with same or similar violations.
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Total Adjustment Percentage (Subtotals 2, 3, & 7) 5%

Screening Date 8-Jul-2008	Docket No. 2008-1112-MLM-E	PCW	
Respondent State Service Co., Inc.	<small>Policy Revision 2 (September 2002)</small>		
Case ID No. 36167	<small>PCW Revision June 12, 2008</small>		
Reg. Ent. Reference No. RN102566429			
Media [Statute] Air			
Enf. Coordinator John Muennink			
Violation Number <input type="text" value="1"/>			
Rule Cite(s)	<input type="text" value="Tex. Water Code § 26.121(a)(1) and 30 Tex. Admin. Code § 335.4"/>		
Violation Description	<input type="text" value="Failed to prevent the unauthorized discharge of industrial waste into or adjacent to any water of the state. Specifically, it was documented on April 7, 2008 that overspray from surface coating operations was discharged into the wetland area waters adjacent to Aransas Bay, in Ingleside, San Patricio County, Texas."/>		
Base Penalty		<input type="text" value="\$10,000"/>	
>> Environmental, Property and Human Health Matrix			
OR	Release	Harm	
		Major Moderate Minor	
	Actual	<input type="text"/>	<input type="text" value="X"/>
	Potential	<input type="text"/>	<input type="text"/>
		Percent	<input type="text" value="10%"/>
>> Programmatic Matrix			
	Falsification	Major Moderate Minor	
	<input type="text"/>	<input type="text"/>	<input type="text"/>
		Percent	<input type="text" value="0%"/>
Matrix Notes	<input type="text" value="Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors."/>		
Adjustment		<input type="text" value="\$9,000"/>	
		<input type="text" value="\$1,000"/>	
Violation Events			
	Number of Violation Events	<input type="text" value="1"/>	Number of violation days
		<input type="text" value="1"/>	
<small>mark only one with an x</small>	daily	<input type="text"/>	Violation Base Penalty
	monthly	<input type="text"/>	
	quarterly	<input type="text" value="X"/>	
	semiannual	<input type="text"/>	
	annual	<input type="text"/>	
	single event	<input type="text"/>	
		<input type="text" value="\$1,000"/>	
<input type="text" value="One quarterly event is recommended."/>			
Good Faith Efforts to Comply		<input type="text" value="0.0%"/> Reduction	<input type="text" value="\$0"/>
		Before NOV NOV to EDRP/Settlement Offer	
Extraordinary	<input type="text"/>	<input type="text"/>	
Ordinary	<input type="text"/>	<input type="text"/>	
N/A	<input type="text" value="X"/>	(mark with x)	
Notes	<input type="text" value="The Respondent does not meet the good faith criteria for this violation."/>		
Violation Subtotal		<input type="text" value="\$1,000"/>	
Economic Benefit (EB) for this violation		Statutory Limit Test	
Estimated EB Amount	<input type="text" value="\$103"/>	Violation Final Penalty Total	<input type="text" value="\$1,050"/>
		This violation Final Assessed Penalty (adjusted for limits)	
		<input type="text" value="\$1,050"/>	

Economic Benefit Worksheet

Respondent: State Service Co., Inc.
Case ID No.: 36167
Reg. Ent. Reference No.: RN102566429
Media: Air
Violation No.: 1

Percent Interest	Years of Depreciation
5.0	15

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

Delayed Costs

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction	\$2,000	7-Apr-2008	31-Dec-2008	0.73	\$5	\$98	\$103
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to prevent overspray from surface coating operations from entering into or adjacent to water of the state and from creating nuisance conditions to nearby property. Date Required is the date that violations were documented. Final Date is the estimated date that corrective actions will be completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$103

Screening Date 8-Jul-2008 **Docket No.** 2008-1112-MLM-E **PCW**

Respondent State Service Co., Inc. **Case ID No.** 36167 *Policy Revision 2 (September 2002)*
PCW Revision June 12, 2008

Reg. Ent. Reference No. RN102566429

Media [Statute] Air

Enf. Coordinator John Muennink

Violation Number 2

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

Violation Description
 Failed to prevent an unauthorized discharge of air contaminants causing nuisance conditions. Specifically, analytical results from tape lift samples obtained at the complainant's residence revealed the presence of white and yellow overspray paint that originated from the Plant.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR	Harm			
	Major	Moderate	Minor	
	Actual		x	
Potential			Percent 10%	

>> Programmatic Matrix

Falsification			
Major	Moderate	Minor	
			Percent 0%

Matrix Notes
 Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors. Tape lift samples revealed overspray to be in such concentration that it interfered with the normal use and enjoyment of complainant's property.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1 Number of violation days 1

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

Violation Base Penalty \$1,000

One quarterly event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	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 for this violation.

Violation Subtotal \$1,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,050

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

Economic Benefit Worksheet

Respondent State Service Co., Inc.
Case ID No. 36167
Reg. Ent. Reference No. RN102566429
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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

This violation is included in the Economic Benefit for Violation No. 1.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$0

TOTAL \$0

Screening Date 8-Jul-2008	Docket No. 2008-1112-MLM-E	PCW		
Respondent State Service Co., Inc.		<small>Policy Revision 2 (September 2002)</small>		
Case ID No. 36167		<small>PCW Revision June 12, 2008</small>		
Reg. Ent. Reference No. RN102566429				
Media [Statute] Air				
Enf. Coordinator John Muennink				
Violation Number 3				
Rule Cite(s)	30 Tex. Admin. Code § 116.115(c), Tex. Health & Safety Code § 382.085(b) and Permit No. 33959, Special Condition No. 5			
Violation Description	Failed to adhere to permit limitations for volatile organic compounds ("VOCs"). Specifically, the permit limit is 15.51 tons per year ("tpy") and records provided for the period of April 1, 2007 through March 31, 2008 indicated that the Respondent had emitted 27.36 tpy of VOCs.			
	Base Penalty	\$10,000		
>> Environmental, Property and Human Health Matrix				
OR	Harm			
	Release	Major	Moderate	Minor
	Actual			x
	Potential			
				Percent 10%
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
				Percent 0%
Matrix Notes	Human health or the environment has been exposed to an insignificant amount of pollutants that do not exceed levels protective of human health or environmental receptors.			
	Adjustment	\$9,000		
				\$1,000
Violation Events				
	Number of Violation Events	1	Number of violation days	226
	<i>mark only one with an x</i>	daily		
		monthly		
		quarterly		
		semiannual		
		annual	x	
	single event			
		One annual event is recommended.		
Good Faith Efforts to Comply				
		0.0% Reduction		\$0
		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 for this violation.			
	Violation Subtotal	\$1,000		
Economic Benefit (EB) for this violation				
	Estimated EB Amount	\$73		Violation Final Penalty Total \$1,050
		Statutory Limit Test		
		This violation Final Assessed Penalty (adjusted for limits) \$1,050		

Economic Benefit Worksheet

Respondent State Service Co., Inc.
Case ID No. 36167
Reg. Ent. Reference No. RN102566429
Media Air
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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$2,000	7-Apr-2008	31-Dec-2008	0.73	\$73	n/a	\$73
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated expense to ensure the Plant is operating within permitted limits. Date Required is date of the investigation. Final Date is the date that corrective actions are estimated to be completed.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$2,000

TOTAL

\$73

Screening Date 8-Jul-2008	Docket No. 2008-1112-MLM-E	PCW	
Respondent State Service Co., Inc.		<small>Policy Revision 2 (September 2002)</small>	
Case ID No. 36167		<small>PCW Revision June 12, 2008</small>	
Reg. Ent. Reference No. RN102566429			
Media [Statute] Air			
Enf. Coordinator John Muennink			
Violation Number <input type="text" value="4"/>			
Rule Cite(s)	30 Tex. Admin. Code §§ 116.110(a), 106.452(2)(A) and Tex. Health & Safety Code § 382.085(b)		
Violation Description	Failed to adhere to permit limitations for abrasive cleaning material. Specifically, the permit by rule limit is 150 tpy, and records provided for the period of April 1, 2007 through March 31, 2008 indicated that the Respondent had used 1,370 tpy of abrasive cleaning material.		
	Base Penalty	<input type="text" value="\$10,000"/>	
>> Environmental, Property and Human Health Matrix			
OR	Release	Harm	
		Major Moderate Minor	
	Actual	<input type="text" value=""/>	<input type="text" value=""/>
	Potential	<input type="text" value=""/>	<input type="text" value=""/>
		Percent	<input type="text" value="25%"/>
>> Programmatic Matrix			
	Falsification	Major	Moderate
	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>
		Percent	<input type="text" value="0%"/>
Matrix Notes	Human health or the environment has been exposed to a significant amount of pollutants that do not exceed levels protective of human health or environmental receptors.		
	Adjustment	<input type="text" value="\$7,500"/>	
		<input type="text" value="\$2,500"/>	
Violation Events			
	Number of Violation Events	<input type="text" value="1"/>	Number of violation days
		<input type="text" value="365"/>	
<small>mark only one with an x</small>	daily	<input type="text" value=""/>	Violation Base Penalty
	monthly	<input type="text" value=""/>	
	quarterly	<input type="text" value=""/>	
	semiannual	<input type="text" value=""/>	
	annual	<input checked="" type="text" value="x"/>	
	single event	<input type="text" value=""/>	
	<input type="text" value="One annual event is recommended."/>		
Good Faith Efforts to Comply			
	0.0%	Reduction	<input type="text" value="\$0"/>
	Before NOV	NOV to EDRP/Settlement Offer	
Extraordinary	<input type="text" value=""/>	<input type="text" value=""/>	
Ordinary	<input type="text" value=""/>	<input type="text" value=""/>	
N/A	<input checked="" type="text" value="x"/>	(mark with x)	
Notes	The Respondent does not meet the good faith criteria for this violation.		
	Violation Subtotal	<input type="text" value="\$2,500"/>	
Economic Benefit (EB) for this violation			
Statutory Limit Test			
	Estimated EB Amount	<input type="text" value="\$0"/>	Violation Final Penalty Total
			<input type="text" value="\$2,625"/>
	This violation Final Assessed Penalty (adjusted for limits)		<input type="text" value="\$2,625"/>

Economic Benefit Worksheet

Respondent: State Service Co., Inc.
Case ID No.: 36167
Reg. Ent. Reference No.: RN102566429
Media: Air
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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

This violation is included in the Economic Benefit for Violation No. 3.

Avoided Costs

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

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$0

TOTAL \$0

Compliance History

Customer/Respondent/Owner-Operator:	CN601309164	State Service Co., Inc.	Classification: AVERAGE	Rating: 2.00
Regulated Entity:	RN102566429	SURFACE COAT ABRAS BLAST	Classification: AVERAGE	Site Rating: 1.00
ID Number(s):	INDUSTRIAL AND HAZARDOUS WASTE GENERATION	SOLID WASTE REGISTRATION # (SWR)	84809	
	AIR NEW SOURCE PERMITS	PERMIT	32705	
	AIR NEW SOURCE PERMITS	PERMIT	33061	
	AIR NEW SOURCE PERMITS	PERMIT	33959	
	AIR NEW SOURCE PERMITS	PERMIT	41362	
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	SD0156E	
	STORMWATER	PERMIT	TXR05K169	
Location:	OFF BISHOP RD., INGLESIDE, TX, 78362			Rating Date: September 01 07
TCEQ Region:	REGION 14 - CORPUS CHRISTI			Repeat Violator: NO
Date Compliance History Prepared:	July 02, 2008			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	July 02, 2003 to July 02, 2008			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	John Muennink	Phone:	(361) 825-3423	

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership of the site during the compliance period? No
3. If Yes, who is the current owner? N/A
4. If Yes, who was/were the prior owner(s)? N/A
5. When did the change(s) in ownership occur? N/A

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.
N/A
 - B. Any criminal convictions of the state of Texas and the federal government.
N/A
 - C. Chronic excessive emissions events.
N/A
 - D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	05/05/2006	(464284)
2	01/16/2007	(535798)
3	02/21/2008	(616701)
 - E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date:	12/15/2005	(440071)
Self Report?	NO	Classification: Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a)(1)	
Description:	Unauthorized discharge to the waters of the state.	
 - F. Environmental audits.
N/A
 - G. Type of environmental management systems (EMSs).
N/A
 - H. Voluntary on-site compliance assessment dates.
N/A
 - I. Participation in a voluntary pollution reduction program.
N/A
 - J. Early compliance.
N/A
- Sites Outside of Texas
N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
STATE SERVICE CO., INC.
RN102566429

§
§
§
§
§

BEFORE THE
TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

AGREED ORDER
DOCKET NO. 2008-1112-MLM-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding State Service Co., Inc. ("the Respondent") under the authority of TEX. HEALTH & SAFETY CODE chs. 361 and 382 and TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a surface coating and abrasive blasting facility off Bishop Road in Ingleside, San Patricio County, Texas (the "Plant").
2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12) and the Plant involves the management of industrial hazardous waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about June 25, 2008.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent 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 Seventy-Five Dollars (\$5,775) is assessed by the Commission in settlement of the violations alleged in Section II

("Allegations"). The Respondent has paid Four Thousand Six Hundred Twenty Dollars (\$4,620) of the administrative penalty and One Thousand One Hundred Fifty-Five Dollars (\$1,155) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent submitted a permit amendment application to request an increase of volatile organic compound ("VOC") emissions and an increase of abrasive cleaning material limitations on July 8, 2008.
10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Plant, the Respondent is alleged to have:

1. Failed to prevent the unauthorized discharge of industrial waste into or adjacent to any water of the state, in violation of TEX. WATER CODE § 26.121(a)(1) and 30 TEX. ADMIN. CODE § 335.4, as documented during an investigation conducted on April 7 through May 20, 2008. Specifically, it was documented on April 7, 2008 that overspray from surface coating operations was discharged into the wetland area waters adjacent to Aransas Bay, in Ingleside, San Patricio County, Texas.
2. Failed to prevent an unauthorized discharge of air contaminants causing nuisance conditions, in violation of 30 TEX. ADMIN. CODE § 101.4 and TEX. HEALTH & SAFETY CODE § 382.085(a) and (b), as documented during an investigation conducted on April 7 through May 20, 2008. Specifically, analytical results from tape lift samples obtained at the complainant's residence revealed the presence of white and yellow overspray paint that originated from the Plant.
3. Failed to adhere to permit limitations for VOCs, in violation of 30 TEX. ADMIN. CODE § 116.115(c), TEX. HEALTH & SAFETY CODE § 382.085(b) and Permit No. 33959, Special

Condition No. 5, as documented during an investigation conducted on April 7 through May 20, 2008. Specifically, the permit limit is 15.51 tons per year ("tpy"), and records provided for the period of April 1, 2007 through March 31, 2008 indicated that the Respondent had emitted 27.36 tpy of VOCs.

4. Failed to adhere to permit limitations for abrasive cleaning material, in violation of 30 TEX. ADMIN. CODE §§ 116.110(a), 106.452(2)(A) and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted on April 7 through May 20, 2008. Specifically, the permit by rule limit is 150 tpy, and records provided for the period of April 1, 2007 through March 31, 2008 indicated that the Respondent had used 1,370 tpy of abrasive cleaning material.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: State Service Co., Inc., Docket No. 2008-1112-MLM-E" to:

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

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order, implement measures designed to contain surface coating overspray emissions in order to prevent future occurrences of unauthorized discharges into or adjacent to water of the state and future nuisance conditions;
 - b. Within 45 days after the effective date of this Agreed Order, submit written certification to demonstrate compliance with Ordering Provision No. 2.a. as described below;
 - c. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit amendment application within 30 days after the date of such requests, or by any other deadline specified in writing regarding the permit amendment application for Permit No. 33959;

- d. Within 180 days after the effective date of this Agreed Order, submit written certification to demonstrate that the permit amendment has been approved by the TCEQ or certify compliance with existing permit limits, as described below.

The certification shall be notarized by a State of Texas Notary Public and contain the following 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:

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

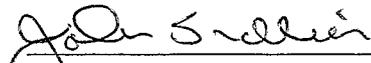
3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any 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, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent 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.

6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

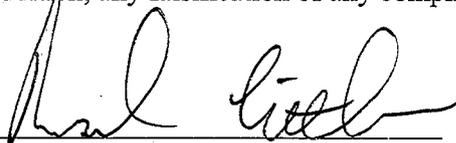
12/8/08
Date

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

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

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

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



Signature

9/25/08
Date

RUSSEL LITTLE

Name (Printed or typed)
Authorized Representative of
State Service Co., Inc.

President

Title

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

