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**EXECUTIVE SUMMARY - ENFORCEMENT MATTER**  
**DOCKET NO.:** 2009-1126-AIR-E **TCEQ ID:** RN100218957 **CASE NO.:** 37976  
**RESPONDENT NAME:** Southern Manufacturing Co., L.L.C.

<b>ORDER TYPE:</b>		
<input checked="" type="checkbox"/> <b>1660 AGREED ORDER</b>	<input type="checkbox"/> <b>FINDINGS AGREED ORDER</b>	<input type="checkbox"/> <b>FINDINGS ORDER FOLLOWING SOAH HEARING</b>
<input type="checkbox"/> <b>FINDINGS DEFAULT ORDER</b>	<input type="checkbox"/> <b>SHUTDOWN ORDER</b>	<input type="checkbox"/> <b>IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER</b>
<input type="checkbox"/> <b>AMENDED ORDER</b>	<input type="checkbox"/> <b>EMERGENCY ORDER</b>	
<b>CASE TYPE:</b>		
<input checked="" type="checkbox"/> <b>AIR</b>	<input type="checkbox"/> <b>MULTI-MEDIA (check all that apply)</b>	<input type="checkbox"/> <b>INDUSTRIAL AND HAZARDOUS WASTE</b>
<input type="checkbox"/> <b>PUBLIC WATER SUPPLY</b>	<input type="checkbox"/> <b>PETROLEUM STORAGE TANKS</b>	<input type="checkbox"/> <b>OCCUPATIONAL CERTIFICATION</b>
<input type="checkbox"/> <b>WATER QUALITY</b>	<input type="checkbox"/> <b>SEWAGE SLUDGE</b>	<input type="checkbox"/> <b>UNDERGROUND INJECTION CONTROL</b>
<input type="checkbox"/> <b>MUNICIPAL SOLID WASTE</b>	<input type="checkbox"/> <b>RADIOACTIVE WASTE</b>	<input type="checkbox"/> <b>DRY CLEANER REGISTRATION</b>
<p><b>SITE WHERE VIOLATION(S) OCCURRED:</b> Southern Mfg Fiberglass Facility, 6287 Gulfway Drive, Groves, Jefferson County</p> <p><b>TYPE OF OPERATION:</b> Fiberglass reinforced plastics company</p> <p><b>SMALL BUSINESS:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>OTHER SIGNIFICANT MATTERS:</b> There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.</p> <p><b>INTERESTED PARTIES:</b> No one other than the ED and the Respondent has expressed an interest in this matter.</p> <p><b>COMMENTS RECEIVED:</b> The <i>Texas Register</i> comment period expired on June 28, 2010. No comments were received.</p> <p><b>CONTACTS AND MAILING LIST:</b>  <b>TCEQ Attorney/SEP Coordinator:</b> None  <b>TCEQ Enforcement Coordinator:</b> Mr. Raymond Marlow, Enforcement Division, Enforcement Team 5, MC R-10, (409) 899-8785; Ms. Laurie Eaves, Enforcement Division, MC 219, (512) 239-4495  <b>Respondent:</b> Mr. James Trahan, Intern General Manager, Southern Manufacturing Co., L.L.C., 6287 Gulfway Drive, Groves, Texas 77619  Mr. Valeri Varnado, General Manager, Southern Manufacturing Co., L.L.C., 6287 Gulfway Drive, Groves, Texas 77619  <b>Respondent's Attorney:</b> Not represented by counsel on this enforcement matter</p>		

VIOLATION SUMMARY CHART:		
VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p><b>Type of Investigation:</b>  <input type="checkbox"/> Complaint  <input checked="" type="checkbox"/> Routine  <input type="checkbox"/> Enforcement Follow-up  <input type="checkbox"/> Records Review</p> <p><b>Date(s) of Complaints Relating to this Case:</b> None</p> <p><b>Date of Investigation Relating to this Case:</b> February 20, 2009</p> <p><b>Date of NOE Relating to this Case:</b> April 17, 2009</p> <p><b>Background Facts:</b> This was a routine investigation.</p> <p><b>AIR</b></p> <p>Failure to accurately and timely report deviations. Specifically, the semiannual deviation report for the period ending January 25, 2008, was missing a deviation and was not submitted until August 25, 2008 as an attachment to the next annual compliance certification [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A) and (C), TEX. HEALTH &amp; SAFETY CODE §382.085(b) and Air Permit 2880, General Terms and Conditions].</p>	<p><b>Total Assessed:</b> \$2,675</p> <p><b>Total Deferred:</b> \$535  <input checked="" type="checkbox"/> Expedited Settlement  <input type="checkbox"/> Financial Inability to Pay</p> <p><b>SEP Conditional Offset:</b> \$0</p> <p><b>Total Paid to General Revenue:</b> \$2,140</p> <p><b>Site Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Person Compliance History Classification</b>  <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p><b>Major Source:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><b>Applicable Penalty Policy:</b> September 2002</p>	<p><b>Corrective Actions Taken:</b></p> <p>The Executive Director recognizes that the Respondent submitted the missing deviation as an attachment to the next annual compliance certification on August 25, 2008 and trained appropriate personnel to properly submit TCEQ reports on or about June 16, 2009.</p>

Additional ID No(s): JE0168B



# Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

<b>DATES</b>	Assigned	13-Jul-2009	Screening	14-Jul-2009	EPA Due	9-Apr-2010
	PCW	1-Sep-2009				

<b>RESPONDENT/FACILITY INFORMATION:</b>			
Respondent	Southern Manufacturing Co., L.L.C.		
Reg. Ent. Ref. No.	RN100218957		
Facility/Site Region	10-Beaumont	Major/Minor Source	Major

<b>CASE INFORMATION</b>			
Enf./Case ID No.	37976	No. of Violations	1
Docket No.	2009-1126-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Raymond Marlow
		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**

**ADJUSTMENTS (+/-) TO SUBTOTAL 1**

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

**Compliance History**  Enhancement **Subtotals 2, 3, & 7**

Notes

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

Notes

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5**

**Economic Benefit**  Enhancement\* **Subtotal 6**

Total EB Amounts  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.

Notes

**Final Penalty Amount**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty**

**DEFERRAL**  Reduction **Adjustment**

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

Notes

**PAYABLE PENALTY**

**Screening Date** 14-Jul-2009

**Docket No.** 2009-1126-AIR-E

**PCW**

**Respondent** Southern Manufacturing Co., L.L.C.

*Policy Revision 2 (September 2002)*

**Case ID No.** 37976

*PCW Revision October 30, 2008*

**Reg. Ent. Reference No.** RN100218957

**Media [Statute]** Air

**Enf. Coordinator** Raymond Marlow

**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)	3	15%
	Other written NOVs	1	2%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgements or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%

*Please Enter Yes or No*

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

**Adjustment Percentage (Subtotal 2)** 17%

>> **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**

Penalty enhancement due to three same or similar NOV's and one unrelated NOV.

**Total Adjustment Percentage (Subtotals 2, 3, & 7)** 17%

<b>Screening Date</b> 14-Jul-2009	<b>Docket No.</b> 2009-1126-AIR-E	<b>PCW</b>		
<b>Respondent</b> Southern Manufacturing Co., L.L.C.	<small>Policy Revision 2 (September 2002)</small>			
<b>Case ID No.</b> 37976	<small>PCW Revision October 30, 2009</small>			
<b>Reg. Ent. Reference No.</b> RN100218957				
<b>Media [Statute]</b> Air				
<b>Enf. Coordinator</b> Raymond Marlow				
<b>Violation Number</b> <input type="text" value="1"/>				
<b>Rule Cite(s)</b>	30 Tex. Admin. Code §§ 122.143(4), 122.145(2)(A) and (C), Tex. Health & Safety Code § 382.085(b) and Air Permit 2880, General Terms and Conditions			
<b>Violation Description</b>	Failed to accurately and timely report deviations. Specifically, the semiannual deviation report for the period ending January 25, 2008 was missing a deviation and was not submitted until August 25, 2008 as an attachment to the next annual compliance certification.			
<b>Base Penalty</b>		<input type="text" value="\$10,000"/>		
<b>&gt;&gt; Environmental, Property and Human Health Matrix</b>				
<b>Harm</b>				
<b>Release</b>	Major	Moderate	Minor	
Actual	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Potential	<input type="text"/>	<input type="text"/>	<input type="text"/>	
<b>OR</b>			<b>Percent</b> <input type="text" value="0%"/>	
<b>&gt;&gt; Programmatic Matrix</b>				
<b>Falsification</b>				
Major			Moderate	Minor
<input type="text"/>			<input checked="" type="checkbox"/>	<input type="text"/>
			<b>Percent</b> <input type="text" value="25%"/>	
<b>Matrix Notes</b>	<input type="text" value="The Respondent failed to meet 100% of the rule requirements."/>			
<b>Adjustment</b>		<input type="text" value="\$7,500"/>		
		<input type="text" value="\$2,500"/>		
<b>Violation Events</b>				
Number of Violation Events <input type="text" value="1"/>		Number of violation days <input type="text" value="183"/>		
<small>mark only one with an x</small>	daily	<input type="text"/>	<b>Violation Base Penalty</b> <input type="text" value="\$2,500"/>	
	weekly	<input type="text"/>		
	monthly	<input type="text"/>		
	quarterly	<input type="text"/>		
	semiannual	<input type="text"/>		
	annual	<input type="text"/>		
single event	<input checked="" type="checkbox"/>			
<input type="text" value="One single event is recommended for the late report and missing deviation during the annual compliance certification period."/>				
<b>Good Faith Efforts to Comply</b>		<input type="text" value="10.0% Reduction"/>		
		<input type="text" value="\$250"/>		
		<input type="text" value="Before NOV"/>		
		<input type="text" value="NOV to EDRP/Settlement Offer"/>		
Extraordinary	<input type="text"/>	<input checked="" type="checkbox"/>		
Ordinary	<input type="text"/>			
N/A	<input type="text" value="(mark with x)"/>			
<b>Notes</b>	<input type="text" value="Corrective actions were completed on June 16, 2009, after the April 17, 2009 NOE."/>			
<b>Violation Subtotal</b>		<input type="text" value="\$2,250"/>		
<b>Economic Benefit (EB) for this violation</b>		<b>Statutory Limit Test</b>		
Estimated EB Amount <input type="text" value="\$49"/>		Violation Final Penalty Total <input type="text" value="\$2,675"/>		
<b>This violation Final Assessed Penalty (adjusted for limits)</b>		<input type="text" value="\$2,675"/>		

## Economic Benefit Worksheet

**Respondent** Southern Manufacturing Co., L.L.C.  
**Case ID No.** 37976  
**Reg. Ent. Reference No.** RN100218957  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

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

**Delayed Costs**

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	\$750	24-Feb-2008	16-Jun-2009	1.31	\$49	n/a	\$49
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 cost to implement measures to ensure timely and accurate submittal of deviations. The date required is the date that the report was due. The final date is the date personnel training was conducted.

**Avoided Costs**

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

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 \$750

TOTAL \$49

# Compliance History Report

Customer/Respondent/Owner-Operator: CN600124564 Southern Manufacturing Co., L.L.C. Classification: AVERAGE Rating: 0.92  
Regulated Entity: RN100218957 SOUTHERN MFG FIBERGLASS FACILITY Classification: AVERAGE Site Rating: 0.92

ID Number(s):	AIR OPERATING PERMITS	PERMIT	2880
	AIR OPERATING PERMITS	ACCOUNT NUMBER	JE0168B
	AIR NEW SOURCE PERMITS	PERMIT	27354
	AIR NEW SOURCE PERMITS	ACCOUNT NUMBER	JE0168B
	AIR NEW SOURCE PERMITS	AFS NUM	4824500160
	STORMWATER	PERMIT	TXRNEQ861

Location: 6287 GULFWAY DR, GROVES, TX, 77619

TCEQ Region: REGION 10 - BEAUMONT

Date Compliance History Prepared: August 04, 2009

Agency Decision Requiring Compliance History: Enforcement

Compliance Period: July 14, 2004 to July 14, 2009

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

Name: Raymond Marlow, P.G. Phone: 409-899-8785

## 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/operator of the site during the compliance period? No
3. If Yes, who is the current owner/operator? N/A
4. If Yes, who was/were the prior owner(s)/operator(s) ? N/A
5. When did the change(s) in owner or operator occur? N/A
6. Rating Date: 9/1/2008 Repeat Violator: NO

## 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	08/17/2004	(281305)
N/A	2	08/13/2005	(399951)
	3	01/04/2006	(450028)
	4	10/13/2006	(486738)
	5	01/26/2007	(535498)
	6	07/20/2007	(561892)
	7	11/19/2007	(597256)
	8	11/20/2007	(597419)
	9	04/16/2008	(638227)
	10	05/30/2008	(638006)
	11	08/27/2008	(700017)
	12	04/17/2009	(724851)

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

**Date: 10/16/2006 (486738)**

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.146(2)  
5C THC Chapter 382, SubChapter D 382.085(b)  
FOP O1058 General Terms and Conditions OP  
**Description: Failure to submit Annual Compliance Certification in a timely manner.**

**Date: 11/26/2007 (597419)**

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 113, SubChapter C 113.1060  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT WWWW 63.5910(b)  
5C THC Chapter 382, SubChapter A 382.085(b)  
O-02880, General Terms and Conditions OP  
O-02880, Special Terms and Conditions 1D OP

**Description: Failure to submit the first compliance report.**

Self Report? NO Classification: Moderate  
Citation: 30 TAC Chapter 113, SubChapter C 113.1060  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT WWWW 63.5835(a)  
5C THC Chapter 382, SubChapter A 382.085(b)  
NSR Permit 27354, Special Condition 21 PERMIT  
O-02880, General Terms and Conditions OP  
O-02880, Special Terms and Conditions 1D OP  
O-02880, Special Terms and Conditions 6A OP

**Description: Failure to comply at all times with work practice standards in Table 4 of 40 CFR 63 Subpart WWWW. The owner/operator must keep all HAP containers closed or covered except during the addition or removal of materials.**

**Date: 05/29/2008 (638006)**

Self Report? NO Classification: Moderate  
Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)  
30 TAC Chapter 281, SubChapter A 281.25(a)(4)  
TXRNEQ861 Part II Sec. C (1) PERMIT

**Description: Failure by the Southern Manufacturing to meet the requirements of the Conditional No Exposure Exclusion from Permit Requirements.**

**Date: 04/17/2009 (724851)**

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 113, SubChapter C 113.1060  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT WWWW 63.5910(c)(3)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions 1D OP

**Description: Failure to correctly date a Semi-annual Compliance Report.**

Self Report? NO Classification: Minor  
Citation: 30 TAC Chapter 113, SubChapter C 113.100  
30 TAC Chapter 113, SubChapter C 113.1060  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT A 63.9(h)(2)(F)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT WWWW 63.5905(a)  
5C THSC Chapter 382 382.085(b)  
General Terms and Conditions OP  
Special Terms and Conditions 1D OP

**Description: Failure to correctly report a Notification of Compliance Status (EIC C3 MIN(3)(C)).**

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  
SOUTHERN MANUFACTURING CO.,  
L.L.C.  
RN100218957**

§  
§  
§  
§  
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**BEFORE THE  
  
TEXAS COMMISSION ON  
  
ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2009-1126-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 Southern Manufacturing Co., L.L.C. ("the Respondent") 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 Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a fiberglass reinforced plastics company at 6287 Gulfway Drive in Groves, Jefferson 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 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 April 22, 2009.
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 Two Thousand Six Hundred Seventy-Five Dollars (\$2,675) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Two Thousand One Hundred Forty Dollars (\$2,140) of

the administrative penalty and Five Hundred Thirty-Five Dollars (\$535) 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 the missing deviation as an attachment to the next annual compliance certification on August 25, 2008 and trained appropriate personnel to properly submit TCEQ reports on or about June 16, 2009.
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 failed to accurately and timely report deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4), 122.145(2)(A) and (C), TEX. HEALTH & SAFETY CODE §382.085(b) and Air Permit 2880, General Terms and Conditions, as documented during an investigation conducted on February 20, 2009. Specifically, the semiannual deviation report for the period ending January 25, 2008 was missing a deviation and was not submitted until August 25, 2008 as an attachment to the next annual compliance certification.

## 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: Southern Manufacturing Co., L.L.C., Docket No. 2009-1126-AIR-E" to:

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

2. The provisions of this Agreed Order shall apply to and be binding upon 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.
3. 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.
4. This Agreed Order may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreed Order may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes under this Agreed Order.
5. 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.

Southern Manufacturing Co., L.L.C.  
DOCKET NO. 2009-1126-AIR-E  
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### SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

*[Signature]*  
For the Executive Director

\_\_\_\_\_  
Date 6/16/2010

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]*  
Signature

*[Signature]*  
Date

*[Signature]*  
Name (Printed or typed)  
Authorized Representative of  
Southern Manufacturing Co., L.L.C.

*[Signature]*  
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 I of this Agreed Order.