

Executive Summary – Enforcement Matter – Case No. 60895
Leedo Manufacturing Co., L.P.
RN100542562
Docket No. 2021-0772-AIR-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

AIR

Small Business:

No

Location(s) Where Violation(s) Occurred:

Leedo Manufacturing, 16856 Cabinet Road, East Bernard, Wharton County

Type of Operation:

Cabinet manufacturing plant

Other Significant Matters:

Additional Pending Enforcement Actions: Yes, Docket No. 2022-1356-AIR-E

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

Texas Register Publication Date: March 22, 2024

Comments Received: No

Penalty Information

Total Penalty Assessed: \$39,250

Amount Deferred for Expedited Settlement: \$7,850

Total Paid to General Revenue: \$15,700

Total Due to General Revenue: \$0

Payment Plan: N/A

Supplemental Environmental Project (“SEP”) Conditional Offset: \$15,700

Name of SEP: Barbers Hill Independent School District (Third-Party Pre-Approved)

Compliance History Classifications:

Person/CN - High

Site/RN - High

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: April 2014

Investigation Information

Complaint Date(s): N/A

Complaint Information: N/A

Date(s) of Investigation: December 9, 2020 through May 26, 2021

Date(s) of NOE(s): May 28, 2021

Executive Summary – Enforcement Matter – Case No. 60895
Leedo Manufacturing Co., L.P.
RN100542562
Docket No. 2021-0772-AIR-E

Violation Information

1. Failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the November 1, 2019 through April 30, 2020 certification period was due by May 30, 2020, but was not submitted until December 14, 2020 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), Federal Operating Permit ("FOP") No. O1788, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
2. Failed to submit a deviation report no later than 30 days after the end of each reporting period. Specifically, the deviation report for the November 1, 2019 through April 30, 2020 reporting period was due by May 30, 2020, but was not submitted until December 14, 2020 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), FOP No. O1788, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
3. Failed to submit an application for renewal at least six months prior to the expiration of the permit. Specifically, the Respondent did not submit a renewal application for New Source Review ("NSR") Permit No. 77410 by July 31, 2017, NSR Permit No. 77410 expired on January 30, 2018, and the Respondent continued to operate the Plant without authorization [30 TEX. ADMIN. CODE §§ 116.110(a), 116.315(a), and 122.143(4), FOP No. O1788, GTC, and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b)].
4. Failed to report all instances of deviations. Specifically, the deviation reports for the November 1, 2017 through April 30, 2018 and November 1, 2018 through April 30, 2019 reporting periods did not include the deviation for failing to submit a renewal application for NSR Permit No. 77410 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O1788, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].
5. Failed to report all instances of deviations. Specifically, the deviation reports for the May 1, 2018 through October 31, 2018, May 1, 2019 through October 31, 2019, and November 1, 2019 through April 30, 2020 reporting periods did not include the deviation for failing to submit a renewal application for NSR Permit No. 77410 [30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. O1788, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Respondent implemented the following corrective measures:

- a. On December 14, 2020, submitted the PCC for the November 1, 2019 through April 30, 2020 certification period and the deviation report for the November 1, 2019 through April 30, 2020 reporting period; and

Executive Summary – Enforcement Matter – Case No. 60895
Leedo Manufacturing Co., L.P.
RN100542562
Docket No. 2021-0772-AIR-E

b. On May 24, 2021, obtained NSR Permit No. 159002 that authorized the air emission sources at the Plant and the associated air emissions.

Technical Requirements:

1. The Order will require the Respondent to implement and complete a SEP (see SEP Attachment A).

2. The Order will also require the Respondent to:

a. Within 30 days:

i. Implement procedures designed to ensure that PCCs are submitted in a timely manner;

ii. Implement procedures designed to ensure that the deviation reports are submitted in a timely manner;

iii. Submit a revised deviation report for the November 1, 2017 through April 30, 2018 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410;

iv. Submit a revised deviation report for the May 1, 2018 through October 31, 2018 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410;

v. Submit a revised deviation report for the November 1, 2018 through April 30, 2019 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410;

vi. Submit a revised deviation report for the May 1, 2019 through October 31, 2019 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410;

vii. Submit a revised deviation report for the November 1, 2019 through April 30, 2020 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410; and

viii. Implement procedures designed to ensure that all instances of deviations are reported in a timely manner.

b. Within 45 days, submit written certification to demonstrate compliance with a.

Executive Summary – Enforcement Matter – Case No. 60895
Leedo Manufacturing Co., L.P.
RN100542562
Docket No. 2021-0772-AIR-E

Contact Information

TCEQ Attorney: N/A

TCEQ Enforcement Coordinator: Mackenzie Mehlmann, Enforcement Division, Enforcement Team 2, MC 219, (512) 239-2572; Michael Parrish, Enforcement Division, MC 219, (512) 239-2548

TCEQ SEP Coordinator: Stuart Beckley, SEP Coordinator, Enforcement Division, MC 219, (512) 239-3565

SEP Third-Party Administrator: Carl R. Griffith & Associates, Inc., 2901 Turtle Creek Drive, Suite 445, Port Arthur, Texas 77642

Respondent: Ronald Anderson, Director of Environmental Health & Safety, Leedo Manufacturing Co., L.P., 16856 Cabinet Road, East Bernard, Texas 77435

David R. Mullis, President and Chief Executive Officer, Leedo Manufacturing Co., L.P., 16856 Cabinet Road, East Bernard, Texas 77435

Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

DATES	Assigned	1-Jun-2021			
	PCW	17-Jan-2024	Screening	9-Jun-2021	EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent	Leedo Manufacturing Co., L.P.				
Reg. Ent. Ref. No.	RN100542562				
Facility/Site Region	12-Houston		Major/Minor Source	Minor	

CASE INFORMATION

Enf./Case ID No.	60895	No. of Violations	5
Docket No.	2021-0772-AIR-E	Order Type	1660
Media Program(s)	Air	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Mackenzie Mehlmann
		EC's Team	Enforcement Team 2
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$25,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$57,500
---	-------------------	----------

ADJUSTMENTS (+/-) TO SUBTOTAL 1

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

Compliance History	-10.0%	Adjustment	Subtotals 2, 3, & 7	-\$5,750
---------------------------	---------------	-------------------	--------------------------------	----------

Notes

Since the reduction for one notice of intent to conduct an audit and one disclosure of violations is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero. Reduction for High Performer classification.

Culpability	No	0.0%	Enhancement	Subtotal 4	\$0
--------------------	----	-------------	--------------------	-------------------	-----

Notes

The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	-\$12,500
--	-------------------	-----------

Economic Benefit	0.0%	Enhancement*	Subtotal 6	\$0
-------------------------	-------------	---------------------	-------------------	-----

Total EB Amounts	\$1,664
Estimated Cost of Compliance	\$7,150

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$39,250
-----------------------------	-----------------------	----------

OTHER FACTORS AS JUSTICE MAY REQUIRE	0.0%	Adjustment	\$0
---	-------------	-------------------	-----

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

Final Penalty Amount	\$39,250
-----------------------------	----------

STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$39,250
-----------------------------------	-------------------------------	----------

DEFERRAL	20.0%	Reduction	Adjustment	-\$7,850
-----------------	--------------	------------------	-------------------	----------

Reduces the Final Assessed Penalty by the indicated percentage.

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY	\$31,400
------------------------	----------

Screening Date9-Jun-2021

RespondentLeedo Manufacturing Co., L.P.

Case ID No.60895

Reg. Ent. Reference No.RN100542562

MediaAir

Enf. CoordinatorMackenzie Mehlmann

Docket No.2021-0772-AIR-E

PCW

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Number	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	0	0%
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 judgments or consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	1	-1%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	1	-2%
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)0%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3)0%

>> Compliance History Person Classification (Subtotal 7)

High Performer

Adjustment Percentage (Subtotal 7)-10%

>> Compliance History Summary

Compliance History Notes

Since the reduction for one notice of intent to conduct an audit and one disclosure of violations is below zero, the Adjustment Percentage (Subtotal 2) defaults to zero. Reduction for High Performer classification.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7)-10%

>> Final Compliance History Adjustment

Final Adjustment Percentage *capped at 100%-10%

Screening Date	9-Jun-2021	Docket No.	2021-0772-AIR-E	PCW
Respondent	Leedo Manufacturing Co., L.P.			<i>Policy Revision 4 (April 2014)</i>
Case ID No.	60895	<i>PCW Revision March 26, 2014</i>		
Reg. Ent. Reference No.	RN100542562			
Media	Air			
Enf. Coordinator	Mackenzie Mehlmann			
Violation Number	1			
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.146(2), Federal Operating Permit ("FOP") No. O1788, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to submit a permit compliance certification ("PCC") within 30 days of any certification period. Specifically, the PCC for the November 1, 2019 through April 30, 2020 certification period was due by May 30, 2020, but was not submitted until December 14, 2020.			
Base Penalty				\$25,000
>> Environmental, Property and Human Health Matrix				
OR	Release	Major	Moderate	Minor
	Actual			
	Potential			
Percent				0.0%
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
		x		
Percent				5.0%
Matrix Notes	100% of the rule requirements were not met.			
Adjustment				\$23,750
				\$1,250
Violation Events				
Number of Violation Events		1	198	Number of violation days
	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	single event	x		
Violation Base Penalty				\$1,250
				One single event is recommended.
Good Faith Efforts to Comply		0.0%	Reduction	\$0
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
	Extraordinary			
	Ordinary			
	N/A	x		
Notes	The Respondent does not meet the good faith criteria for this violation.			
Violation Subtotal				\$1,250
Economic Benefit (EB) for this violation		Statutory Limit Test		
Estimated EB Amount	\$327	Violation Final Penalty Total	\$1,125	
This violation Final Assessed Penalty (adjusted for limits)		\$1,125		

Economic Benefit Worksheet

Respondent Leedo Manufacturing Co., L.P.
Case ID No. 60895
Reg. Ent. Reference No. RN100542562
Media Air
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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	\$1,500	30-May-2020	1-Sep-2024	4.26	\$320	n/a	\$320
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	30-May-2020	14-Dec-2020	0.54	\$7	n/a	\$7

Notes for DELAYED costs

Estimated costs to submit the PCC for the November 1, 2019 through April 30, 2020 certification period (\$250) and to implement procedures designed to ensure that the PCCs are submitted in a timely manner (\$1,500). The Dates Required are the date the PCC was due and the Final Dates are the date of compliance and the estimated date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$1,750

TOTAL \$327

Screening Date	9-Jun-2021	Docket No.	2021-0772-AIR-E	PCW
Respondent	Leedo Manufacturing Co., L.P.			<i>Policy Revision 4 (April 2014)</i>
Case ID No.	60895			<i>PCW Revision March 26, 2014</i>
Reg. Ent. Reference No.	RN100542562			
Media	Air			
Enf. Coordinator	Mackenzie Mehlmann			
Violation Number	2			
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(C), FOP No. O1788, GTC, and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to submit a deviation report no later than 30 days after the end of each reporting period. Specifically, the deviation report for the November 1, 2019 through April 30, 2020 reporting period was due by May 30, 2020, but was not submitted until December 14, 2020.			
		Base Penalty	\$25,000	
>> Environmental, Property and Human Health Matrix				
OR	Release	Harm		
		Major	Moderate	Minor
	Actual			
	Potential			
				Percent 0.0%
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
		x		
				Percent 5.0%
Matrix Notes	100% of the rule requirements were not met.			
		Adjustment	\$23,750	
			\$1,250	
Violation Events				
	Number of Violation Events	1	198	Number of violation days
	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	single event	x		
		Violation Base Penalty \$1,250		
	One single event is recommended.			
Good Faith Efforts to Comply	0.0%			Reduction \$0
		Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer	
	Extraordinary			
	Ordinary			
	N/A	x		
Notes	The Respondent does not meet the good faith criteria for this violation.			
		Violation Subtotal	\$1,250	
Economic Benefit (EB) for this violation				
	Estimated EB Amount	\$327	Violation Final Penalty Total	\$1,125
	This violation Final Assessed Penalty (adjusted for limits)			\$1,125

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Leedo Manufacturing Co., L.P. 60895 RN100542562 Air 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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	\$1,500	30-May-2020	1-Sep-2024	4.26	\$320	n/a	\$320
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$250	30-May-2020	14-Dec-2020	0.54	\$7	n/a	\$7

Notes for DELAYED costs

Estimated cost to submit the deviation report for the November 1, 2019 through April 30, 2020 reporting period and to implement procedures designed to ensure that the deviation reports are submitted in a timely manner (\$1,500). The Dates Required are the date the deviation report was due and the Final Dates are the date of compliance and the estimated date of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$1,750	TOTAL	\$327
----------------------------	---------	-------	-------

Screening Date	9-Jun-2021	Docket No.	2021-0772-AIR-E	PCW
Respondent	Leedo Manufacturing Co., L.P.			<i>Policy Revision 4 (April 2014)</i>
Case ID No.	60895			<i>PCW Revision March 26, 2014</i>
Reg. Ent. Reference No.	RN100542562			
Media	Air			
Enf. Coordinator	Mackenzie Mehlmann			
Violation Number	3			
Rule Cite(s)	30 Tex. Admin. Code §§ 116.110(a), 116.315(a), and 122.143(4), FOP No. O1788, GTC, and Tex. Health & Safety Code §§ 382.0518(a) and 382.085(b)			
Violation Description	Failed to submit an application for renewal at least six months prior to the expiration of the permit. Specifically, the Respondent did not submit a renewal application for New Source Review ("NSR") Permit No. 77410 by July 31, 2017, NSR Permit No. 77410 expired on January 30, 2018, and the Respondent continued to operate the Plant without authorization.			
		Base Penalty	\$25,000	
>> Environmental, Property and Human Health Matrix				
OR	Release	Harm		
		Major	Moderate	Minor
	Actual			
	Potential			
				Percent 0.0%
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
		x		
				Percent 5.0%
Matrix Notes	100% of the rule requirements were not met.			
		Adjustment	\$23,750	
			\$1,250	
Violation Events				
	Number of Violation Events	40	1210	Number of violation days
	daily			
	weekly			
	monthly	x		
	quarterly			
	semiannual			
	annual			
	single event			
			Violation Base Penalty	\$50,000
	Forty monthly events are recommended from the January 30, 2018 NSR Permit No. 77410 expiration date through the May 24, 2021 compliance date.			
Good Faith Efforts to Comply	25.0%		Reduction	\$12,500
	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer		
	Extraordinary			
	Ordinary	x		
	N/A			
Notes	The Respondent completed the corrective measures on May 24, 2021, prior to the Notice of Enforcement dated May 28, 2021.			
		Violation Subtotal	\$37,500	
Economic Benefit (EB) for this violation		Statutory Limit Test		
	Estimated EB Amount	\$149	Violation Final Penalty Total	\$32,500
	This violation Final Assessed Penalty (adjusted for limits)			\$32,500

Economic Benefit Worksheet

Respondent Leedo Manufacturing Co., L.P.
Case ID No. 60895
Reg. Ent. Reference No. RN100542562
Media Air
Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$900	30-Jan-2018	24-May-2021	3.32	\$149	n/a	\$149
Other (as needed)				0.00	\$0	n/a	\$0
Notes for DELAYED costs	Actual cost to obtain NSR Permit No. 159002 that authorized the air emission sources at the Plant and the associated air emissions. The Date Required is the date NSR Permit No. 77410 expired and the Final Date is the date of compliance.						

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Notes for AVOIDED costs							

Approx. Cost of Compliance \$900

TOTAL \$149

Screening Date	9-Jun-2021	Docket No.	2021-0772-AIR-E	PCW
Respondent	Leedo Manufacturing Co., L.P.			<i>Policy Revision 4 (April 2014)</i>
Case ID No.	60895			<i>PCW Revision March 26, 2014</i>
Reg. Ent. Reference No.	RN100542562			
Media	Air			
Enf. Coordinator	Mackenzie Mehlmann			
Violation Number	4			
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), FOP No. O1788, GTC, and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to report all instances of deviations. Specifically, the deviation reports for the November 1, 2017 through April 30, 2018 and November 1, 2018 through April 30, 2019 reporting periods did not include the deviation for failing to submit a renewal application for NSR Permit No. 77410.			
		Base Penalty	\$25,000	
>> Environmental, Property and Human Health Matrix				
OR		Release	Harm	
		Major	Moderate	Minor
	Actual			
	Potential			
				Percent 0.0%
>> Programmatic Matrix				
	Falsification	Major	Moderate	Minor
			x	
				Percent 2.5%
Matrix Notes	More than 30% but less than 70% of the rule requirements were not met.			
		Adjustment	\$24,375	
			\$625	
Violation Events				
	Number of Violation Events	2	1106	Number of violation days
	daily			
	weekly			
	monthly			
	quarterly			
	semiannual			
	annual			
	single event	x		
				Violation Base Penalty \$1,250
	Two single events are recommended (one event for each deviation report).			
Good Faith Efforts to Comply				
		0.0%		Reduction \$0
		Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer	
	Extraordinary			
	Ordinary			
	N/A	x		
	Notes	The Respondent does not meet the good faith criteria for this violation.		
		Violation Subtotal	\$1,250	
Economic Benefit (EB) for this violation				
	Estimated EB Amount	\$861	Violation Final Penalty Total	\$1,125
	This violation Final Assessed Penalty (adjusted for limits)			\$1,125

Economic Benefit Worksheet

Respondent Leedo Manufacturing Co., L.P.
Case ID No. 60895
Reg. Ent. Reference No. RN100542562
Media Air
Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Costs Saved	EB Amount
------------------	-----------	---------------	------------	-----	----------------	-------------	-----------

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	\$1,500	30-May-2018	1-Sep-2024	6.26	\$470	n/a	\$470
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)	\$1,250	30-May-2018	1-Sep-2024	6.26	\$391	n/a	\$391

Notes for DELAYED costs

Estimated cost to submit revised deviation reports for the November 1, 2017 through April 30, 2018, May 1, 2018 through October 31, 2018, November 1, 2018 through April 30, 2019, May 1, 2019 through October 31, 2019, and November 1, 2019 through April 30, 2020 reporting periods to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410 (\$250/deviation report) and to implement procedures designed to ensure that all instances of deviations are reported in a timely manner (\$1,500). The Dates required are the dates the first deviation report was due and the Final Dates are the estimated dates of compliance.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance \$2,750

TOTAL \$861

Screening Date	9-Jun-2021	Docket No.	2021-0772-AIR-E	PCW
Respondent	Leedo Manufacturing Co., L.P.			<i>Policy Revision 4 (April 2014)</i>
Case ID No.	60895			<i>PCW Revision March 26, 2014</i>
Reg. Ent. Reference No.	RN100542562			
Media	Air			
Enf. Coordinator	Mackenzie Mehlmann			
Violation Number	5			
Rule Cite(s)	30 Tex. Admin. Code §§ 122.143(4) and 122.145(2)(A), FOP No. O1788, GTC, and Tex. Health & Safety Code § 382.085(b)			
Violation Description	Failed to report all instances of deviations. Specifically, the deviation reports for the May 1, 2018 through October 31, 2018, May 1, 2019 through October 31, 2019, and November 1, 2019 through April 30, 2020 reporting periods did not include the deviation for failing to submit a renewal application for NSR Permit No. 77410.			
		Base Penalty	\$25,000	
>> Environmental, Property and Human Health Matrix				
OR		Release	Harm	
		Major	Moderate	Minor
	Actual			
	Potential			
				Percent 0.0%
>>Programmatic Matrix				
	Falsification	Major	Moderate	Minor
		x		
				Percent 5.0%
Matrix Notes	100% of the rule requirements were not met.			
		Adjustment	\$23,750	
			\$1,250	
Violation Events				
	Number of Violation Events	3	922	Number of violation days
		daily		
		weekly		
		monthly		
		quarterly		
		semiannual		
		annual		
		single event	x	
				Violation Base Penalty \$3,750
	Three single events are recommended (one event for each deviation report).			
Good Faith Efforts to Comply		0.0%	Reduction	\$0
		Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer	
	Extraordinary			
	Ordinary			
	N/A	x		
	Notes	The Respondent does not meet the good faith criteria for this violation.		
		Violation Subtotal	\$3,750	
Economic Benefit (EB) for this violation				
	Estimated EB Amount	\$0	Violation Final Penalty Total	\$3,375
	This violation Final Assessed Penalty (adjusted for limits)			\$3,375

Economic Benefit Worksheet

Respondent Case ID No. Reg. Ent. Reference No. Media Violation No. Leedo Manufacturing Co., L.P. 60895 RN100542562 Air 5

Percent Interest	Years of Depreciation
5.0	15

Item Cost Date Required Final Date Yrs Interest Saved Costs Saved EB Amount Item Description

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				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

See the Economic Benefit for Violation No. 4.

Avoided Costs

ANNUALIZE 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				0.00	\$0	\$0	\$0
ONE-TIME avoided costs				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 Report

Compliance History Report for CN600254106, RN100542562, Rating Year 2022 which includes Compliance History (CH) components from September 1, 2017, through August 31, 2022.

Customer, Respondent, or Owner/Operator: CN600254106, Leedo Manufacturing Co., L.P. **Classification:** HIGH **Rating:** 0.00

Regulated Entity: RN100542562, Leedo Manufacturing **Classification:** HIGH **Rating:** 0.00

Complexity Points: 10 **Repeat Violator:** NO

CH Group: 14 - Other

Location: 16856 Cabinet Road, East Bernard, Wharton County, Texas 77435-5064

TCEQ Region: REGION 12 - HOUSTON

ID Number(s):

AIR OPERATING PERMITS ACCOUNT NUMBER WF0046E
PUBLIC WATER SYSTEM/SUPPLY REGISTRATION
2410057

AIR NEW SOURCE PERMITS AFS NUM 4848100015

AIR NEW SOURCE PERMITS PERMIT 159002

AIR EMISSIONS INVENTORY ACCOUNT NUMBER
WF0046E

INDUSTRIAL AND HAZARDOUS WASTE SOLID WASTE
REGISTRATION # (SWR) 37697

AIR OPERATING PERMITS PERMIT 1788

AIR NEW SOURCE PERMITS ACCOUNT NUMBER WF0046E

AIR NEW SOURCE PERMITS REGISTRATION 165470

STORMWATER PERMIT TXR05S104

INDUSTRIAL AND HAZARDOUS WASTE EPA ID
TXD050306729

Compliance History Period: September 01, 2017 to August 31, 2022 **Rating Year:** 2022 **Rating Date:** 09/01/2022

Date Compliance History Report Prepared: May 02, 2023

Agency Decision Requiring Compliance History: Enforcement

Component Period Selected: May 02, 2018 to May 02, 2023

TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

Name: Mackenzie Mehlmann

Phone: (512) 239-2572

Site and Owner/Operator History:

- | | |
|--|-----|
| 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 |

Components (Multimedia) for the Site Are Listed in Sections A - J

A. Final Orders, court judgments, and consent decrees:

N/A

B. Criminal convictions:

N/A

C. Chronic excessive emissions events:

N/A

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

Item 1	February 10, 2021	(1692264)
Item 2	July 28, 2021	(1745106)
Item 3	February 18, 2023	(1846312)
Item 4	March 31, 2023	(1895003)

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

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

F. Environmental audits:

Notice of Intent Date: 10/05/2022 (1853247)

Disclosure Date: 12/08/2022

Viol. Classification: Moderate

Citation: 30 TAC Chapter 106, SubChapter S 106.433(8)(B)
30 TAC Chapter 106, SubChapter S 106.433(8)(C)
30 TAC Chapter 106, SubChapter S 106.433(8)(D)
30 TAC Chapter 106, SubChapter A 106.8(c)(2)
30 TAC Chapter 116, SubChapter B 116.115(b)(2)(E)

Rqmt Prov: PERMIT GC7, SC 20
PERMIT SC 11

Description: Failed to maintain sufficient data to demonstrate compliance with the permit, including production records, operating hours, and emissions data. Gaps included: daily total gallons of each surface coating solvent used in each surface coating booth, daily hours and time of day of operation for each surface coating booth, and as applied coating VOC content for each surface coating and solvent used in each surface coating booth.

Viol. Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(b)(2)(G)
30 TAC Chapter 122, SubChapter B 122.143(4)

Rqmt Prov: OP GC
PERMIT GC9, SC10
PERMIT SC10.D

Description: Failed to maintain air pollution emission capture abatement equipment in good working order and operating properly during normal facility operations. Specifically, filters in the hang line booth were not placed correctly during spraying activities, the pressure gauges on each booth were not maintained in an operable condition, and Hang Line spray booths were being operated without filters fully in place.

Viol. Classification: Minor

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

Rqmt Prov: PERMIT SC 10.F
PERMIT SC10.E, 20.G
PERMIT SC10.G, 20.H

Description: Failed to maintain manometers in an operable condition on each booth and perform calibrations, determine and maintain the proper differential pressure for each booth. Additionally, readings may be inaccurate to due manometer condition and filter changes were not being made based on manometer readings.

Viol. Classification: Minor

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

Rqmt Prov: PERMIT SC 10.H

Description: Failed to make available operating performance parameters based upon the manufacturer's recommended operating range.

Viol. Classification: Moderate

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

Rqmt Prov: PERMIT SC 12.B, 20.I

Description: Failed to maintain records demonstrating hours of operation were limited to 2,970 hours of operation per rolling 12-month period for each dryer over equipped with a natural gas-fired heater (FINs STKHTR-1, STKHTR-2).

Viol. Classification: Minor

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

Rqmt Prov: PERMIT SC 16

Description: Failed to measure the face velocity across the natural draft openings (NDO) which are open to the atmosphere in Buildings 1, 2, and 3 to ensure there is at least 100 fpm at all times when surface coating and/or cleaning operations are occurring in each building.

Viol. Classification: Minor

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

Rqmt Prov: PERMIT SC7, 20.E

Description: Failed to maintain records in sufficient detail to demonstrate compliance with SC7 concerning 30 TAC Ch. 115, Subchapter E, Division 2: Surface Coating Processes.

Viol. Classification: Minor

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

Rqmt Prov: PERMIT SC25

Description: Failed to store all waste coatings and solvents in closed containers.

Viol. Classification: Moderate

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

Rqmt Prov: PERMIT SC28

Description: Failed to follow applicable waste rules with respect to waste container labeling, waste segregation during storage, and marking of the applicable generation date.

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
LEEDO MANUFACTURING CO., L.P.
RN100542562

§
§
§
§
§

BEFORE THE

TEXAS COMMISSION ON

ENVIRONMENTAL QUALITY

AGREED ORDER DOCKET NO. 2021-0772-AIR-E

I. JURISDICTION AND STIPULATIONS

On _____, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Leedo Manufacturing Co., L.P. (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 together stipulate that:

1. The Respondent owns and operates a cabinet manufacturing plant located at 16856 Cabinet Road in East Bernard, Wharton County, Texas (the "Plant"). The Plant consists or consisted of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
2. The Executive Director and the Respondent agree that the TCEQ has jurisdiction to enter this Order pursuant to TEX. WATER CODE §§ 7.002, 7.051, and 7.073, and that the Respondent is subject to TCEQ's jurisdiction. The TCEQ has jurisdiction in this matter pursuant to TEX. WATER CODE § 5.013 because it alleges violations of TEX. HEALTH & SAFETY CODE ch. 382 and the rules of the TCEQ.
3. The occurrence of any violation is in dispute and the entry of this Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
4. An administrative penalty in the amount of \$39,250 is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent paid \$15,700 of the penalty and \$7,850 of the penalty is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Order and shall be waived only upon full compliance with all the terms and conditions of this Order. If the Respondent fails to timely and satisfactorily comply with any of the terms and conditions contained in this Order, the Executive Director may demand payment of all or part of the deferred penalty amount.

Pursuant to TEX. WATER CODE § 7.067, \$15,700 of the penalty shall be conditionally offset by the Respondent's timely and satisfactory completion of a Supplemental Environmental Project ("SEP") as defined in the attached SEP Agreement ("Attachment A", incorporated herein by reference). The Respondent's obligation to pay the conditionally offset portion of the penalty shall be discharged upon full compliance with all the terms and conditions of this Order, which includes the timely and satisfactory completion of all provisions of the SEP Agreement, as determined by the Executive Director.

5. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a). 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.
6. 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 Order.
7. This Order represents the complete and fully integrated agreement of the parties. The provisions of this Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Order unenforceable, the remaining provisions shall be valid and enforceable.
8. This Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Order, whichever is later.
9. The Executive Director recognizes that the Respondent implemented the following corrective measures at the Plant:
 - a. On December 14, 2020, submitted the permit compliance certification ("PCC") for the November 1, 2019 through April 30, 2020 certification period and the deviation report for the November 1, 2019 through April 30, 2020 reporting period; and
 - b. On May 24, 2021, obtained New Source Review ("NSR") Permit No. 159002 that authorized the air emission sources at the Plant and the associated air emissions.

II. ALLEGATIONS

During a record review for the Plant conducted from December 9, 2020 through May 26, 2021, an investigator documented that the Respondent:

1. Failed to submit a PCC within 30 days of any certification period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.146(2), Federal Operating Permit ("FOP") No. O1788, General Terms and Conditions ("GTC") and Special Terms and Conditions ("STC") No. 9, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the PCC for the November 1, 2019 through April 30, 2020 certification period was due by May 30, 2020, but was not submitted until December 14, 2020.
2. Failed to submit a deviation report no later than 30 days after the end of each reporting period, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(C), FOP No. O1788, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation report for the November 1, 2019 through April 30, 2020 reporting period was due by May 30, 2020, but was not submitted until December 14, 2020.
3. Failed to submit an application for renewal at least six months prior to the expiration of the permit, in violation of 30 TEX. ADMIN. CODE §§ 116.110(a), 116.315(a), and 122.143(4), FOP No. O1788, GTC, and TEX. HEALTH & SAFETY CODE §§ 382.0518(a) and 382.085(b).

Specifically, the Respondent did not submit a renewal application for NSR Permit No. 77410 by July 31, 2017, NSR Permit No. 77410 expired on January 30, 2018, and the Respondent continued to operate the Plant without authorization.

4. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. 01788, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation reports for the November 1, 2017 through April 30, 2018 and November 1, 2018 through April 30, 2019 reporting periods did not include the deviation for failing to submit a renewal application for NSR Permit No. 77410.
5. Failed to report all instances of deviations, in violation of 30 TEX. ADMIN. CODE §§ 122.143(4) and 122.145(2)(A), FOP No. 01788, GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Specifically, the deviation reports for the May 1, 2018 through October 31, 2018, May 1, 2019 through October 31, 2019, and November 1, 2019 through April 30, 2020 reporting periods did not include the deviation for failing to submit a renewal application for NSR Permit No. 77410.

III. DENIALS

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

IV. ORDERING PROVISIONS

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

1. The Respondent is assessed a penalty as set forth in Section I, Paragraph No. 4. The payment of this penalty and the Respondent's compliance with all of the requirements set forth in this 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. Penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Leedo Manufacturing Co., L.P., Docket No. 2021-0772-AIR-E" to:

Financial Administration Division, Revenue Operations Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088
2. The Respondent shall implement and complete the SEP as set forth in Section I, Paragraph No. 4. The amount of \$15,700 of the assessed penalty is conditionally offset based on the Respondent's implementation and completion of the SEP pursuant to the terms of the SEP Agreement, as defined in Attachment A. Penalty payments for any portion of the SEP deemed by the Executive Director as not complete shall be paid within 30 days after the date the Executive Director demands payment.
3. The Respondent shall undertake the following technical requirements at the Plant:
 - a. Within 30 days after the effective date of this Order:

- i. Implement procedures designed to ensure that PCCs are submitted in a timely manner;
 - ii. Implement procedures designed to ensure that the deviation reports are submitted in a timely manner;
 - iii. Submit a revised deviation report for the November 1, 2017 through April 30, 2018 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410;
 - iv. Submit a revised deviation report for the May 1, 2018 through October 31, 2018 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410;
 - v. Submit a revised deviation report for the November 1, 2018 through April 30, 2019 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410;
 - vi. Submit a revised deviation report for the May 1, 2019 through October 31, 2019 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410;
 - vii. Submit a revised deviation report for the November 1, 2019 through April 30, 2020 reporting period to report the deviation for the failing to submit a renewal application for NSR Permit No. 77410; and
 - viii. Implement procedures designed to ensure that all instances of deviations are reported in a timely manner.
- b. Within 45 days after the effective date of this Order, submit written certification, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 3.a. The certification shall be signed by the Respondent and shall 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:

Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

Air Section Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Street, Suite H
Houston, Texas 77023-1452

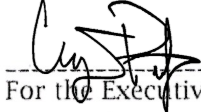
4. All relief not expressly granted in this Order is denied.
5. The duties and provisions imposed by this Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of this Order to personnel who maintain day-to-day control over the Plant operations referenced in this Order.
6. The Executive Director may grant an extension of any deadline in this Order or in any plan, report, or other document submitted pursuant to this 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. Extension requests shall be sent to the Enforcement Division at the address listed above.
7. This 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 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 Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms: electronic transmission, owner, person, writing, and written, shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
9. The effective date of this Order is the date it is signed by the Commission. A copy of this fully executed Order shall be provided to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Date



4/2/2024

For the Executive Director

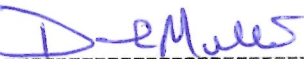
Date

I, the undersigned, have read and understand the attached Order. I am authorized to agree to the attached Order, 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 OAG 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 OAG 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

02/06/2024

Date

DAVID R MULLIS

Name (Printed or typed)

Authorized Representative of
Leedo Manufacturing Co., L.P.

President/CEO

Title

☐ If mailing address has changed, please check this box and provide the new address below:

Instructions: Send the original, signed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Ordering Provision 1 of this Order.

Attachment A
Docket Number: 2021-0772-AIRE
SUPPLEMENTAL ENVIRONMENTAL PROJECT

Respondent:	Leedo Manufacturing Co., L.P.
Payable Penalty Amount:	\$31,400
SEP Offset Amount:	\$15,700
Type of SEP:	Contribution to a Third-Party Administrator SEP
Third-Party Administrator:	Barbers Hill Independent School District
Project Name:	<i>Alternative Fuel School Bus Replacement</i>
Total Project Budget:	\$1,590,000
Location of SEP:	Chambers County

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

1. Project Description

A. Project

The Respondent shall contribute the SEP Offset Amount to the Third-Party Administrator named above. The contribution will be to **Barbers Hill Independent School District** for the *Alternative Fuel School Bus Replacement* program (the “Project”). The Project is to reduce carbon monoxide (“CO”), nitrogen oxides (“NO_x”), particulate matter (“PM”), and volatile organic compounds (“VOCs”) emissions by replacing older school buses with new propane-fueled buses. The Third-Party Administrator is obligated to ensure that each Replacement Bus purchased has an engine that meets 2010 EPA Standards. The Project will be performed in accordance with all federal, state, and local environmental laws and regulations.

The contribution will be used in accordance with the SEP Agreement between the Third-Party Administrator and the TCEQ. All dollars contributed will be used solely for the direct cost of implementing the Project, including but not limited to supplies, materials, and equipment. Any portion of this contribution that is not able to be spent on the specifically identified SEP may, at the discretion of the Executive Director (“ED”), be applied to another pre-approved SEP.

The Respondent’s signature affixed to this Agreed Order certifies that it has no prior commitment to make this contribution and that it is being contributed solely in an effort to settle this enforcement action. The Respondent shall not profit in any manner from this SEP.

B. Environmental Benefit

This SEP will directly benefit air quality by reducing harmful exhaust emissions that contribute to the formation of ozone and may cause or exacerbate a number of respiratory diseases, including asthma. For example, by replacing a 1989 diesel bus with a new 2010 ultra-low emission model, passengers’ exposures to NO_x may be reduced by 98 percent; VOCs by 93 percent; CO by 83 percent; and PM by 99 percent.

C. Minimum Expenditure

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

2. Performance Schedule

Within 30 days after the effective date of this Agreed Order, the Respondent must contribute the SEP Offset Amount to the Third-Party Administrator. The Respondent shall make the check payable to **Barbers Hill ISD SEP** and shall mail the contribution with a copy of the Agreed Order to:

John Johnson, Consultant
Carl R. Griffith & Associates, Inc.
2901 Turtle Creek Drive, Suite 445
Port Arthur, Texas 77642

3. Records and Reporting

Concurrent with the payment of the SEP Offset Amount, the Respondent shall provide the Enforcement Division SEP Coordinator with a copy of the check and transmittal letter indicating full payment of the SEP Offset Amount to the Third-Party Administrator. The Respondent shall mail or email a copy of the check and transmittal letter to:

Texas Commission on Environmental Quality
Enforcement Division
Attention: SEP Coordinator, MC 219
P.O. Box 13087
Austin, Texas 78711-3087
SEPReports@tceq.texas.gov

4. Failure to Fully Perform

If the Respondent does not perform its obligations under this Attachment A, including full expenditure of the SEP Offset Amount and submittal of required reporting described in Sections 2 and 3 above, the ED may require immediate payment of all or part of the SEP Offset Amount.

In the event the ED determines that the Respondent failed to fully implement and complete the Project, the Respondent shall remit payment for all or a portion of the SEP Offset Amount, as determined by the ED, and as set forth in the attached Agreed Order. After receiving notice of failure to complete the SEP, the Respondent shall include the docket number of the attached Agreed Order and a note that the enclosed payment is for the reimbursement of a SEP; shall make the check payable to "Texas Commission on Environmental Quality;" and shall mail it to:

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

5. Publicity

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

6. Recognition

The Respondent may not seek recognition for this contribution in any other state or federal regulatory program.

7. Other SEPs by TCEQ or Other Agencies

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