

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 HAWTHORNE STREET  
SAN FRANCISCO, CA 94105

FILED  
2011 DEC 27 AM 9: 2  
U.S. EPA REGION IX  
REGIONAL HEARING CLEF

In the matter of: ) Docket No. TSCA-09-2012-0001  
)  
) CONSENT AGREEMENT  
Coral Academy of Science, ) and  
)  
) FINAL ORDER PURSUANT TO  
) SECTIONS 22.13 AND 22.18  
)  
Respondent. )  
\_\_\_\_\_ )

**I. CONSENT AGREEMENT**

Complainant, the Director of the Communities and Ecosystems Division, United States Environmental Protection Agency, Region 9, ("EPA") and Respondent Coral Academy of Science (hereafter "**Respondent**") seek to settle this case and consent to the entry of this Consent Agreement and Final Order ("CAFO").

**A. APPLICABLE STATUTES AND REGULATIONS**

1. This administrative proceeding is initiated pursuant to Section 207 of the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq. (hereinafter referred to as "TSCA" or the "Act"), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, 40 C.F.R. Part 22.

2. This proceeding involves the Asbestos Hazard Emergency Response Act ("AHERA"), also known as Title II of TSCA, and the regulations promulgated thereunder. Section 203(b) of TSCA, 15 U.S.C. § 2643(b), required the Administrator of EPA to, among other things, promulgate regulations prescribing procedures for determining whether asbestos-containing material is present in a school building under the authority of a local educational agency ("LEA"). Section 203(i) of TSCA, 15 U.S.C. § 2643(i), required the Administrator of EPA to, among other things, promulgate regulations requiring each LEA to develop and implement an asbestos

management plan (“AMP”) for school buildings under its authority. These regulations are codified at 40 C.F.R. Part 763, Subpart E (the “Subpart E regulations”).

3. Section 763.85(a)(2) of the Subpart E regulations states that any building leased or acquired on or after October 12, 1988 that is to be used as a school building shall be inspected as described under paragraphs (a)(3) and (4) of Section 763.85 prior to use as a school building and that, in the event that emergency use of an uninspected building as a school building is necessary, such buildings shall be inspected within 30 days after commencement of such use. Section 763.93(g)(2) of the Subpart E regulations provides that each LEA shall maintain in its administrative office a complete, updated copy of an AMP for each school under its administrative control or direction. Section 763.93(g)(3) of the Subpart E regulations provides that each school shall maintain in its administrative office a complete, updated copy of the AMP for that school. 40 C.F.R. § 763.93(g)(3).

4. Sections 207(a)(1) and (3) of TSCA, 15 U.S.C. §§ 2647(a) (1) and (3), provide that any LEA that fails to conduct an inspection or fails to develop an AMP pursuant to regulations under Section 203(i) of TSCA, 15 U.S.C. § 2643(i), is liable for a civil penalty. Section 207(a) of TSCA, 15 U.S.C. § 2647(a), the Federal Civil Penalties Inflation Adjustment Act of 1990 (as amended by the Debt Collection Improvement Act of 1996), and the subsequent Civil Monetary Penalty Inflation Adjustment Rule, 40 C.F.R. Part 19, authorize a civil penalty, for each day that a violation continues, of (1) not more than \$5,000 for violations on or before January 30, 1997; (2) not more than \$5,500 for violations after January 30, 1997 but on or before March 15, 2004; (3) not more than \$6,500 for violations after March 15, 2004 through January 12, 2009; and (4) not more than \$7,500 for violations after January 12, 2009.

5. Section 207(a) of TSCA, 15 U.S.C. § 2647(a), further provides that any civil penalty shall be assessed and collected in the same manner, and subject to the same provisions, as in the

case of civil penalties assessed and collected under Section 16 of TSCA, 15 U.S.C. § 2615. Section 16(a)(2)(B) of TSCA, 15 U.S.C. § 2615(a)(2)(B), requires EPA to take into account the nature, circumstances, extent, and gravity of the violation(s), and, with respect to the violator, ability to pay, effect on ability to continue to do business, any history of prior such violations, the degree of culpability, and such other matters as justice may require. Section 207(a) states that any civil penalty collected shall be used by the LEA to comply with TSCA Title II, with any portion remaining unspent to be deposited into the Asbestos Trust Fund established pursuant to Section 5 of the Asbestos Hazard Emergency Response Act of 1986, codified at 20 U.S.C. § 4022. In addition, Section 207(c) of TSCA, 15 U.S.C. § 2647(c), requires EPA to consider the significance of the violation, the culpability of the violator, including any history of previous TSCA violations, the ability of the violator to pay the penalty, and the ability of the violator to continue to provide educational services to the community.

#### **B. AUTHORITY AND PARTIES**

6. Respondent holds a charter for **Coral Academy of Science** and **Coral Academy of Science** is a Nevada Charter school. Nevada Charter schools are public, state-funded schools constituted within the state of Nevada pursuant to the Nevada Charter School Law of 1997. See Nevada Revised Statutes (NRS) relating to charter schools, NRS 386.500 to 386.610. Nevada Charter Schools may not operate for profit. See NRS 386.553. The governing body of a Nevada Charter School is a public authority legally constituted within the State of Nevada for administrative control or direction of its school. See NRS 386.549. Nevada Charter schools contract with the State Board, a college or university within the Nevada System of Higher Education, or a school district to provide an education service.

7. The authority to take action under Section 207 of TSCA, 15 U.S.C. § 2647, is vested in the Administrator of EPA ("**Administrator**"). By EPA Delegation Order Number 12-2-A,

dated May 11, 1994, the Administrator delegated to the Regional Administrator of EPA Region IX the authority to commence administrative proceedings under TSCA and to sign consent agreements memorializing settlements in such proceedings. By EPA Regional Order Number R9 1260.06A dated May 19, 2005, the Regional Administrator of EPA Region IX re delegated this authority to the Director of the Communities and Ecosystems Division. The Director of the Communities and Ecosystems Division has the authority to commence and settle an enforcement action in this matter.

### C. COMPLAINANT'S ALLEGATIONS

8. Respondent began operating **Coral Academy of Science** at 1350 East Ninth Street, Reno, Nevada (the "**Reno secondary school location**") in **2002**. Respondent began operating Coral Academy of Science at 1701 Valley Road, Reno, Nevada (the "**Reno elementary school location**") in **2008**. Respondent owns, leases, or otherwise uses, at the minimum, one (1) "school building," as defined in Section 202(13) of TSCA Title II, 15 U.S.C. § 2642(13), and in 40 C.F.R. § 763.83. Respondent is a LEA, as defined in Section 202(7) of TSCA Title II, 15 U.S.C. § 2642(7), and in 40 C.F.R. § 763.83.

9. Sections 203(i) and 205(d) of TSCA, 15 U.S.C. §§ 2643(i) and 2645(d), require that Respondent, prior to using a building as a school after October 12, 1988, conduct an inspection and develop a valid AMP. Section 207(a)(3) of TSCA, 15 U.S.C. § 2647(a)(3), and 40 C.F.R. § 763.97(a), make it unlawful for Respondent to fail to conduct such inspections and develop such an AMP, and provide that each separate failure to comply with respect to a single school building constitutes a violation of Section 207(a)(3) of TSCA. If a signed statement of an architect has been submitted to EPA pursuant to Section 763.99(a)(7), then the LEA is not required to perform an inspection.

10. On April 11, 2009, an EPA inspector inspected **Coral Academy of Science**, and

Respondent was unable to present an AMP. In a letter dated **November 16, 2009**, the EPA Region IX Toxics Office requested a copy of Respondent's AMP within 30 days. Respondent provided AMPs dated June 30, 2010 for the Reno secondary school location and May 20, 2010 for the Reno elementary school location. The AMP for the Reno secondary school location stated that that school contained 66 square feet of asbestos-containing building materials in linoleum in a janitor's closet. At the time of EPA's April 2010 inspection, Respondent had not conducted an inspection nor developed AMPs for Coral Academy of Science.

11. Respondent violated Section 207(a)(1) of TSCA Title II, 15 U.S.C. § 2647(a)(1), by failing to either submit to EPA a signed statement of an architect or conduct an inspection, or reinspection, pursuant to Section 203(b), 203(e)(3) and 203(g)(2) of TSCA Title II, 15 U.S.C. §§ 2643(b), 2643(e)(3) and 2643(g)(2) and the Subpart E regulations thereunder at 40 C.F.R. Part 763, Subpart E, for the school buildings referenced in Paragraph 8 above.

12. Respondent violated Section 207(a)(3) of TSCA, 15 U.S.C. § 2647(a)(3), by failing to develop or keep current an AMP, pursuant to Section 203(i) of TSCA Title II, 15 U.S.C. § 2643(i), and the regulations thereunder at 40 C.F.R. Part 763, Subpart E, for the school buildings referenced in Paragraph 8 above.

#### **D. RESPONDENT'S ADMISSIONS**

13. To avoid the disruption of orderly educational activities and the expense of protracted and costly litigation, Respondent, in accordance with 40 C.F.R. § 22.18(b)(2), and for the purpose of this proceeding, (i) admits that EPA has jurisdiction over the subject matter of this CAFO and over Respondent; (ii) neither admits nor denies the specific factual allegations contained in Section I.C. of this CAFO; (iii) consents to any and all conditions specified in this CAFO; (iv) agrees to pay, and consents to the assessment of, the civil administrative penalty under Section I.G of this CAFO; (v) waives any right to contest the allegations contained in

Section I.C. of this CAFO, including but not limited to its right under Section 16(a)(2)(A) of TSCA to request a hearing; and (vi) waives the right to appeal the proposed final order contained in this CAFO.

#### **E. COMPLIANCE WITH AHERA**

14. AHERA and the Subpart E regulations specify the steps which must be taken to evaluate whether a school building contains or is assumed to contain **ACBM**. When a LEA has properly determined that **no** buildings in a school contains **ACBM**, compliance by the LEA with AHERA and the Subpart E regulations include:

**(A) Development and updating of AMP.** The AMP shall include: (1) a list of the name and address of each school building; (2) for each school building, a statement of inspection, as specified by 40 C.F.R. § 763.93(e)(1), and the information that is required to be detailed in the inspection, as specified by 40 C.F.R. § 763.93(e), unless, for each school building that qualifies, the LEA has a signed statement from an architect as specified by 40 C.F.R. § 763.99(a)(7) in lieu of inspection; (3) the name, address, and telephone number of a person designated under 40 C.F.R. § 763.84 to ensure that the duties of Respondent, as the LEA, are carried out (the “**Designated Person**”); (4) the course name, and the dates and number of hours of training taken by that person to carry out the duties; (5) a dated copy of each year’s annual notification of the AMP’s availability to workers and building occupants or their legal guardians (including parents, teachers and employees), along with a description of the steps taken to effect the notification; (6) a true and correct statement, signed by the Designated Person, that certifies that the general LEA responsibilities, as stipulated by 40 C.F.R. § 763.84, have been met or will be met; (7) the name of each consultant that contributed to the AMP and the applicable statement that each such consultant is accredited, as required by 40 C.F.R. § 763.93(e)(12). Pursuant to 40 C.F.R. § 763.93(f), if Respondent requires, the AMP may also include a statement signed by an

accredited AMP developer that such a person has prepared or assisted in the preparation of the AMP or has reviewed such plan and that such plan is in compliance with the Subpart E regulations.

**(B) Identification and training for Designated Person** identified by the Respondent, as required by 40 C.F.R. § 763.84(g)(1). Training for the Designated Person shall be in accordance with the training requirements listed in 40 C.F.R. § 763.84(g)(2).

**(C) Maintenance of a complete copy of the AMP** for each school in Respondent's administrative office and in each school administrative office, as required by 40 C.F.R. §§ 763.93(g)(2) and (3). The AMP shall be available to representatives of EPA and the State, the public, including teachers, other school personnel, parents, and their representatives without cost or restriction.

**(D) Written Notifications of the availability of the AMP** to parent, teacher and employee organizations of the availability of the AMP and a description of the steps used to make such notification, as required by 40 C.F.R. § 763.93(g)(4), and subsequent notification to these organizations at least once each school year.

Additional requirements apply to LEA's with school buildings that contain, or are assumed to contain, ACBM.

## **F. RESPONDENT'S CERTIFICATION**

15. In executing this CAFO, Respondent certifies that it has complied with AHERA and the AHERA Subpart E regulations at **Coral Academy of Science**, and all other facilities under its control which are subject to AHERA requirements. The AMPs for Coral Academy of Science document that the Reno secondary school location contained 66 square feet of asbestos-containing building materials in linoleum in a janitor's closet at the time of the initial inspection but that this ACBM has since been removed and the Coral Academy of Science school buildings

now do not contain building materials known or assumed to contain asbestos. Respondent certifies that all accounting of the costs incurred by Respondent in complying with AHERA and the AHERA Subpart E regulations provided to EPA are true and accurate.

#### **G. CIVIL ADMINISTRATIVE PENALTY**

16. Respondent consents to the assessment of a penalty in the amount of **FIVE THOUSAND DOLLARS THREE HUNDRED (\$5,300)**, as final settlement and complete satisfaction of the civil claims against Respondent arising from the facts and under the Act, as alleged in Section I.C. of the CAFO. As the EPA-approved costs of compliance with AHERA and the Subpart E regulations for Respondent exceed the civil penalty amount, the costs of compliance already expended by Respondent shall represent full payment of penalty.

17. Issuance of this CAFO does not constitute a waiver by EPA of its right to enforce the terms of this CAFO or to seek other civil or criminal relief for violations, if any, of any provision of federal law not specifically settled by this Consent Agreement. Nothing in this CAFO shall relieve Respondent of its duty to comply with all applicable provisions of the Act, rules promulgated thereunder, and other Federal, state or local laws or statutes.

18. The provisions of this CAFO shall be binding on Respondent and on Respondent's officers, directors, employees, agents, servants, authorized representatives, successors, and assigns.

19. Each party shall bear its own costs, fees, and disbursements in this action.

20. This Consent Agreement constitutes the entire agreement between the Respondent and EPA. This Consent Agreement and Final Order is for the purpose of fully and finally settling the civil claims against Respondent arising from the facts alleged in Section I.C. of this CAFO. Full payment of the civil penalty and any applicable interest charges or late fees or penalties as set

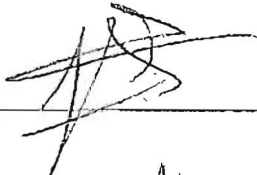


forth in this Consent Agreement and the Final Order shall constitute full settlement and satisfaction of civil penalty liability against Respondent for the violations alleged in Section I.C. of this CAFO.

21. In accordance with 40 C.F.R. §§ 22.18(b)(3) and 22.31(b), the effective date of this CAFO shall be the date on which the accompanying Final Order, having been signed by the Regional Judicial Officer, is filed.

22. The undersigned representatives of each party to this Consent Agreement certify that each is duly authorized by the party whom he or she represents to enter into the terms and bind that party to it.

**CORAL ACADEMY OF SCIENCE:**

Date: 11/18/11 By:   
Name: Yilmar Ar  
Title: Executive Director

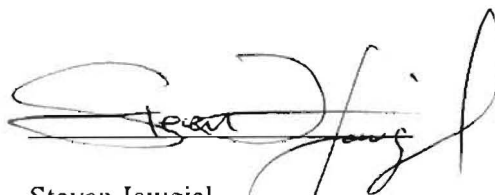
**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:**

Date: 12/21/2011 By:   
ENRIQUE MANZANILLA  
Director, Communities and Ecosystems Division  
U.S. Environmental Protection Agency, Region IX

II. FINAL ORDER

IT IS HEREBY ORDERED that this Consent Agreement and Final Order be entered and that Respondent shall comply with the terms set forth in the Consent Agreement.

Date: 12/23/11



Steven Jawgiel  
Regional Judicial Officer  
U.S. EPA, Region IX

CERTIFICATE OF SERVICE

I certify that the original of the fully executed Consent Agreement and Final Order with CORAL ACADEMY OF SCIENCES (**Docket No. TSCA-09-2012-0001**), was filed with the Regional Hearing Clerk, U.S. EPA, Region IX, 75 Hawthorne Street, San Francisco, CA 94105, and that a true and correct copy of the same was sent to the following parties via Certified :

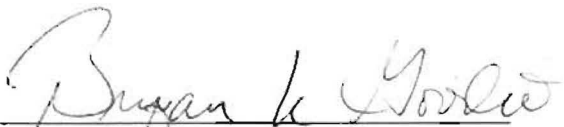
A copy was mailed via CERTIFIED MAIL to:

Mr. Erdinc Acar  
Executive Director  
Coral Academy of Science  
1350 East Ninth Street  
Reno, NV 89512

**CERTIFIED MAIL NUMBER:** 7001-0320-0002-4540-3276

And additional copy was hand-delivered to the following U.S. EPA case attorney:

Margaret Alkon, Esq.  
Office of Regional Counsel  
U.S. EPA, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

  
\_\_\_\_\_  
Bryan K. Goodwin  
Regional Hearing Clerk  
U.S. EPA, Region IX

12/27/11  
Date



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105

Certified Mail No. 7001 0320 0002 4540 3276  
Return Receipt Requested

Re: TSCA-09-2012- 6001

Date: DEC 27 2011

Mr. Erdinc Acar  
Executive Director  
Coral Academy of Science  
1350 East Ninth Street  
Reno, NV 89512

Dear Mr. Acar:

Enclosed please find your copy of the fully executed Consent Agreement and Final Order which contains the terms of the settlement reached with Margaret Alkon of the EPA Region 9 Office of Regional Counsel. Your completion of all actions enumerated in the Consent Agreement and Final Order will close this case. If you have any questions, please contact Ron Tsuchiya at (415) 947-4168.

Sincerely,

A handwritten signature in cursive script that reads "Enrique Mazanilla".

Enrique Mazanilla, Director  
Communities and Ecosystems Division

Enclosure