

**ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,  
DIVISION OF ENVIRONMENTAL QUALITY**

IN THE MATTER OF:

AFIN: 26-00273

Case #: CAO-25-0029

AAR Component Services - Hot Springs, LLC  
115 CENTENNIAL DR  
HOT SPRINGS, AR 71913

**Consent Administrative Order**

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 et seq., and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 et seq., 8 Code of Arkansas Rules (CAR) pt. 10, 8 CAR pt. 11, 8 CAR pt. 40, and 8 CAR pt. 41.

The issues herein having been settled by agreement of AAR Component Services – Hot Springs, LLC (Respondent) and the Director of the Arkansas Department of Energy and Environment, Division of Environmental Quality (DEQ), it is hereby agreed and stipulated that the following Findings of Fact and Order and Agreement be entered.

**Findings of Fact**

1. Respondent operates a surface coating and repair of aircraft structural parts facility located at 115 Centennial Drive, Hot Springs, Garland County, Arkansas (Site).
2. DEQ issued Air Minor Source Permit 1580-AR-7 (Permit) to Respondent on January 24, 2024.

3. Arkansas Code Annotated § 8-4-217(a)(3) provides, “[i]t shall be unlawful for any person to[. . .] [v]iolate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by the Division of Environmental Quality.”
4. Arkansas Code Annotated § 8-4-103(c)(1)(A)–(B) provides,

“Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation. Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”
5. On November 19, 2024, DEQ performed a full air compliance evaluation at the Site covering the reporting period of October 1, 2022 through September 30, 2024.
6. On December 10, 2024, DEQ notified Respondent of the evaluation results. This was intended to provide Respondent with the opportunity to review the non-compliance items and submit any additional information Respondent deemed appropriate regarding the issues. A written response addressing the non-compliance items was to be submitted by January 10, 2025.
7. On January 9, 2025, DEQ received Respondent’s written response regarding the actions taken to correct the non-compliance items. Respondent stated that it would begin recording monthly generator hour usage and annual maintenance for the Emergency Generator (SN-16). Weekly pH checks were being recorded for the Alkaline Clean Tank, Deoxidizing Tank, and Phosphoric Anodize Tank (SN-05, SN-06, and SN-07) as of December 2024.
8. On March 12, 2025, DEQ notified Respondent via a Notice of Non-Compliance (NNC) stating that formal enforcement was proceeding regarding the violations in the list below.
9. List of Violations:

- (a) Failure to comply with a delegated NESHAP requirement (8 CAR § 41-204 and 40 C.F.R. § 63 et seq.)

Respondent is subject to the National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engine (Subpart ZZZZ). Specific Condition 32 of the Permit and 40 C.F.R. § 63.6603(a) and 63.6640 (Subpart ZZZZ) require that Respondent shall change the oil and filter every 500 hours of operation or annually, whichever comes first, at SN-16. Respondent shall inspect the air cleaner every 1000 hours of operation or annually, whichever comes first, at SN-16. Respondent shall inspect all hoses and belts every 500 hours of operation or annually, whichever comes first, at SN-16.

During the evaluation, it was revealed that Respondent failed to maintain annual maintenance records for the oil, filter, air cleaner, hoses, and belts at SN-16 for 2022 and 2023, which violates Specific Condition 32 of the Permit and Subpart ZZZZ.

- (b) Failure to meet record keeping or reporting conditions that are for enforcement of a criteria pollutant emission limit or Rule 19 opacity limit (8 CAR § 41-605)

Specific Condition 19 of the Permit requires that Respondent shall perform weekly pH meter checks for SN-05, SN-06, and SN-07 and record results. The records shall be maintained on-site and shall be made available to DEQ personnel upon request.

During the evaluation, it was revealed that Respondent failed to maintain weekly pH records for SN-05, SN-06, and SN-07 from April to September 2024, which violates Specific Condition 19 of the Permit.

- (c) Failure to meet record keeping or reporting conditions that are for enforcement of a criteria pollutant emission limit or Rule 19 opacity limit (8 CAR § 41-605)

Specific Condition 17 of the Permit requires that Respondent shall maintain monthly emergency generator hour records for SN-16.

During the evaluation, it was revealed that Respondent failed to maintain monthly emergency generator hour records for SN-16 for 2022, 2023, and January to May 2024, which violates Specific Condition 17 of the Permit.

### **Order and Agreement**

WHEREFORE, the parties stipulate and agree as follows:

1. Within thirty (30) calendar days of the effective date of this CAO, to demonstrate compliance with Specific Condition 17 of the Permit, Respondent shall submit 2025 emergency generator hour records for SN-16.
2. Within thirty (30) calendar days of the effective date of this CAO, to demonstrate compliance with Specific Condition 19 of the Permit, Respondent shall submit 2025 weekly pH records for SN-05, SN-06, and SN-07.
3. Within thirty (30) calendar days of the effective date of this CAO, to demonstrate compliance with Specific Condition 32 of the Permit and Subpart ZZZZ, Respondent shall submit 2025 maintenance records for the oil, filter, air cleaner, hoses, and belts for SN-16.
4. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay a civil penalty of TWENTY TWO THOUSAND DOLLARS (\$22,000.00), or one-half of the penalty, ELEVEN THOUSAND DOLLARS (\$11,000.00) if this CAO is signed and returned to DEQ, 5301 Northshore Drive, North Little Rock, Arkansas 72118-5317, within twenty (20) calendar days of receipt of this CAO. Payment is due within thirty (30) calendar days after the effective date of this CAO. Such payment

can be made online using the Financials tab of your site in SEEK or mailed in by check. Paper check payments require the Compliance Action Number be referenced in the memo line of the check and be made payable to: DEQ, Fiscal Division, 5301 Northshore Drive, North Little Rock, Arkansas 72118-5317. In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.

5. All requirements of this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within the timeframe specified by DEQ, submit any additional information or changes requested, or take additional actions specified by DEQ to correct any such deficiencies. Failure to respond adequately to the notice of deficiency within the timeframe specified by DEQ constitutes a failure to meet the requirements established by this CAO and is subject to the civil penalties established in the following Paragraph.
6. Failure to meet any term(s) of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any term(s) of this CAO, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

|                                              |                 |
|----------------------------------------------|-----------------|
| (a) First day through the fourteenth day:    | \$100 per day   |
| (b) Fifteenth day through the thirtieth day: | \$500 per day   |
| (c) More than thirty days:                   | \$1,000 per day |

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the

requirements of this CAO.

7. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.
8. DEQ may grant an extension of any provision of this CAO, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous paragraph of the Order and Agreement, shall be grounds for a denial of an extension.
9. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d) and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period. Notwithstanding the public notice requirements, the corrective actions necessary to achieve compliance shall be taken immediately.

10. As provided by 8 CAR pt. 11, this matter is subject to being reopened upon Pollution Control and Ecology Commission (Commission) initiative or in the event a petition to set aside this CAO is granted by the Commission.
11. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.
12. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the responsibilities for obtaining any necessary permits.
13. The individual signing this CAO represents that he or she is a Managing Member or otherwise authorized representative of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than a Managing Member of Respondent shall be accompanied by a resolution granting signature authority to said individual as duly ratified by the governing body of the entity.

It is so ordered.

# Consent Administrative Order - Approval Form

version 1.8

(Submission #: HQQ-0XZR-J7SSS, version 1)

Digitally signed by:  
SEEK Prod - Internal  
Date: 2026.08.14 14:13:55 -05:00  
Reason: Copy Of Record  
Location: State of Arkansas

## Details

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Submission ID HQQ-0XZR-J7SSS

## Form Input

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### Consent Administrative Order

Case Number  
CAO-25-0029

Consent Administrative Order Attachment  
| ENF - CAO .pdf - 07/13/2026 10:04 AM  
Comment  
| NONE PROVIDED

# Agreements and Signature(s)

## Submission Agreements

- ☒ I am the owner of the account used to perform the electronic submission and signature.
- ☒ I have the authority to submit the data on behalf of the facility I am representing.
- ☒ I agree that providing the account credentials to sign the submission document constitutes an electronic signature equivalent to my written signature.
- ☒ I have reviewed the electronic form being submitted in its entirety, and agree to the validity and accuracy of the information contained within it to the best of my knowledge.

## Respondent Signatory Authority

I certify that I am authorized to execute this CAO and to legally bind Respondent to its terms and conditions.

**Signed By** James Kinder on 08/14/2026 at 12:48 PM  
aLWyNIEhReYkEaL4OO4BppYaPEWpEU5L44b9Pojgu7a+JNmIF8tOQKnQzeP++oVW+tic1agww6IK8b4DZSK/jA==

## Chief Administrator of Environment and DEQ Director, Arkansas Department of Energy and Environment

This CAO is agreed to and ordered as of the date of my signature.

**Signed By** Bailey Taylor on 08/14/2026 at 2:12 PM  
Qlk5KiCfeL0cCYFSyVrP3Xp9M6of6vzz6+HvO91Kk/KRh0R0lqfkM4iUHgW2RrZUWgkEbeUpLnrgBP9dWwDchQ==