

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

GRAND ISLE SHIPYARD, INC.

AI # 116837

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-AE-17-0031
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* Enforcement Tracking No.
* AE-CN-14-00589
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SETTLEMENT

The following Settlement is hereby agreed to between Grand Isle Shipyard, Inc. (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a corporation that owns and/or operates an oilfield service fabrication yard facility located in Lafourche Parish, Louisiana (“the Facility”).

II

On July 29, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-14-00589, which was based upon the following findings of fact:

“The Respondent owns and/or operates Grand Isle Shipyard Inc-Training Facility & Main Office, an oilfield service fabrication yard (facility) located at 18838 LA Hwy 3235 in Galliano, Lafourche Parish, Louisiana. The facility currently operates under Minor Source / Small Source Air Permit No. 1560-00249-00, issued May 22, 2007.

On or about June 5, 2014, and April 9, 2015, file reviews of the Respondent's facility were performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the Department's investigation is not yet complete the following violations were noted during the course of the file reviews:

- A. According to the Respondent's 2013 Annual Volatile Organic Compound (VOC) and Toxic Air Pollutant (TAP) Emissions Report dated March 21, 2014, VOC and TAP emissions exceeded the permitted limit for the 2013 reporting period (table 1).

Table 1		
Pollutant	2013 Emissions (tpy)	Permitted Levels (tpy)
TAP	17.57	16.00
VOC	24.53	22.00

VOC emission limits also exceeded permitted levels for consecutive twelve (12) month periods ending in August, October, November and December of 2013 (table 2).

Table 2		
12 Month Period Ending	VOC (tpy)	Permitted Limit (tpy)
August	22.31	22.00
October	23.56	22.00
November	25.67	22.00
December	24.53	22.00

TAP emission limits also exceeded permitted levels for consecutive twelve (12) month periods ending in October, November and December of 2013 (table 3).

Table 3		
12 Month Period Ending	TAP (tpy)	Permitted Limit (tpy)
October	16.38	16.00
November	18.20	16.00
December	17.57	16.00

Each exceedance of a permitted emission limit is a violation of Air Permit No. 1560-00249-00, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. According to the Respondent's 2014 Annual Paint/Solvent Usage Report (VOC) and Toxic Air Pollutant (TAP) Emissions Report dated March 2, 2015, VOC and TAP emissions exceeded the permitted limits during the 2014 reporting period. Specifically, VOC emission limits exceeded permitted levels for consecutive twelve (12) month periods ending in January, February, March and April of 2014 (table 4).

Table 4		
12 Month Period Ending	VOC (tpy)	Permitted Limit (tpy)
January	24.37	22.00
February	22.89	22.00
March	22.48	22.00
April	23.50	22.00

TAP emission limits exceeded permitted levels for consecutive twelve (12) month periods ending in January, February, March and April of 2014 (table 5).

Table 5		
12 Month Period Ending	TAP (tpy)	Permitted Limit (tpy)
January	17.55	16.00
February	16.44	16.00
March	16.18	16.00
April	17.06	16.00

Each exceedance of a permitted emission limit is a violation of Air Permit No. 1560-00249-00, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1) and 30:2057(A)(2).

- C. The Respondent is required by Specific Requirement 25 of Air Permit No. 1560-00249-00 to submit annual VOC and TAP Emissions Reports, due by March 31st following the reporting year. The Department has no record that these reports were submitted for the 2007 and 2011 reporting years. In correspondence dated June 6, June 25 and June 26, 2014, the Respondent was able to produce these reports but unable to verify their timely submission to the Department. Since the Department has no record of submission of these reports and the Respondent was only able to produce the reports but unable to provide proof of their timely submission, these reports will be considered late. Failure to submit these reports in a timely manner is a violation of Air Permit No. 1560-00249-00 Specific Requirement 25, LAC 33:III.501.C.4 and La R.S. 30:2057(A)(1).
- D. The Respondent is required by Specific Requirement 25 of Air Permit No. 1560-00249-00 to submit annual VOC and TAP Emissions Reports, due by March 31st following the reporting year. The Department received this report for the 2009 reporting year on or about April 8, 2011. The failure to submit this report in a timely manner is a violation of Air Permit No. 1560-00249-00 Specific Requirement 25, LAC 33:III.501.C.4 and La R.S. 30:2057(A)(1).
- E. The Respondent is required by Specific Requirement 25 of Air Permit No. 1560-00249-00 to submit annual VOC and TAP Emissions Reports, due by March 31st following the reporting year. The Department has no record that this report was submitted for the 2010 reporting year. The failure to submit this report is a violation

of Air Permit No. 1560-00249-00 Specific Requirement 25, LAC 33:III.501.C.4 and La R.S. 30:2057(A)(1).

- F. The Respondent failed to submit a timely annual certification and compliance report as per 40 CFR 63 Subpart XXXXXX, for the 2013 reporting year. 40 CFR 63 Subpart XXXXXX requires that the annual compliance and certification report be submitted by January 31 following the end of the reporting year. The 2013 compliance and certification report was postmarked February 3, 2014. The Respondent's failure to submit a timely 40 CFR 63 Subpart XXXXXX annual report is a violation of 40 CFR 63.11519(b)(2)(iii) and of La. R.S. 33:2057(A)(1)."

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of EIGHT THOUSAND AND NO/100 DOLLARS (\$8,000.00), of which Eight Hundred Seventy-Three and 54/100 Dollars (\$873.54) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s)/permit record(s), Consolidated Compliance Order & Notice of Potential Penalty and this Settlement for the

purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VI

This agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Lafourche Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this settlement for public view

and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

Grand Isle Shipyard, Inc.

BY: Bryan Preegant
(Signature)

Bryan Preegant
(Printed)

TITLE: VP

THUS DONE AND SIGNED in duplicate original before me this 29th day of SEPTEMBER, 20 17, at GALLIANO, LA.

Kirby P. Blanchard, Jr.
NOTARY PUBLIC (ID # _____)

Kirby P. Blanchard, Jr., 84847
Notary Public in and for
the State of Louisiana
My Commission is for Life
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 20th day of December, 20 17, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 20456)

Tel H. Boyles, II
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary