

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

REYNOLDS METALS COMPANY, LLC

AI # 133

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT

LA. R.S. 30:2001, ET SEQ.

* Settlement Tracking No.
* SA-WE-15-0056
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* Enforcement Tracking No.
* WE-PP-13-00392
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SETTLEMENT

The following Settlement is hereby agreed to between Reynolds Metals Company, LLC (Reynolds Metals Company changed its name to Reynolds Metals Company, LLC effective June 30, 2016; “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 a petroleum coke calcining and carbon anode manufacturing facility located in Calcasieu Parish, Louisiana (“the Facility”).

II

On September 22, 2014, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. WE-PP-13-00392, which was based upon the following findings of fact:

“The Respondent owns and/or operates a petroleum coke calcining and carbon anode manufacturing facility located at 3943 Granger Road, Lake Charles, Calcasieu Parish, Louisiana. Under the terms and conditions of LPDES permit LA0003735, the Respondent is permitted to discharge non-contact cooling water, anode cooling conveyor water spray, washdown water, condensate, treated lab wastewater, utility wastewater, treated process area stormwater, treated

sanitary wastewater, and non-process area stormwater runoff into Kaough Bayou via local drainage, thence to the Industrial Canal, thence to the Calcasieu River (Outfalls 002, 009, 011, 013, 014, A14, 016, and 017), or directly to the Industrial Canal (Outfalls 006 and 007), all waters of the state.

The Respondent caused and/or allowed the discharge of wastewater from a source or location not authorized by the permit. Specifically, the facility allowed the discharge of at least 500 gallons of waste oil to waters of the state, specifically to the Industrial Canal via Outfall 007, on November 28, 2012. (LPDES permit LA0003735 (Effluent Limitations and Monitoring Requirements, Outfall 007 Narrative Requirements T-3, page 6 of 13, Other Conditions, Section A page 1 of 2, and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.C).

The Respondent failed to immediately notify the proper authorities of an adverse change in the nature or rate of discharge upon discovery. Specifically, it was initially believed that the release was approximately 10 gallons of oil, which was discovered at 10:35 hours and reported to the Department at 12:04 hours, and authorities were notified of the release. However, it was discovered at 11:45 hours that the release consisted of a significantly greater volume, approximately 1200 gallons, but no update to the original notification was made when the Respondent became aware that the incident had escalated beyond the initial assumption of 10 gallons. (La. R.S. 30:2076(A)(3) and LAC 33:I.3915.A.3).

The Respondent failed to properly operate and maintain facilities and systems of treatment and control. Specifically, the facility failed to properly operate and maintain the pumping system, API oil/water separator, and waste oil storage tank for the Paste Plant Pond. (LPDES permit LA0003735 (Part III, Section B.3.a), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.A).”

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 SIX THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$6,500.00), of which Six Hundred Twenty and 28/100 Dollars (\$620.28) 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), 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 Calcasieu 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.

REYNOLDS METALS COMPANY, LLC

BY: [Signature]
(Signature)

Stephen L. Ness
(Printed)

TITLE: Plant Manager

THUS DONE AND SIGNED in duplicate original before me this 5th day of February, 20 18, at 2:50 pm.

[Signature]
NOTARY PUBLIC (ID # 69403)

(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 13th day of April, 20 18, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19187)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary