

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

GULF ISLAND FABRICATION, LLC

AI # 9789

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

* Settlement Tracking No.
* SA-AE-18-0024
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* Enforcement Tracking No.
* AE-CN-13-01154
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SETTLEMENT

The following Settlement is hereby agreed to between Gulf Island, L.L.C. f/k/a Gulf Island Fabrication, LLC (“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 limited liability company that owns and/or operates a facility located in Terrebonne Parish, Louisiana (“the Facility”).

II

On January 23, 2014, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-13-01154 (Exhibit 1).

The following violations, although not cited in the foregoing enforcement action(s), are included within the scope of this settlement:

Correspondence dated November 29, 2016 included a proposed potential penalty settlement offer for the late submittal of the 2015 Surface Coating of Miscellaneous Metal Parts NESHAP

(Subpart MMMM), and Title V Semiannual Compliance Reports. The semiannual reports were due on July 31, 2015. The 2015 semiannual compliance reports for Surface Coating of Miscellaneous Metal Parts NESHAP (Subpart MMMM) and Title V Air Permit No. 2880-00059-V1 were received on January 5, 2016 and January 7, 2016, respectively. The failure to submit the aforementioned semiannual compliance reports in a timely and complete manner is a violation of LAC 33:III.535.A, LAC 33:III.501.C.5, and La. R.S. 30:2057(A)(2).

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 Nine Hundred Ten and 55/100 Dollars (\$910.55) 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 permit record(s), the 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 Terrebonne 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.

GULF ISLAND, L.L.C. F/K/A
GULF ISLAND FABRICATION, LLC

BY: Barry Lebouff
(Signature)

BARRY LEBOUFF
(Printed)

TITLE: GENERAL MANAGER

THUS DONE AND SIGNED in duplicate original before me this 29 day of Aug., 20 18, at Houma, LA.

D S Boudier
NOTARY PUBLIC (ID # 9657)

(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 29th day of Oct, 20 18, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]

Lourdes Iturralde, Assistant Secretary

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

January 23, 2014

CERTIFIED MAIL (7003 2260 0001 2748 2536)
RETURN RECEIPT REQUESTED

GULF ISLAND FABRICATION, LLC
c/o Mr. Kirk J. Meche
Agent of Service for Process
567 Thompson Road
Houma, Louisiana 70361-0310

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-13-01154
AGENCY INTEREST NO. 9789**

Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **GULF ISLAND FABRICATION, LLC (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Kelly Phillips at (225) 219-3748.

Sincerely,

Cheryl Sonnier Nolan
Assistant Secretary
Office of Environmental Compliance

CJC/KKP/kkp
Alt ID No. 2880-00059
Attachment



c: Gulf Island Fabrication, LLC.
Trae Camble
P.O. Box 310
Houma, LA 70361

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

IN THE MATTER OF

**GULF ISLAND FABRICATION, LLC
TERREBONNE PARISH
ALT ID NO. 2880-00059**

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ENFORCEMENT TRACKING NO.

AE-CN-13-01154

AGENCY INTEREST NO.

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

9789

**CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **GULF ISLAND FABRICATION, LLC (RESPONDENT)** by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates the East Yard, West Yard and North Yard (the facility), an existing structural steel fabrication facility. The East (Main) Yard is located at 583 Thompson Road and the North Yard is located at 730 Thompson Road. The West Yard is segregated by the Houma Navigation Canal and is located at 301 Bayou Dularge Road in Houma, Terrebonne Parish, Louisiana. The Respondent acquired ownership of the facility on or about June 1, 1985. The facility operated under Title V Air Permit No. 2880-00059-V2 issued on April 6, 2010, and expired on July 15, 2013. The facility is currently operating without a Title V Air Permit.

II.

On or about November 18, 2013, a file review of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the investigation by the Department is not yet complete, the following violations were noted during the course of the file review:

- A. The Respondent failed to submit an application to renew a Title V Permit sooner than 180 days prior to the permit expiration date. Specifically, the Title V renewal permit application 2880-00059-V2 was submitted on May 28, 2013, and was due to be submitted on January 15, 2013. The failure to submit a timely Title V renewal permit application is a violation of Part 70 General Condition A, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- B. The facility has operated without a valid air permit, since the expiration date of July 15, 2013. The operation, without a valid air permit, of any facility which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- C. The Respondent failed to submit an Annual Criteria Pollutant Emissions Inventory in a timely and complete manner to the Department for 2012 by the April 30, 2013, deadline. The 2012 Annual Criteria Emissions Inventory certification statement was postmarked on May 6, 2013. The failure to submit a timely Annual Criteria Pollutant Emissions Inventory is a violation of LAC 33:III.501.C.4, LAC 33:III.919.F.1.d, and La. R.S. 30:2057(A)(2).
- D. The Respondent failed to submit an Annual Toxic Emissions Data Inventory in a timely and complete manner to the Department for 2012 by the April 30, 2013, deadline. The 2012 Annual Toxic Emissions Data Inventory certification statement was postmarked on May 6, 2013. The failure to submit a timely Annual Toxic Emissions Data Inventory is a violation of LAC 33:III.501.C.4, LAC 33:III.5107.A.1, and La. R.S. 30:2057(A)(2).

COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To immediately take, upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations, and Title V Air Permit No. 2880-00059-V2.

II.

To address the violations identified in Findings of Fact paragraph II regarding Gulf Island Fabrication Inc. – East Yard, West Yard and North Yard, the Respondent shall comply with the following:

- A. The Respondent shall comply with the following interim limitation(s):

Emission Point	Pollutant	Annual Emission Rate tons per year (tpy)
Facility Wide	Total PM	100.28
Facility Wide	Total SO ₂	11.79
Facility Wide	Total NO _x	128.15
Facility Wide	Total CO	28.06
Facility Wide	Total VOC	151.20
Facility Wide	Manganese	0.50
Facility Wide	Naphthalene	1.41
Facility Wide	Styrene	2.00
Facility Wide	Glycol Ethers	2.00
Facility Wide	Nickel	0.03
Facility Wide	Xylene	41.15
Facility Wide	Zinc	2.00
Facility Wide	Total TAPs/HAPs	73.21

All emission limitations, monitoring requirements, and permit conditions of Title V Permit No. 2880-00059-V2 shall remain in full force and effect and shall remain enforceable. The interim limitations shall remain in effect until the Department addresses these unpermitted emissions in a new or modified Title V Operating Permit or unless notified by the Department in writing.

- B. The Respondent shall at all times properly operate and maintain all facilities and systems of control (and related appurtenances) which are installed or used by the Respondent to achieve compliance with the conditions of the interim limitations.
- C. The Respondent shall report the unpermitted emissions, as set forth in Title V Permit No. 2880-00059-V2, for the East Yard, West Yard and North Yard in the appropriate reports

including, but not limited to, the Annual Compliance Certification and Title V Deviation Reports.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attention: Kelly Phillips
Enforcement Tracking No. AE-CN-13-01154
Agency Interest No. 9789

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the **Enforcement Tracking Number** and **Agency Interest Number**, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-13-01154
Agency Interest No. 9789

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, *et seq.*), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II.

Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Kelly Phillips at (225) 219-3748 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

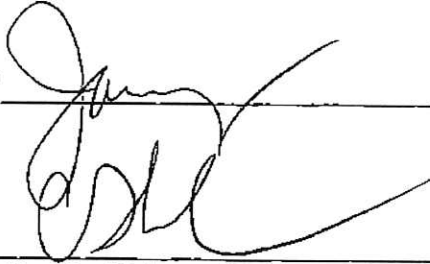
III.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 23 day of June, 2014.



Cheryl Sonnier Nolan
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Kelly Phillips