

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

STELLA-JONES CORPORATION

AI # 11928

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

* Settlement Tracking No.
* SA-MM-18-0026
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* Enforcement Tracking No.
* MM-PP-17-00535
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SETTLEMENT

The following Settlement is hereby agreed to between Stella-Jones Corporation (“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 owned and/or operated a facility located in Alexandria, Rapides Parish, Louisiana (“the Facility”).

II

On August 22, 2017, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. MM-PP-17-00535 (Exhibit 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 TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00), of which Two Thousand Forty-Seven and 29/100 Dollars (\$2,047.29) 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), the 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 Rapides 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.

STELLA-JONES CORPORATION

BY: [Signature]
(Signature)

PATRICK D. STARK
(Printed)

TITLE: V.P. EHS

THUS DONE AND SIGNED in duplicate original before me this 26th day of September, 20 18, at 12:17pm.

Kathleen I. Dulski
NOTARY PUBLIC (ID # 1043049)

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL
Kathleen I. Dulski, Notary Public
Findlay Twp., Allegheny County
My Commission Expires Sept. 7, 2019

MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES
(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 11th day of Jan, 20 19, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE
August 22, 2017



CERTIFIED MAIL (7016 0910 0000 2672 8528)
RETURN RECEIPT REQUESTED

STELLA-JONES CORPORATION

c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Drive
Baton Rouge, LA 70816

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. MM-PP-17-00535
AGENCY INTEREST NO. 11928**

Dear Sir/Madam:

On or about February 6, 2017; February 7, 2017; February 26, 2017; and May 30, 2017, inspections and a subsequent file review of **STELLA-JONES CORPORATION—ALEXANDRIA**, a wood treating facility, owned and/or operated by **STELLA-JONES CORPORATION (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Hazardous Waste, Water Quality, and Air Quality regulations. The facility is located at 3600 Koppers Road in Alexandria, Rapides Parish, Louisiana. The Respondent is registered as a large quantity generator of hazardous waste and operates under EPA Identification No. LAR000038091. The Respondent was reissued LPDES permit LAR05P463 with an effective date of September 6, 2016, which will expire on May 8, 2021. Under the terms and conditions of LPDES LAR05P463, the Respondent is authorized to discharge stormwater associated with industrial activities to Hynson Bayou, waters of the state. The Respondent operates or has operated under the following air quality permits:

PERMIT	ISSUE DATE	PERMIT EXPIRATION DATE
2360-00032-00	09/26/1997	N/A
2360-00032-01	05/16/2000	N/A
2360-00032-02	12/31/2005	N/A
2360-00032-02	12/12/2008	N/A
2360-00032-03	01/07/2009	N/A
2360-00032-03 Administrative Amendment	01/20/2009	N/A
2360-00032-04	11/16/2010	11/16/2020

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While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspections and subsequent file review:

- A. The Respondent failed to mark containers of hazardous waste with an accumulation start date, in violation of LAC 33:V.1109.E.1.c. Specifically, one (1) drum in the less than 90 day storage area during the February 7, 2017 inspection was not marked with an accumulation start date. This violation was addressed by a facility representative during the February 7, 2017 inspection.
- B. The Respondent treated and/or disposed of hazardous waste as defined in LAC 33:V.109 ("Hazardous Waste") without a permit, in violation of LAC 33:V.303.B. Specifically, during the inspection, facility representatives stated that spent solvent waste generated in the facility lab was drained/collected into a sump located outside of the facility lab. Additionally, the contents of the sump were transferred via level control pump back to the production process. Representatives of the Respondent stated that this lab waste was returned to the work tanks (i.e., the creosote raw material tanks) to recover creosote components. However, this spent lab waste was mixed with F005 spent toluene hazardous waste, thereby making the entire mixture F005 listed hazardous waste. In an e-mail submitted to the Department on or about July 19, 2017, a representative of the Respondent stated that the practice of using the lab sink for quality control materials was discontinued as of February 7, 2017. The Respondent now containerizes the material that was previously returned to the process and is labelling the container of QC Laboratory material as Hazardous Waste (F003 and F005) for shipment to an approved hazardous waste facility. This violation has been addressed.
- C. The Respondent failed to determine if solid wastes generated at its facility were hazardous wastes, in violation of LAC 33:V.1103. Specifically, the Respondent failed to classify the waste containing spent toluene solvent described in Paragraph B above as F005 waste and manage it as such. In an e-mail submitted to the Department on or about July 19, 2017, a representative of the Respondent stated that the QC Laboratory material that was previously returned to the process is now containerized and labeled as Hazardous Waste (F003 and F005) for shipment to an approved hazardous waste facility. This violation has been addressed.
- D. The Respondent failed to label or clearly mark waste batteries with the phrase, "Universal Waste - Battery(ies)," or "Waste Battery(ies)," or "Used Battery(ies)," in violation of LAC 33:V.3823.A.1. Specifically, two (2) spent batteries in the shop area were observed with no label. The Department's inspector noted that the two (2) spent batteries were removed during the February 7, 2017 inspection. A representative of the Respondent stated that the batteries had been picked up by NAPA Auto Parts for recycling. In addition, the Respondent stated in correspondence dated March 13, 2017, that the used battery storage area had been properly labeled. This violation has been addressed.

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- E. The Respondent treated, stored, and or disposed of hazardous waste as defined in LAC 33:V.109 ("Hazardous Waste") without a permit, in violation of LAC 33:V.303.B. Specifically, the Respondent disposed of creosote treatment material/waste to the environment. Numerous areas of staining, seeping, and pooling of creosote treatment material/waste were noted along the storm water ditch between the shop area and the Treated Switch Tie Yard (approximately 400 feet in length). During the February 7, 2017 inspection, the areas of staining, seeping, and pooling of creosote had been excavated, and the stained soil was stored in drums in the less than 90 day hazardous waste storage area and labeled as F034 hazardous waste. This violation has been addressed.
- F. The Respondent failed to ensure that the waste minimization plan on site was certified by a Louisiana registered professional engineer as required by LAC 33:V.2245.J, in violation of LAC 33:V.1109.E.1.e. Specifically, the waste minimization plan was not certified by a professional engineer. Based on a response submitted to the Department dated March 13, 2017, the waste minimization plan was updated and certified by a professional engineer on or about February 14, 2017. This violation has been addressed.
- G. The February 6, 2017, and February 7, 2017 inspections noted that the Respondent failed to comply with the Best Management Practices (BMPs) requirement of LPDES Permit LAR05P463. Specifically, in and around the areas where treated wood is stored at the Respondent's facility, there were several areas (some old and some recent) where treatment chemicals leaked or dripped onto the ground. There was evidence of creosote/oil entering a storm drain at the south end of the facility. This failure to comply with the BMPs requirement of LPDES Permit LAR05P463 is a violation of LPDES Permit LAR05P463 (Part 3, Sections 3.1, 3.1.1, 3.1.2, 3.1.4, and 3.1.9), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A. On March 20, 2017, the Department received correspondence from the Respondent regarding the findings of the inspection. The Respondent stated that immediately following the inspection, BMPs were implemented to address the water quality violations. Specifically, the areas with noted leakage were cleaned up and the treated wood is now being placed on stringers to minimize any leakage of treatment materials to the ground.
- H. During the course of the inspection on or about February 26, 2017, the Department's representatives noted that the facility was in full operation except for the switch tie sorter, which had been down due to decreased workload since 7:30 AM, according to the facility's representative. During the walkthrough of the facility, the inspectors noted particulate emissions from the facility's roadways and yard. According to the inspection team, the majority of the emissions were caused by normal operation of moving equipment and forklifts at the facility. No evidence of the watering truck's operation was noted. The watering truck started operation at 10:25 AM. The failure to take any precautions to prevent particulate emissions from becoming airborne is a violation of Specific Requirement 21 of Permit No. 2360-00032-04, LAC 33:III.1305.A, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

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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.

Prior to the issuance of any additional appropriate enforcement action, 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 Cynthia Arrison at (225) 219-3796 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

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 in order 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 violations 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 this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

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

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

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c: Stella-Jones Corp.
c/o Wayne Kusmiereczyk
3600 Koppers Rd.
Alexandria, LA 71302

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312		NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE (OPTIONAL)		
Enforcement Tracking No.	MM-PP-17-00535	Contact Name	Cynthia Arrison	
Agency Interest (AI) No.	11928	Contact Phone No.	(225) 219-3796	
Alternate ID Nos.	LAR05P463; LAR000038091; 2360-00032			
Respondent:	STELLA-JONES CORPORATION	Facility Name:	Stella-Jones Corporation – Alexandria	
	c/o C T Corporation System	Physical Location:	3600 Koppers Road	
	Agent for Service of Process	City, State, Zip:	Alexandria, LA 71302	
	3867 Plaza Tower Drive Baton Rouge, LA 70816	Parish:	Rapides	
SETTLEMENT OFFER (OPTIONAL)				
<i>(check the applicable option)</i>				
<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.			
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (MM-PP-17-00535), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.			
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (MM-PP-17-00535), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$ _____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$ _____ • Beneficial Environmental Project (BEP) component (optional)= \$ _____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted. 			
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (MM-PP-17-00535) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.			
CERTIFICATION STATEMENT				
<i>I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.</i>				
Respondent's Signature		Respondent's Printed Name		Respondent's Title
Respondent's Physical Address		Respondent's Phone #		Date
MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:				
Louisiana Department of Environmental Quality Office of Environmental Compliance Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Cynthia Arrison				