

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

BAYOU HOLDCO, INC.

AI # 5688

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

* Settlement Tracking No.
* SA-HE-20-0076
*
* Enforcement Tracking No.
* HE-PP-19-01010
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SETTLEMENT

The following Settlement is hereby agreed to between Bayou Holdco, 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 owned and/or operated a pipe coating facility located in New Iberia, Iberia Parish, Louisiana (“the Facility”).

II

On January 28, 2020, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. HE-PP-19-01010 (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 FIVE THOUSAND NINE HUNDRED AND NO/100 DOLLARS (\$5,900.00), of which One Thousand Two Hundred and 94/100 Dollars (\$1,200.94) 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 Iberia 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 over a period of twenty-four (24) months in the amount of \$245.83 with the last payment submitted for the amount of \$245.91. The first payment is due 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.

BAYOU HOLDCO, INC.

BY:

[Signature]
(Signature)

Wade G. Boudreaux
(Printed)

TITLE: VP & GM of The Bayou Companies

THUS DONE AND SIGNED in duplicate original before me this 17 day of November, 20 10, at New Iberia La.



[Signature]
NOTARY PUBLIC (ID # 131644)

Staci Delcambre
(stamped or printed)

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

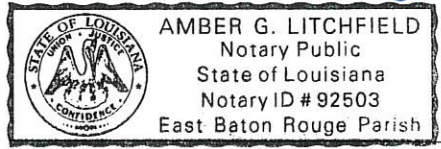
BY:

[Signature]

Loures Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 1st day of February, 20 21, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: _____

[Signature]

Loures Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

January 28, 2020



CERTIFIED MAIL (7018 1830 0000 5751 6897)
RETURN RECEIPT REQUESTED

BAYOU HOLDCO, INC.
c/o Louisiana Corporate & Registered Agent Services, Inc.
Agent for Service of Process
3867 Plaza Tower Drive, 1st Floor
Baton Rouge, LA 70816

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. HE-PP-19-01010
AGENCY INTEREST NO. 5688**

Dear Sir/Madam:

On or about June 20, 2019, and January 22, 2020, an inspection and subsequent file review of **BAYOU HOLDCO INC - THE BAYOU COMPANIES – NEW IBERIA FACILITY**, a pipe coating facility that provides interior and exterior coating products and services for the oil and gas industry, owned and/or operated by **BAYOU HOLDCO, INC. (RESPONDENT)**, were performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Hazardous Waste Regulations. The facility is located at 5200 Curtis Lane in New Iberia, Iberia Parish, Louisiana.

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 inspection and subsequent file review:

- A. The Respondent failed to conduct weekly inspections of its hazardous waste containers as specified in LAC 33:V.2109.A, in violation of LAC 33:V.1109.E.1.a.i. Specifically, a representative of the Respondent stated during the inspection that the facility was unaware that they were required to perform weekly inspections on the hazardous waste container storage area. The Respondent has not performed weekly inspections of its hazardous waste containers since acquiring ownership of the facility on or about August 31, 2018. The Respondent submitted a written response to the Department dated June 25, 2019, stating the facility started performing weekly inspections of its hazardous waste containers. The Respondent submitted copies of completed Hazardous Waste Storage Area Inspection Checklists for the weeks of June 21, 2019,

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through January 3, 2020, in responses to the Department dated November 12, 2019, and January 10, 2020.

- B. The Respondent failed to notify the Office of Environmental Services within seven (7) days when the information submitted in the application for the identification number changed, in violation of LAC 33:V.1105.B. Specifically, at the time of the inspection, the facility contact person listed on the HW-1 form dated May 1, 2012, was no longer employed at the facility, the Respondent was not listed as the legal owner of the facility, and additional hazardous waste codes were generated at the facility but not listed (D002, F002, and D035). The Respondent acquired ownership of the facility on or about August 31, 2018. The January 22, 2020 file review revealed the Respondent submitted an updated HW-1 to the Department dated June 21, 2019, which reflected the correct contact person, legal owner, and hazardous waste codes. The Department acknowledged receipt of the HW-1 in correspondence dated September 12, 2019.
- C. The Respondent failed to retain on-site a waste minimization plan, as specified LAC 33:V.2245.K, in violation of LAC 33:V.1109.E.1.e. Specifically, at the time of the inspection, a representative of the Respondent stated they did not have a written waste minimization plan. The Respondent submitted a written response dated November 12, 2019, to the Department, which included a written copy of the facility's Waste Minimization Plan that was certified by a Professional Engineer.
- D. The Respondent failed to clearly label or mark each container of hazardous waste with an accumulation start date and the words "Hazardous Waste", in violation of LAC 33:V.1109.E.1.c & d. Specifically, the following containers of hazardous waste located in the less than ninety (90) day hazardous waste storage area were not labeled as "Hazardous Waste" or dated with an accumulation start date:
 1. Four (4) 55-gallon drums of paint waste were contained on one pallet (Pallet No. 1). Three (3) of the 55-gallon drums were labeled with duct tape with the words "waste paint" or "waist paint". One (1) of the 55-gallon drums was unlabeled as the writing on the duct tape label was illegible. None of the 55-gallon drums on Pallet No. 1 were marked with an accumulation start date. At the time of the inspection, a representative of the Respondent stated that all of the 55-gallon drums contained hazardous waste.
 2. Four (4) 55-gallon drums were contained on a second pallet (Pallet No. 2). Each of the four (4) drums was labeled with white marker as to its contents as "Iso/Poly, Major/Minor Poly, Rags, Cat Litter, and MEK". None of the 55-gallon drums on Pallet No. 2 were marked with visible accumulation start dates because of degradation of the labels and/or rusting drum lids. None of the drums on Pallet No. 2 were labeled with the words "hazardous waste". At the time of the inspection, a representative of the Respondent stated that all of the 55-gallon drums contained hazardous waste.
 3. Two (2) 55-gallon drums were contained on a third pallet (Pallet No. 3). Each of the two (2) drums was labeled on the side with a white marker as to its contents as "ISO, Major/Minor Poly, MEK, Rags, Butanediol, and Cat Litter". Neither of the drums on Pallet No. 3 was marked with visible accumulation start dates or labeled with the words "hazardous waste". One (1) of the drums had a label on top of the drum lid that was obscured by a thick layer of dust. At the

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time of the inspection, a representative of the Respondent stated that the 55-gallon drums contained hazardous waste.

4. Two (2) 55-gallon drums were contained on a fourth pallet (Pallet No. 4). One (1) of the drums was labeled as "Proxima" and a second was labeled as "Mold Release". Neither of the drums on Pallet No. 4 was labeled with the words "hazardous waste" or marked with an accumulation start date. Both drums on Pallet No. 4 were covered with a significant amount of dust. At the time of the inspection, a representative of the Respondent stated that both drums contained hazardous waste.

On or about January 10, 2020, the Respondent submitted photos of the 55-gallon drums currently in the less than ninety (90) day hazardous waste storage area to the Department via email. The photos reveal the drums are properly labeled with the words "hazardous waste" and marked with an accumulation start date. On or about January 22, 2020, the Respondent submitted a copy of its Hazardous Waste Ninety (90) Day Storage Procedure, which states that containers stored in the less than ninety (90) day hazardous waste storage area shall be properly labeled with the words "hazardous waste" and marked with an accumulation start date.

- E. The Respondent failed to stack all containers in such a fashion that each container identification label can be read from the access aisle, as specified in LAC 33:V.2109.B, in accordance with LAC 33:V.1109.E.1.a.i. Specifically, at the time of the inspection, the following containers of hazardous waste located in the less than ninety (90) day hazardous waste storage area did not have labeling that was visible from the access aisle:
 1. Two (2) 55-gallon drums of hazardous waste labeled "waste paint" on Pallet No. 1 had labeling that was turned inward so that the label was not visible from the aisle.
 2. Two (2) 55-gallon drums of hazardous waste labeled "Iso/Poly, Major/Minor Poly, Rags, Cat Litter, and MEK" at the back of Pallet No. 2 had labeling that was not visible from the aisle.

On or about January 10, 2020, the Respondent submitted photos of the 55-gallon drums currently in the less than ninety (90) day hazardous waste storage area to the Department. The photos reveal the drums are stacked in such a fashion that the container identification labels can be read from the access aisle. On or about January 22, 2020, the Respondent submitted a copy of its Hazardous Waste Ninety (90) Day Storage Procedure, which states that containers stored in the less than ninety (90) day hazardous waste storage area shall be stacked in such a fashion that each container identification label can be read from the access aisle.

- F. The Respondent failed to keep hazardous waste containers closed during storage, except when necessary to add or remove hazardous waste, as specified in LAC 33:V.2107.A, in violation of LAC 33:V.1109.E.1.a.i. Specifically, one (1) of the 55-gallon drums on Pallet No. 2 located in the less than ninety (90) day hazardous waste storage area had a missing bung. At the time of the inspection, the facility was not adding or removing waste. All of the containers of hazardous waste that were present in the facility's less than ninety (90) day hazardous waste storage area at the time of the inspection have been properly disposed. On or about January 22, 2020, the Respondent submitted a copy of its Hazardous Waste Ninety (90) Day Storage

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Procedure, which states that all drums and totes are to be sealed properly. Additionally, the Respondent submitted a written response to the Department stating that all containers of hazardous waste located in the less than ninety (90) day hazardous waste storage area are closed except when necessary to add or remove hazardous waste.

- C. The Respondent stored regulated hazardous waste for more than ninety (90) days without a permit or other authorization, in violation of LAC 33:V.303.B. Specifically, one (1) 55-gallon drum on Pallet No. 3 had a label on top of the drum identifying the contents as "Oily Rags, Kitty Litter, MEK, Butanediol, Major/Minor Poly, and Iso" with an accumulation start date of September 12, 2018. On or about January 10, 2020, the Respondent verbally stated in a telephone conversation with a representative of the Department that the aforementioned drum had been properly disposed. The Respondent submitted a copy of hazardous waste disposal manifest 017574650JJK to document the drum was properly disposed of by Tradebe Treatment and Recycling on or about July 17, 2019.

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 Jennifer Boudreaux at (225) 219-3636 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.

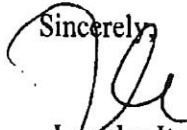
The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement 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**"

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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

LI/jmb
Alt ID No. LAD981512460

c: THE BAYOU COMPANIES – NEW IBERIA FACILITY
c/o Humberto Munoz
5200 Curtis Lane
New Iberia, LA 70560



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

ENFORCEMENT DIVISION

NOTICE OF POTENTIAL PENALTY

POST OFFICE BOX 4312

REQUEST TO SETTLE (OPTIONAL)

BATON ROUGE, LOUISIANA 70821-4312

Enforcement Tracking No.	HE-PP-19-01010	Contact Name	Jennifer Boudreaux
Agency Interest (AI) No.	5688	Contact Phone No.	(225) 219-3636
Alternate ID No.	LAD981512460		
Respondent:	Bayou Holdco, Inc.	Facility Name:	Bayou Holdco Inc – The Bayou Companies – New Iberia Facility
	c/o Louisiana Corporate & Registered Agent Services, Inc.	Physical Location:	5200 Curtis Lane
	Agent for Service of Process		
	3867 Plaza Tower Drive, 1 st Floor	City, State, Zip:	New Iberia, LA 70506
	Baton Rouge, LA 70816	Parish:	Iberia

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<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 (HE-PP-19-01010), 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 (HE-PP-19-01010), 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 (HE-PP-19-01010) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

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.

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: Jennifer Boudreaux