

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

STUPP COATINGS, LLC

AI # 27559

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

* Settlement Tracking No.
* SA-AE-20-0040
*
* Enforcement Tracking No.
* AE-PP-18-00692
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SETTLEMENT

The following Settlement is hereby agreed to between Stupp Coatings, 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 fusion-bonded pipe coating facility located in Baton Rouge, East Baton Rouge Parish, Louisiana (“the Facility”).

II

On June 26, 2019, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-18-00692 (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 THIRTY-FOUR THOUSAND FORTY-SEVEN AND 95/100 DOLLARS (\$34,047.95), of which Five Hundred Twenty-Nine and 96/100 Dollars (\$529.96) 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 East Baton Rouge 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.

STUPP COATINGS, LLC

BY: [Signature]
(Signature)

JOEY INDEST
(Printed)

TITLE: HSE MANAGER

THUS DONE AND SIGNED in duplicate original before me this 4th day of January, 20 21, at East Baton Rouge Parish

[Signature]
NOTARY PUBLIC (ID # 33284)

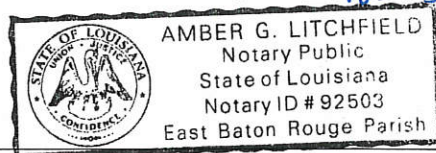
Rebecca R. Indest
(stamped or printed)

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 25th day of March, 20 21, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 92503)



(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

NOTICE OF POTENTIAL PENALTY



Enforcement Tracking No.	AE-PP-18-00692	Certified Mail No.	7012 2210 0001 1915 8497
Agency Interest (AI) No.	27559	Contact Name	Antoinette Cobb
Alternate ID No.	0840-00135	Contact Phone No.	(225) 219-3072
Respondent:	Stupp Coatings, LLC	Facility Name:	Stupp Coating LLC
	c/o Corporation Service Company	Physical Location:	12710 Leisure Road
	Agent for Service of Process		
	501 Louisiana Avenue	City, State, Zip:	Baton Rouge, LA 70807
	Baton Rouge, LA 70802	Parish:	East Baton Rouge

This NOTICE OF POTENTIAL PENALTY is issued 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 30:2050.3(B).

FINDINGS OF FACT

An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.

I.	The Respondent owns and/or operates a fusion-bonded pipe coating facility located at 12710 Leisure Road in Baton Rouge, East Baton Rouge Parish, Louisiana. The facility currently operates under Title V Permit No. 0840-00135-V6.
	Date of Violation Description of Violation
II.	<p>Inspection(s) & File Review 07/20/2016; 06/05/2019</p> <p>In the 2015 Annual Compliance Certification dated March 22, 2016, the Respondent reported the construction of a fifth natural gas heater prior to receiving authorization from the Department. The heater was constructed in December 2013. Failure to submit a permit application to the permitting authority prior to construction of the heater is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2). The unauthorized operation of the heater prior to issuance of a permit is a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The Respondent submitted a Title V Minor Modification Permit Application to the Department dated March 24, 2016, requesting the addition of the heater as a permitted emission source. Title V Permit No. 0840-00135-V5 was issued on June 9, 2016 and included Area Combustion Fugitives-Heater #5 (EQT 00015).</p>
III.	<p>File Review 06/05/2019</p> <p>In the 2018 First Semiannual Monitoring Report dated September 5, 2018, the Respondent reported the failure to meet the 99.95% removal efficiency. The High Solids Coating Baghouse (EQT 0017) was added as an emission source in Title V Permit No. 0840-00135-V6 issued on January 12, 2018. The Respondent began operating the High Solids Coating Unit prior to the installation of the baghouse. Failure to install and/or use a control device to aid in controlling the overall levels of air contaminants into the atmosphere is a violation of LAC 33:III.905.A and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Failure to meet the removal efficiency is a violation of Specific Requirement 33 of Title V Permit No. 0840-00135-V6, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). In a Request for Variance dated July 10, 2018, the Respondent requested a variance to allow an increase in particulate emissions due to an upcoming project involving high solids coating until the High Solids Coating Baghouse (EQT 0017) has been constructed. The variance was approved on July 30, 2018, and expired on February 1, 2019. The Respondent submitted a second Request for Variance dated January 23, 2019, prior to the expiration of the previous variance to continue the increase in particulate emissions until the High Solids Coating Baghouse (EQT 0017) has been constructed. The variance was approved on February 1, 2019 and will expire on August 1, 2019. In correspondence dated March 21, 2019, the Respondent reported 608.43 lbs of PM₁₀/PM_{2.5} was emitted in excess of the permit limit of 0.08 lb/hr prior to the issuance of the variance. Failure to comply with the permitted emission limit is a violation of Title V Permit No. 0840-00135-V6, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).</p>
IV.	<p>File Review 06/05/2019</p> <p>In the 2018 First Semiannual Monitoring Report dated September 5, 2018, the Respondent reported unpermitted particulate emissions. A process upset resulted in inconsistent coating application which was subsequently removed. The coating removal process resulted in unpermitted particulate emissions. The unpermitted emissions occurred from June 18, 2018 through July 6, 2018. The unpermitted emissions are a violation of LAC 33:III.501.C.2 and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). In a Request for Variance dated September 14, 2018, the Respondent requested a one (1) month variance for the use of temporary sand blasting equipment to remove inconsistent surface coating on piping. The activity would result in increased particulate emissions. The variance was approved on September 19, 2018, and expired on November 1, 2018.</p>

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 Antoinette Cobb at (225) 219-3072 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 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.
IV.	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.
V.	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.

CONTACTS AND SUBMITTAL OF INFORMATION

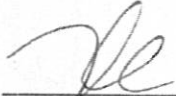
Enforcement Division:	Physical Address (if hand delivered):
Louisiana Department of Environmental Quality Office of Environmental Compliance Air Enforcement Division P.O. Box 4312 Baton Rouge, LA 70821 Attn: Antoinette Cobb	Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802

HOW TO REQUEST CLOSURE OF THIS NOTICE OF POTENTIAL PENALTY

To expedite closure of the **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 Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7.
- The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
- 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.

If you have questions or need more information, you may contact Antoinette Cobb at (225) 219-3072 or antoinette.cobb@la.gov.



 Lourdes Iturralde
 Assistant Secretary
 Office of Environmental Compliance

Date: 6-26-19

cc: Stupp Coatings, LLC
 c/o Mr. Joey Indest, Safety Manager
 12710 Leisure Road
 Baton Rouge, LA 70807

Attachment(s)
 - Request to Settle

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.	AE-PP-18-00692	Contact Name	Antoinette Cobb
Agency Interest (AI) No.	27559	Contact Phone No.	(225) 219-3072
Alternate ID No.	0840-00135		
Respondent:	Stupp Coatings, LLC	Facility Name:	Stupp Coating LLC
	c/o Corporation Service Company	Physical Location:	12710 Leisure Road
	Agent for Service of Process		
	501 Louisiana Avenue	City, State, Zip:	Baton Rouge, LA 70807
	Baton Rouge, LA 70802	Parish:	East Baton Rouge

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

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.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-18-00692), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-18-00692), 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.

- 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.

The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY** (AE-PP-18-00692) 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: Antoinette Cobb

If you have questions or need more information, you may contact Antoinette Cobb at (225) 219-3072 or antoinette.cobb@la.gov.