

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

BOARDWALK LOUISIANA MIDSTREAM,
LLC

AI # 154027

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

* Settlement Tracking No.
* SA-AE-22-0088
*
*
* Enforcement Tracking No.
* AE-PP-13-01111
*
*
*
*
*

SETTLEMENT

The following Settlement is hereby agreed to between Boardwalk Louisiana Midstream, 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 owned and/or operated a depropanizer facility located in Calcasieu Parish, Louisiana (“the Facility”).

II

On June 25, 2018, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. AE-PP-13-01111 (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 THIRTEEN THOUSAND AND NO/100 DOLLARS (\$13,000.00), of which Eight Hundred Ninety-Nine and 62/100 Dollars (\$899.62) 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 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 attached hereto.

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.

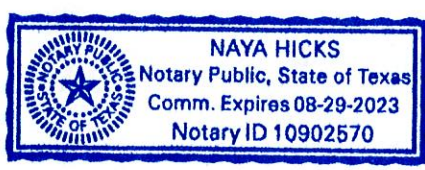
BOARDWALK LOUISIANA
MIDSTREAM, LLC

BY: [Signature]
(Signature)

Ms. Kimberly Tarr
(Printed)
VP of Eng. & Construction

TITLE: _____

THIS DONE AND SIGNED in duplicate original before me this 23rd day of March, 20 23, at Houston, Texas



[Signature]
NOTARY PUBLIC (ID # 10902570)

Naya Hicks
(stamped or printed)

LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY
Roger W. Gingles, Secretary

BY: [Signature]
Celena J. Cage, Assistant Secretary
Office of Environmental Compliance

THIS DONE AND SIGNED in duplicate original before me this 6th day of July, 20 23, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 66891)

Jay L. Glorioso
(stamped or printed)

Approved: [Signature]
Celena J. Cage, Assistant Secretary



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

June 25, 2018



CERTIFIED MAIL (7005 1820 0002 2095 9499)
RETURN RECEIPT REQUESTED

BOARDWALK LOUISIANA MIDSTREAM, LLC
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Ave.
Baton Rouge, LA 70802

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-13-01111
AGENCY INTEREST NO. 154027**

Dear Sir:

On or about June 25, 2013, through June 26, 2013, an inspection of **LAKE CHARLES DEPROPINIZER PLANT (the facility)**, owned and/or operated by **BOARDWALK LOUISIANA MIDSTREAM, LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located southwest of Dave Dugas Road and Louisiana Hwy 1133 junction near Sulphur in Calcasieu Parish, Louisiana. The facility previously operated under Minor Source Air Permit No. 0520-00403-00 issued June 3, 2008, and Minor Source Air Permit No. 0520-00403-01 issued October 18, 2013. Minor Source Air Permit No. 0520-00403-02 was issued June 9, 2016. On or about October 15, 2015, the Respondent submitted a notification of decommissioning and de-registration from the Chemical Accident Prevention Program. The notification states the facility is no longer functional and there are no plans to activate the station. In response to Warning Letter AE-L-13-0111, dated January 16, 2014, the Respondent stated that all deficiencies found during the inspection were corrected.

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 review conducted on January 20, 2018:

- A. The Respondent failed to develop a management system to oversee the implementation of the risk management program elements. Specifically, the facility did not have any documentation of a management system. This failure to develop a management system is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.15(a), and La. R.S. 30:2057(A)(2). Following

Boardwalk Louisiana Midstream, LLC
Notice of Potential Penalty
Page 2

- the inspection, the Respondent created a management document to address the responsibility of the risk management program.
- B. The Respondent failed to include equipment in the process safety information. Specifically, information on the pressure safety valve design basis could not be located at the facility. Additionally, piping and instrument diagrams were not covered. Each failure to include information is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.65(d)(1), and La. R.S. 30:2057(A)(2). Following the inspection, the Respondent's employees attended an eight (8) hour Process Safety Management and Risk Management class.
- C. The Respondent failed to address emergency shutdowns in the operating procedures. Specifically, the facility's emergency shutdown procedures did not address conditions under which an emergency shutdown is required or the assignment of shutdown responsibility to qualified operators for emergency shutdowns. Each operating procedure failure is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.69(a)(1)(iv), and La. R.S. 30:2057(A)(2). Following the inspection, the Respondent updated and expanded the emergency shut down procedures, including upper and lower operating limits.
- D. The Respondent failed to perform inspections and tests on process equipment with a frequency consistent with applicable manufacturers' recommendations and good engineering practices. Specifically, quarterly rotating equipment function checks were not performed on any pumps and semiannual safety device inspections were not performed on 170 of 171 instruments. Each inspection and testing failure is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.73(d)(3), and La. R.S. 30:2057(A)(2). Following the inspection, the Respondent designed Emergency Shutdown System (ESD) procedures and ESD equipment was installed in the first quarter of 2014.
- E. The Respondent failed to perform inspections and tests on process equipment. Specifically, none of the approximated eighteen (18) emergency shutdown devices were tested following their initial testing at start-up. Each inspection and testing failure is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.73(d)(1), and La. R.S. 30:2057(A)(2). Following the inspection, the Respondent designed Emergency Shutdown System (ESD) procedures and ESD equipment was installed in the first quarter of 2014.
- F. The Respondent failed to certify that it has evaluated compliance with the chemical accident prevention provisions at least every three (3) years. Specifically, the facility was built in 2008, but a compliance audit has not been conducted for the facility. At the time of the inspection, the Respondent scheduled a compliance audit for the facility in August 2013. This certification failure is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.79(a), and La. R.S. 30:2057(A)(2). Following the inspection, the Respondent hired a third

Boardwalk Louisiana Midstream, LLC
Notice of Potential Penalty
Page 3

party contractor to conduct a three year audit, which was completed on August 14, 2013.

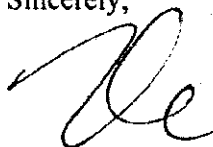
- G. The Respondent failed to, when selecting a contractor, obtain and evaluate information regarding the contract owner or operator's safety performance and programs. Specifically, the Respondent could not provide documentation that this requirement was satisfied. Each contractor evaluation failure is a violation of LAC 33:III.5901.A, which incorporates by reference 40 CFR 68.87(b)(1), and La. R.S. 30:2057(A)(2). Following the inspection, the Respondent established a company-wide Safety Orientation film for all employees and contractors entering the facility. Additionally, the Respondent issues scope of work documents with the required training and qualifications for contractors to perform services needed.

It is requested that you respond in writing within thirty (30) days of receipt of this Notice as to what actions will be taken to address the above noted violations and to prevent future violations of this nature. You may direct your response to Madison Kirkland at 225-219-3165 or at Madison.Kirkland@la.gov.

Further enforcement action may be taken if compliance is not promptly achieved. 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.

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/MLK/mlk
Alt ID No. 0520-00403

c: Boardwalk Louisiana Midstream, LLC.
David Nickel, Environmental Specialist
4470 Bluebonnet Blvd, Suite B
Baton Rouge, Louisiana 70809

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-13-0111	Contact Name	Madison Kirkland
Agency Interest (AI) No.	154027	Contact Phone No.	225-219-3165
Alternate ID No.	0520-00403		
Respondent:	Boardwalk Louisiana Midstream, LLC	Facility Name:	Lake Charles Depropanizer Plant
	c/o Corporation Service Company	Physical Location:	Southwest of Dave Dugas Rd and Louisian Hwy 1133 junction
	Agent for Service of Process		
	501 Louisiana Ave Baton Rouge, LA 70802	City, State, Zip: Parish:	Sulphur, LA 70665 Calcasieu

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-13-0111), 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-13-0111), 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.
	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-PP-13-0111) 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: Madison Kirkland