STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-14-0024**
BOLLINGER FOURCHON, L.L.C.	*	
BOLLINGER GRETNA, L.L.C.	*	
BOLLINGER AMELIA OPERATIONS, L.L.C.	*	
BOLLINGER LAROSE, L.L.C.	*	
	*	**Enforcement Tracking Nos.**
AI #s 27468, 2597, 40832, 130128	*	**AE-PP-10-00555**
	*	**AE-PP-10-00555A**
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	**Docket No. 2009-5169-EQ**
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Bollinger Fourchon, L.L.C. ("Fourchon"), Bollinger Gretna, L.L.C. ("Gretna"), Bollinger Amelia Operations L.L.C. ("Amelia Operations") and, Bollinger Larose, L.L.C. ("Larose") (each "Respondent" or collectively "Respondents") 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

Respondents are Limited Liability Companies that own and/or operate marine vessel repair facilities located in Lafourche Parish (Larose and Fourchon), St. Mary Parish (Amelia Operations) and Jefferson Parish (Gretna), Louisiana ("the facility or facilities").

II

On May 10, 2011, the Department issued to Respondents Notice of Potential Penalty, Enforcement No. **AE-PP-10-00555**, AI Nos. 2597, 40832 and 130128, which was based upon the following findings of fact:

"On or about April 14, 2011, a file review of Bollinger Gretna Facility, (Facility), AI No. 2597, owned and/or operated by Bollinger Shipyards, Inc. (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 at 4640 Peters Road in Harvey, Jefferson Parish, Louisiana. The facility currently operates under Louisiana State Air Permit Number 1340-00120-01. This permit was issued on or about February 14, 1992 to the Gretna Machine and Ironworks. The Respondent purchased the facility on August 8, 2000, and continues to operate under this permit.

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 file review:

A. On or about February 10, 2006, the facility submitted the 2005 paint, solvent, and thinner usage report, in accordance with Specific Condition No. 3 of State Air Permit No. 1340-00120-01. According to the report, the facility emitted approximately 20.0 tons per year (tpy) of volatile organic compounds (VOC) during painting operations, exceeding 19.13 tpy, the facility's permit limit. This failure to adhere to the terms of State Air Permit No. 1340-00120-01 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2)

B. On or about March 28, 2006, the facility submitted the 2005 Criteria Pollutant Emissions Certification Statement, in which the facility reported volatile organic compound emissions of approximately 27 tpy, exceeding the permit limit of 19.13 tpy. This failure to adhere to the terms of State Air Permit No. 1340-00120-01 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

C. On or about March 28, 2006, the facility submitted the 2005 Criteria Pollutant Emissions Certification Statement, in which the facility reported PM[10], (particulate matter), emissions of approximately 11 tpy, exceeding the permitted limit of 3.1 tpy. This failure to adhere to the terms of State Air Permit No. 1340-00120-01 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

D. On or about February 9, 2007, the facility submitted to the Department the 2006 paint, solvent, and thinner usage report, in accordance with

Specific Condition No. 3 of State Air Permit No. 1340-00120-01. According to the report, the facility emitted approximately 20.02 tpy of volatile organic compounds, (VOC), exceeding 19.13 tpy, the facility's permit limit. This failure to adhere to the terms of State Air Permit No. 1340-00120-01 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

E. On or about August 31, 2007, the facility resubmitted to the Department the 2006 Criteria Pollutant Emissions Certification Statement, in which the facility reported volatile organic compound emissions of approximately 23.87 tpy, exceeding the permit limit of 19.13 tpy. This failure to adhere to the terms of State Air Permit No. 1340-00120-01 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

F. On or about August 31, 2007, the facility resubmitted to the Department the 2006 Criteria Pollutant Emission Certification Statement, in which the facility reported PM[10] emissions of approximately 10.14 tpy, exceeding the permit limit of 3.1 tpy. This failure to adhere to the terms of State Air Permit No. 1340-00120-01 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

G. On or about January 31, 2008, the facility submitted to the Department the 2007 paint, solvent, and thinner usage report, in accordance with Specific Condition No. 3 of State Air Permit No. 1340-00120-01. According to the report, the facility emitted approximately 19.60 tpy of volatile organic compounds, exceeding 19.13 tpy, the facility's permit limit. This failure to adhere to the terms of State Air Permit No. 1340-00120-01 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

H. On or about February 10, 2009, the facility submitted to the Department the 2008 paint, solvent, and thinner usage report, in accordance with Specific Condition No. 3 of State Air Permit No. 1340-00120-01. According to the report, the facility emitted approximately 20.34 tpy of volatile organic compounds during painting operations, exceeding 19.13 tpy, the facility's permit limit. This failure to adhere to the terms of State Air Permit No. 1340-00120-01 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

On or about April 14, 2011, a file review of Bollinger Amelia Operations Facility (Facility), AI No. 130128, owned and/or operated by Bollinger Shipyards, Inc. (Respondent), was performed to determine the degree of compliance with the Act and the Air Quality

Regulations. The facility is located at 816 Bollinger Lane in Amelia, St. Mary Parish, Louisiana. The facility currently operates under Title V Permit Number 2660-00105-V1, which was issued on or about July 21, 2009. Previously, the facility operated under Title V Permit Number 2660-00105-V0, issued on or about April 16, 2007.

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

A. On or about May 1, 2008, the facility submitted a Criteria and Toxic Air Pollutant Certification Statement for 2007. According to the report, the benzene emissions for the facility were 0.135 tpy, which is greater than the permit limit, which requires that the benzene emissions remain below 0.13 tpy. This failure to adhere to the terms of Title V Permit No. 2660-00105-V0 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

B. On or about May 1, 2008, the facility submitted a Criteria and Toxic Air Pollutant Certification Statement 2007. According to the report, the xylene emissions for the facility were 21.58 tpy, which is greater than the permit limit of 17.01 tpy. The failure to adhere to the terms of Title V Permit No. 2660-00105-V0 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

C. On or about May 21, 2009, the facility submitted a Criteria and Toxic Air Pollutant Certification Statement 2008. According to the report, the xylene emissions for the facility were 17.92 tpy, which is greater than the permit limit of 17.01 tpy. The failure to adhere to the terms of Title V Permit No. 2660-00105-V0 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

On or about April 14, 2011, a file review of Bollinger Larose Operations Facility, AI# 40832, owned and/or operated by Bollinger Shipyards, Inc. (Respondent), was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The facility is located at 1515 Hwy 24 in Larose, Lafourche Parish, Louisiana. The facility currently operates under Title V Permit No. 1560-00049-V2, which was issued January 25, 2008. Previously, the facility operated under Title V Permit No. 1560-00049-V0, issued December 14, 1998, and Title

V Permit No. 1560-00049-V1, issued September 27, 2007.

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

A. On or about November 17, 2005, the facility submitted to the Department a Semiannual Monitoring Report for the period of January 1, 2005 through June 30, 2005. According to the report, the facility failed to submit deviation notifications for the period of January 1, 2005 through June 30, 2005. Each failure to submit a deviation report is a violation of Title V Permit No. 1560-00049-V0 General Condition R, LAC 33:III.501.C.4 and La R.S. 30:2057(A)(2).

B. On or about November 17, 2005, the facility submitted to the Department a Semiannual Monitoring Report for the period January 1, 2005 through June 30, 2005. According to the report, the facility failed to submit notification of emissions exceedances, in accordance with Louisiana General Permit Condition XI. Each failure to submit notification of emission exceedances is a violation of Title V Permit No. 1560-00049-V0, LAC 33:III.501.C.4 and La R.S. 30:2057(A)(2).

C. On or about March 30, 2006, the facility submitted to the Department a Criteria Pollutant Emissions Certification Statement for 2005. According to the report, the facility emitted 9 tons of PM[10]. This is greater than the permitted PM[10] emissions of 2.66 tpy. This failure to adhere to the terms of Title V Permit No. 1560-00049-V0 is in violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

D. On or about March 30, 2006, the facility submitted to the Department a Criteria Pollutant Emissions Certification Statement for 2005. According to the report, the facility emitted 2 tons of NO_x. This is greater than the permitted NO_x emissions of 0.20 tpy. This failure to adhere to the terms of Title V Permit No. 1560-00049-V0 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

E. On or about August 31, 2007, the facility submitted to the Department a Criteria Pollutant Emissions Certification Statement for 2006. According to the report, the facility emitted 9.60 tons of PM[10]. This is greater than the permitted PM[10] emissions of 2.66 tpy. This failure to adhere to the terms of Title V Permit No. 1560-00049-V0 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

F. On or about August 31, 2007, the facility submitted to the Department a Criteria Pollutant Emissions Certification Statement for 2006. It was stated in the report that the facility emitted 0.001614 tons of SO_2. According to Title V Permit No. 1560-00049-V0, the facility was not permitted for SO_2 emissions. These 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).

G. On or about March 21, 2008, the facility submitted to the Department a Semiannual Monitoring Report for the period of September 27, 2007 through December 31, 2007. According to the report, the facility failed to conduct daily visual emissions checks during painting operations, ARE0001, that occurred on or about October 6, 2007 and October 7, 2007, as required by State Specific Condition Number 146 of Title V Permit No. 1560-00049-V1. This failure is a violation of Title V Permit No. 1560-00049-V1, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

H. On or about March 21, 2008, the facility submitted to the Department a Semiannual Monitoring Report for the period of September 27, 2007 through December 31, 2007. According to the report, the facility failed to conduct daily visual emissions checks during the use of abrasive blasting caps, ARE0002, on or about October 6, 2007 and October 7, 2007, as required by State Specific Condition Number 146 of Title V Permit No. 1560-00049-V1. This failure is a violation of Title V Permit No. 1560-00049-V1, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

I. On or about March 21, 2008, the facility submitted to the Department a Semiannual Monitoring Report for the period of September 27, 2007 through December 31, 2007. According to the report, the facility failed to conduct daily visual emissions checks during welding activities, ARE0003, that occurred on or about October 6, 2007 and October 7, 2007, as required by State Specific Condition Number 146 of Title V Permit No. 1560-00049-V1. This failure is a violation of Title V Permit No. 1560-00049-V1, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

J. On or about March 21, 2008, the facility submitted to the Department a Semiannual Monitoring Report for the period of September 27, 2007 through December 31, 2007. According to the report, the facility failed to conduct daily visual emissions checks during metal cutting operations, ARE0004, that occurred on or about October 6, 2007 and October 7, 2007, as required by State Specific Condition Number 146 of Title V Permit No. 1560-00049-V1. This failure is a violation of Title V Permit No. 1560-00049-V1, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

K. On or about March 21, 2008, the facility submitted to the Department a Semiannual Monitoring Report for the period of September 27, 2007 through December 31, 2007. According to the report, the facility failed to conduct daily visual emissions checks during operation of EQT0012, Emergency Generator #1, on or about October 6, 2007 and October 7, 2007, as required by State Specific Condition Number 146 of Title V Permit No. 1560-00049-V1. This failure is a violation of Title V Permit No. 1560-00049-V1, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

L. On or about March 21, 2008, the facility submitted to the Department a Semiannual Monitoring Report for the period of September 27, 2007 through December 31, 2007. According to the report, the facility failed to conduct daily visual emissions checks during operation of EQT0013, Winch Diesel Engine, on or about October 6, 2007 and October 7, 2007, as required by State Specific Condition Number 146 of Title V Permit No. 1560-00049-V1. This failure is a violation of Title V Permit No. 1560-00049-V1, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

M. On or about March 21, 2008, the facility submitted to the Department a Semiannual Monitoring Report for the period of September 27, 2007 through December 31, 2007. According to the report, the facility failed to conduct daily visual emissions checks during the activities of EQT0014, Miscellaneous Combustion Sources, on or about October 6, 2007 and October 7, 2007, as required by State Specific Condition Number 146 of Title V Permit No. 1560-00049-V1. This failure is a violation of Title V Permit No. 1560-00049-V1, LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2).

N. On or about March 21, 2008, the facility submitted to the Department a Semiannual Monitoring Report for the period of September 27, 2007 through December 31, 2007. According to the report, the facility failed to conduct daily visual emissions checks during operation of EQT0015, Emergency Generator #2, on or about October 6, 2007 and October 7, 2007, as required by State Specific Condition Number 146 of Title V Permit No. 1560-00049-V1. This failure to adhere to the terms of Title V Permit No. 1560-0049-V1 is a violation of LAC 33:III.501.C.4, La R.S. 30:2057(A)(1), and 30:2057(A)(2)."

On April 20, 2015, the Department issued to Respondents an Amended Notice of Potential Penalty, Enforcement No. **AE-PP-10-00555A**, AI Nos. 2597, 40832 and 130128, ~~which was based upon the following findings of fact:~~

"The Louisiana Department of Environmental Quality (the Department) hereby amends the Notice of Potential Penalty, Enforcement Tracking No. AE-PP-10-00555, issued to Bollinger Shipyards, Inc. (Respondent) on May 10, 2011, in the above captioned matter as follows:

The Department hereby deletes subparagraphs F, G, H, K, L, M and N under the Bollinger Larose Operations Facility, AI# 40832, from the Notice.

The Department incorporates all of the remainder of the original Notice of Potential Penalty, Enforcement Tracking No. AE-PP-10-00555 and Agency Interest Nos. 2597, 40832 and 130128, as if reiterated herein."

The following violation, although not cited in the foregoing enforcement actions, are included within the scope of this settlement.

On or about April 15, 2008, the Respondent submitted a permit modification application to the Department for the Bollinger Fourchon facility, AI No. 27468, to include a dry dock compressor and associated fuel tank in the facility's current operating permit. The permit modification was approved and Minor Source Air Permit No. 1560-00140-02 was issued on February 19, 2010; however, the compressor and fuel tank were put into service prior to issuance of the modification sometime in January 2009. On or about January 30, 2009, the Respondent submitted a variance request to operate the equipment which was granted on June 2, 2009. Operation of the dry dock compressor and associated fuel tank from January 2009 through June 2, 2009, is a violation of Minor Source Air Permit No. 1560-00140-01, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

Since the issuance of the May 10, 2011 Notice of Potential Penalty, Enforcement No. AE-PP-10-00555, the status of the Bollinger Gretna Facility, Bollinger Amelia Operations Facility, and Bollinger Larose Operations Facility has changed. On April 23, 2012, the Bollinger

Gretna Facility ceased to be under the operation of Bollinger Gretna, L.L.C. The Bollinger Amelia Operations Facility was issued Title V Permit Number 2660-00105-V2 on December 18, 2012 and currently operates under this permit. The Bollinger Larose Operations Facility was issued Title V Permit Number 1560-00049-V4 on September 12, 2013 and currently operates under this permit.

In the Notice of Potential Penalty (NOPP) Enforcement No. AE-PP-10-00555, issued May 10, 2011, the Department listed the Respondent as Bollinger Shipyards, Inc. After further review, the Department has determined the proper Respondents are Bollinger Larose, L.L.C., Bollinger Gretna, L.L.C. and Bollinger Amelia Operations, L.L.C.

III

In response to the Notice of Potential Penalty, Respondents made a timely request for a hearing.

IV

Respondents deny that they committed any violations or that they are liable for any fines, forfeitures and/or penalties.

V

Nonetheless, Respondents, without making any admission of liability under state or federal statute or regulation, agree to pay, and the Department agrees to accept, a payment in the amount of SIX THOUSAND SIX HUNDRED TWENTY-SEVEN AND NO/100 DOLLARS ($6,627.00), of which Eight Hundred Seventy-Four and 26/100 Dollars ($874.26) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

VI

Respondents further agree that the Department may consider the permit, file reviews and the Notices 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 Respondents, and in any such action Respondents shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondents' compliance history.

VII

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 Respondents hereby waive 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.

VIII

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.

IX

The Respondents have caused a public notice advertisement to be placed in the official journal of the parish governing authority in Lafourche Parish, St. Mary Parish and Jefferson Parish, Louisiana. The advertisement, in form, wording, and size 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.

BOLLINGER FOURCHON, L.L.C.

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

BOLLINGER GRETNA, L.L.C.

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

BOLLINGER AMELIA OPERATIONS, L.L.C.

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

BOLLINGER LAROSE, L.L.C.

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: _____
D. Chance McNeely, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
D. Chance McNeely, Assistant Secretary