STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-WE-13-0037**
V&M TUBE-ALLOY, LLC	*	
	*	**Enforcement Tracking No.**
AI # 2708	*	**WE-CN-04-0585**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Vallourec Tube-Alloy, LLC, formerly known as V&M Tube-Alloy, 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 corporation that owns and/or operates a metal fabricating company located in Houma, Terrebonne Parish, Louisiana ("the Facility").

II

On December 21, 2011, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement No. WE-CN-04-0585, which was based upon the following findings of fact:

The Respondent owns and/or operates a metal fabricating company located at 1914 Grand Caillou Road in Houma, Terrebonne Parish, Louisiana. The Respondent was issued Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0103713 on November 22, 2000, with

an effective date of December 1, 2000. The Respondent failed to submit a permit renewal application in a timely manner, and LPDES permit LA0103713 expired on November 30, 2005. On or about June 6, 2007, the Respondent was authorized under LPDES General permit LAG530000 for sanitary discharges and was specifically assigned permit number LAG532264. LPDES permit LAG532264 expired on November 19, 2007, but was administratively continued until the Respondent was reauthorized on or about March 14, 2008, with an expiration date of November 30, 2012. On or about June 11, 2007, the Respondent was authorized under LPDES Multi-Sector General Permit LAR050000 for storm water discharges and was specifically assigned permit number LAR05N850. LPDES permit LAR05N850 expired on April 30, 2011, but was administratively continued until the Respondent was reauthorized on or about May 27, 2011, with an expiration date of May 3, 2016. Under the terms and conditions of LPDES permit LAG532264, the Respondent is authorized to discharge treated sanitary wastewater from Outfall 001 to local drainage, thence to Woodlawn Bayou, waters of the state. Under the terms and conditions of LPDES permit LAR05N850, the Respondent is authorized to discharge storm water runoff associated with industrial activity to Woodlawn Bayou, waters of the state.

A file review conducted by the Department on or about December 12, 2011, revealed that the Respondent did cause and/or allow the unauthorized discharge of wastewater to waters of the state. Specifically, the Respondent failed to submit a permit application in a timely manner and LPDES permit LA0103713 expired on November 30, 2005. The Respondent was reauthorized on or about June 6, 2007, and June 11, 2007, under LPDES permits LAG532264 and LAR05N850. The Respondent continued to discharge after the expiration of LPDES permit LA0103713 as evidenced by Discharge Monitoring Reports (DMRs) submitted to the Department. The unauthorized discharge of wastewater to waters of the state is a violation of La. R.S. 30:2075.

A file review conducted by the Department on or about December 12, 2011, revealed that the Respondent failed to submit a permit renewal application in a timely manner. Specifically, the Respondent was required by LPDES permit LA0103713 to submit a permit renewal application more than 180 days prior to the expiration of the permit, November 30, 2005. Permit applications were received by the Department on or about April 4 and May 16, 2007. The failure to submit a permit renewal application in a timely manner is a violation of LPDES permit LA0103713 (Part III, Sections A.2 and A.5), La. R.S. 30:2076 (A) (3), and LAC 33:IX.501.A.

An inspection conducted by the Department on or about December 10, 2003, and a subsequent file review conducted by the Department on or about December 12, 2011, revealed that the Respondent failed to submit DMRs as required by LPDES permits LA0103713, LAG532264, and LAR05N850. Specifically, the Respondent did not submit the DMRs required by LPDES permit LA0103713 for Outfall 001 for the 2nd quarter of 2003 and the 2nd quarter of 2004 through the 4th quarter of 2005. The Respondent failed to submit DMRs for Outfall 002 for the 1st half of 2003 and the 1st half of 2006. The Respondent also failed to submit the 2nd half of 2007 DMR required by LPDES permit LAG532264. In addition, the Respondent failed to submit the quarterly DMRs required by LPDES permit LAR05N850 for the 3rd and 4th quarters of 2007 and all four (4) quarters of 2009. The Respondent failed to submit the annual DMRs required by LPDES permit LAR05N850 for the 2007 and 2009 monitoring years. Each failure to submit DMRs prior to November 30, 2005, is a violation of LPDES permit LA0103713 (Part II, Section J and Part III, Sections A.2 and D.4), La. R.S. 30:2076 (A) (3), and LAC 33:IX.2701.L.4.a. Each failure to submit DMRs required by LPDES permit LAG532264 is a violation of LPDES permit LAG532264 (Part II, Section N and Part III, Sections A.2 and D.4), La. R.S. 30:2076 (A) (3), and LAC 33:IX.2701.L.4.a. Each failure to submit DMRs required by LPDES permit LAR05N850 is a violation of LPDES permit LAR05N850

(Part 5.4.1, Part 6.AA.4, and Part 7.1), La. R.S. 30:2076 (A) (3), and LAC 33:IX.2701.L.4.a.

A file review conducted by the Department on or about December 12, 2011, revealed that the Respondent failed to submit DMRs in a timely manner. The Respondent was required to submit quarterly DMRs for Outfall 001 and semiannual DMRs for Outfall 002 no later than the 28th day of the month following the end of the monitoring period. DMRs were not received on time for the 1st quarter of 2004 for Outfall 001 and for the 2nd half of 2003 through the 2nd half of 2004 for Outfall 002. Each failure to submit DMRs in a timely manner is a violation of LPDES permit LA0103713 (Part II, Section J and Part III, Sections A.2 and D.4), La. R.S. 30:2076 (A) (3), and LAC 33:IX.2701.L.4.

A file review conducted by the Department on or about December 12, 2011, revealed that the Respondent failed to timely notify the Department of a name change to the company. Specifically, the Respondent changed its name from V&M Tube-Alloy, LP, to V&M Tube-Alloy, LLC, effective December 31, 2008. The Respondent was required to submit a completed Name/Ownership/Operator change Form (NOC-1 form) prior to or no later than forty-five (45) days after the name change. The Department received the NOC-1 form on or about November 10, 2011. The failure to timely submit a completed NOC-1 form is a violation of La. R.S. 30:2076 (A) (3) and LAC 33:I.1905.A.

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/DOLLARS ($10,000.00), of which Five Hundred Seventy-Five and

55/100 Dollars ($575.55) 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 Consolidated Compliance Order & 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

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Terrebonne 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.

IX

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).

X

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XI

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.

VALLOUREC TUBE-ALLOY, LLC
(V&M TUBE-ALLOY, LLC)

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: _____
Cheryl Sonnier Nolan, 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: _____
Cheryl Sonnier Nolan, Assistant Secretary