

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	Settlement Tracking No.
	*	SA-MM-17-0008
CORNERSTONE CHEMICAL COMPANY	*	
	*	Enforcement Tracking No.
AI # 1357	*	AE-CN-14-00035
	*	HE-PP-15-00059
PROCEEDINGS UNDER THE LOUISIANA	*	HE-PP-16-00485
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, <u>ET SEQ.</u>	*	

SETTLEMENT

The following Settlement is hereby agreed to between Cornerstone Chemical Company (“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 business corporation that owns and/or operates Fortier Manufacturing Complex, located at 10800 River Road in Waggaman, Jefferson Parish, Louisiana (“the Facility”).

II

On August 25, 2014, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-14-00035 (Exhibit A).

On April 20, 2015, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. HE-PP-15-00059 (Exhibit B).

On March 15, 2017, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. HE-PP-16-00485 (Exhibit C).

The following violations, although not cited in the foregoing enforcement action(s), are included within the scope of this settlement.

- A. According to an unauthorized discharge report dated July 2, 2014, an ammonia release on June 27, 2014 resulted from a pinhole leak during welding operations. This is a violation of LAC 33:III.905.A.
- B. According to the 2nd Semiannual Monitoring and Deviation Report dated March 30, 2015, an ammonia release on November 13, 2014, occurred due to the unexpected failure of a level indicator on the East Ammonia Chiller. This is a violation of LAC 33:III.905.A.
- C. According to the 1st Semiannual Monitoring and Deviation Report dated September 18, 2014, on May 29, 2014, operation of the VH-3 Central Flare during an upset event dropped below the 200 BTU/scf and above the exit velocity of 60 ft/sec regulatory requirements. This is a violation of specific requirement 40 and 41 of Title V Permit No. 1981-V3, 40 CFR 60.18(c)(3)(ii), and 40 CFR 60.18(c)(4)(i).
- D. According to the 1st Semiannual Monitoring and Deviation Report dated September 18, 2014, on June 7, 2014, a release of ammonia occurred due to over-pressurization of a positive displacement pump (P-222A). 67.4 pounds of ammonia were released over 4 minutes. This is a violation of LAC 33:III.905.A.
- E. According to the 1st Semiannual Monitoring and Deviation Report dated September 18, 2014, on June 13, 2014, a release of ammonia occurred during an upset event caused by unexpected failure of a pressure gauge. This is a violation of specific requirements 103 and 104 of Title V Permit No. 1981-V3. This is a violation of LAC 33:III.905.A.

- F. According to the 2nd Semiannual Monitoring and Deviation Report dated March 16, 2015, the Respondent failed to timely conduct six-month visual inspection of filter elements as required for EQT 16, 25, 26, 27, and 28. This is a violation of specific requirements 3, 57, 66, 71, 79, 103, 104, and 110 of Title V Permit No. 1981-V3.
- G. According to the 2nd Semiannual Monitoring and Deviation Report Dated March 16, 2015, on October 19, 2014, a release of ammonia occurred due to a process upset (pluggage) within the melamine plant. Approximately 37 pounds of ammonia were vented for 30 minutes. The permitted emission limit for EQT 0038 (0.04 lb/hr) was exceeded. This is a violation of LAC 33:III.501.C.4.
- H. from referral AE-15-01276; Not Yet Cited In An Action- The Department received an unauthorized discharge notification report for incident ID:163461 from the Respondent dated May 11, 2015, regarding a release that occurred on May 4, 2015. According to the Respondent, this incident was preventable. The upset resulted in the release of approximately 320 pounds of ammonia, which exceeds the reportable quantity for ammonia. The facility failed to have control facilities in place to prevent the release. The failure to have control facilities in place is a violation of LAC 33:III.905.
- I. from referral AE-16-00244; Not Yet Cited In An Action- During the inspection on November 12, 2015, it was determined in the review of the Sulfuric Acid opacity tracking system that on 3/3/2015 the facility did not complete opacity readings and records. The failure to complete opacity records is a violation of LAC 33:III.1101.B.
- J. Not Yet Cited In An Action- According to the Respondent's letter s dated June 30, 2015, and October 20, 2016, the respondent discovered 381 components that there were not part of the LDAR fugitive emission components program in the plants: Melamine Plant, that

operate under Title V No. 1981-V3, Acrylonitrile Plant, that operate under Title V No. 2195-V5, and Utilities Plant/Site Services, that operate under Title V No. 2306-V3. Each is a violation of LAC 33:III.501.C.4.

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 FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00), of which Five Thousand Eight Hundred Sixty and 66/100 Dollars (\$5,860.66) 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), Consolidated Compliance Order & Notice of Potential Penalty and 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 Jefferson 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 D).

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.

CORNERSTONE CHEMICAL CORPORATION

BY: [Signature]
(Signature)

PAUL C MIKESCU
(Printed)

TITLE: C.O.O.

THUS DONE AND SIGNED in duplicate original before me this 2nd day of August, 20 17, at Waggaman, LA.

[Signature]
NOTARY PUBLIC (ID # 137062)

WILMA G. DALY
Notary Public
Notary ID No. 137062
(stamped or printed)
Jefferson Parish, Louisiana
Commission Expires at Death

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 20th day of December, 20 17, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 20456)

Tel R. Boyle, II
(stamped or printed)

Approved: [Signature]
Lourdes Iturralde, Assistant Secretary

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

August 25, 2014

CERTIFIED MAIL (7004 2510 0006 3853 1427)
RETURN RECEIPT REQUESTED

CORNERSTONE CHEMICAL COMPANY

c/o C T Corporation System
Agent for Service of Process
5615 Corporate Boulevard, Suite 400B
Baton Rouge, LA 70808

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-14-00035
AGENCY INTEREST NO. 1357**

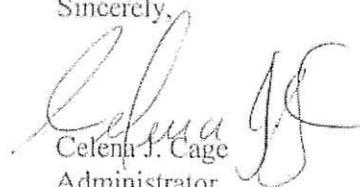
Dear Sir:

Pursuant to the Louisiana Environmental Quality Act (La. R.S. 30:2001, et seq.), the attached **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is hereby served on **CORNERSTONE CHEMICAL COMPANY (RESPONDENT)** for the violations described therein.

Compliance is expected within the maximum time period established by each part of the **COMPLIANCE ORDER**. The violations cited in the **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** could result in the issuance of a civil penalty or other appropriate legal actions.

Any questions concerning this action should be directed to Roy Andermann Jr. at 225.219.3169 or roy.andermann@la.gov.

Sincerely,


Celenia J. Cage
Administrator
Enforcement Division

CJC/RJA
Alt ID No. 1340-00001
Attachment



c: Cornerstone Chemical Company
c/o Eifion S. Jones
10800 River Road
Westwego, LA 70094

STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

IN THE MATTER OF	*	
	*	
CORNERSTONE CHEMICAL COMPANY	*	ENFORCEMENT TRACKING NO.
JEFFERSON PARISH	*	
ALT ID NO. 1340-00001	*	AE-CN-14-00035
	*	
	*	AGENCY INTEREST NO.
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT,	*	1357
La. R.S. 30:2001, ET SEQ.	*	

CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **CORNERSTONE CHEMICAL COMPANY (RESPONDENT)** 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 particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B).

FINDINGS OF FACT

I.

The Respondent owns and/or operates Fortier Manufacturing Complex, located at 10800 River Road in Waggaman, Jefferson Parish, LA (the Facility). The Facility operates or has operated under the authority of the following Title V Air Permits:

UNIT	PERMIT	ISSUE DATE	EFFECTIVE EXPIRATION DATE
Utilities	2306-V2	6/18/2010	10/12/2011
	2306-V3	10/13/2011	6/18/2015
Urea/Melamine	1981-V2	6/10/2010	9/26/2011
	1981-V3	9/27/2011	06/10/2015

UNIT	PERMIT	ISSUE DATE	EFFECTIVE EXPIRATION DATE
Acrylonitrile	2195-V3	12/18/2008	11/09/2011
	2195-V4	11/10/2011	06/26/2013
	2195-V5	6/27/2013	6/27/2018
Sulfuric Acid Regeneration	594-V2	2/3/2010	8/7/2011
	594-V3	8/8/2011	8/8/2016

II.

On or about March 1, 2011, ownership and operation of the Fortier Manufacturing Complex and all associated permits were transferred to Cornerstone Chemical Company from Cytec Industries Inc.

III.

On or about July 1, 2013, December 3, 2013, and March 11, 2014, the Department conducted file reviews to determine the Respondent's degree of compliance with the Act, the Air Quality Regulations, and all applicable permits from March 1, 2011 through December 31, 2013. The Facility was inspected on March 27, March 28, May 13, October 12, November 8, November 16, November 27, November 28, November 29, December 10, and December 12, 2012. While the review is not complete, the Department noted the violations found in paragraphs IV-XIII of the Findings of Fact portion of this enforcement action during the inspections listed and file reviews.

IV.

The Respondent reported the following releases:

	REPORT (Date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (Duration)	POLLUTANTS RELEASED	QUANTITY REPORTED (lbs)	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
A.	Release Notification for Incident 129616 (3/3/2011)	594-V2	Sulfuric Acid Plant Stack (EQT 051)	3/1/2011 (3 hr)	Sulfur trioxide	804	During startup, excess SO ₂ emissions were released until acid reached an adequate temperature in the Final Absorption Tower Loop.	LAC 33.III.905.A
B.	Release Notification for Incident 133205 (8/19/2011), Title V 2011 2 nd Semiannual Monitoring and Deviation Report (3/30/2012)	594-V3	Shell side of X-05 heat exchanger (FUG 003)	8/18/2011 (14.33 hr)	Sulfur dioxide	114.38	Thermal shock caused a leak in the system beneath insulation on a heat exchanger	LAC 33.III.905.A
C.	Release Notification for Incident 134332 (10/4/2011)	1981-V3	Ammonia absorber F-201 (FUG 0002)	10/4/2011 (.53 hr)	Ammonia	253	A leak occurred on the sight glass for ammonia absorber F-201. The glass had been replaced beforehand due to a crack on the inner glass. A gasket on the new sight glass failed. Cause of failure could not be determined, but one possibility is that the sight glass assembly was improperly torqued from the supplier.	LAC 33.III.905.A

	REPORT (Date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (Duration)	POLLUTANTS RELEASED	QUANTITY REPORTED (lbs)	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
D.	Release Notification for Incident 134598 (10/13/2011)	1981-V3	Peroni Carbamate Pump (FUG 0002)	10/13/2011 (.06 hr)	Carbamate (Ammonia, Carbon Dioxide, Water)	220 lbs ammonia	A pipe bushing failed.	LAC 33:III.905.A
E.	Release Notification for Incident 135245 (11/15/2011), Correspondence dated 8/5/2013	2306-V3	Overhead line, ship to storage tank over River Road in front of Facility (FUG 0002)	11/11/2011 (6 hr)	Ammonia	87 lbs	A gasket failure in a blind flange caused a leak that resulted in minor offsite impact that resulted in River Road closing.	LAC 33:III.905.A
F.	Release Notification for Incident 136174 (2/14/2012)	2195-V4	Heads 1 rupture disk line (FUG 0005)	12/28/2011	Hydrogen Cyanide	<1	While the Heads 1 Column was down and decontaminated, mechanics attempted to drill through a plugged drain line and a small amount of liquid (1-2 ounces) and vapor came out. An injury resulted, but could have been avoided through proper hazard recognition, proper PPE use, etc.	LAC 33:III.905.A
G.	Release Notification for Incident 138230 (3/30/2012)	594-V3	X-04 exchanger inlet ducts (FUG 0003)	3/23/2012 (1.33 hr)	Sulfur trioxide	220	Rainwater and sulfur trioxide mixed to form a hot weak acid which is extremely corrosive to metals, causing a leak.	LAC 33:III.905.A
H.	Release Notification for Incident 138362 (4/4/2012)	1981-V3	Central Flare (EQT 0023)	3/26/2012	Ammonia	>100	Failure of a pressure switch on P-222A resulted in high pressure which lifted the PSV on the 3 rd ammonia preheater and ammonia was vented to the flare. This was due to a sudden failure of a pressure indicator which caused a PSV to vent to the flare. The flare pilots remained lit, but plant personnel observed possible incomplete combustion.	LAC 33:III.905.A
I.	Release Notification for Incident 138581 (4/4/2012), Correspondence dated 8/5/2013	594-V3	First pass outlet of acid plant converter to X-03 exchanger (FUG 0003)	4/4/2012 (2 hr)	Sulfur dioxide	1 st hour 12.88 and 2 nd hour 7.97 lbs	Thermal shock caused a duct leak.	LAC 33:III.905.A
J.	Release Notification for Incident 139685 (5/18/2012)	2195-V4	Absorber Vent (RLP 008)	5/13/2012 (4 hr)	Acrylonitrile Acrolein	2500 50	A vent valve on reactor 3 was unintentionally activated.	LAC 33:III.905.A
K.	Release Notification for Incident 140256 (6/12/2012)	1981-V3	Central Flare (EQT 0023)	6/6/2012 (.13 hr)	Ammonia	330	A chunk of melamine plugged the Hydrocyclone in the Quench section of the Melamine Plant. When working to clear this plug, the Hydrocyclone was vented to T-1003 which vents to the Central Flare. Flare operating parameters were not exceeded, but it was observed that the flare was "puffing".	LAC 33:III.905.A

	REPORT (Date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (Duration)	POLLUTANTS RELEASED	QUANTITY REPORTED (lbs)	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
L.	Release Notification for Incident 140920 (7/5/2012)	2195-V4	Safety pressure relief device on Acrylonitrile 5K Storage Tank (EQT 0175)	6/28/2012 (.52 hr)	Acrylonitrile	1176	A weighted manway lodged open. This occurred as a result of a pressure safety device relieving pressure to avoid rupturing the storage tank and persisted due to the malfunction of the same pressure safety device not reseating.	LAC 33:III.905.A
M.	Release Notification for Incident 140879 (7/3/2012)	1981-V3	Central Flare (EQT 0023)	6/29/2012 (.02 hr)	Ammonia	130	Only one of two PSVs lifted at a pressure lower than its set point in the Quench Section, and there was no pressure indication to alert workers of a pressure increase. The vapors were vented to the Central Flare. Routine maintenance was performed on PSV-2207 on 3/28/2012 (~3 months prior to this event).	LAC 33:III.905.A
N.	Release Notification for Incident 141719 (8/8/2012)	1981-V3	XPV-1201 flange lens ring (FUG 0002)	8/1/2012 (.22 hr)	Ammonia	296	The temperature of the ammonia feeding the autoclave dropped suddenly due to a process upset in the Urea Plant, and the temperature drop caused a high pressure rated flange to cool faster than the studs holding the flange together, loosening the flange and allowing an ammonia leak to occur.	LAC 33:III.905.A
O.	Release Notification for Incident 143075 (9/24/2012)	1981-V3	North Peroni Pump (FUG 0002)	9/18/2012 (.07 hr)	Ammonia	125	A tubing check valve cracked in half.	LAC 33:III.905.A
P.	Release Notification for Incident 144197 (12/20/2012)	2306-V3	Ammonia line at 25K Ammonia Storage Tank (EQT 116)	10/26/2012 (.16 hr)	Ammonia	694	A third party contractor crew was conducting a Hot Tap on an ammonia line. The line was penetrated. The open/close lever on bleeder valve was found to be reversed.	LAC 33:III.905.A
Q.	Release Notification for Incident 144558 (11/16/2012)	2306-V3	Building 270 scrubber device (EQT 113)	11/8/2012 (25.67 hr)	Ammonia	171	A valve malfunctioned and a leak occurred in a contractor installed stopple.	LAC 33:III.905.A

Each release of emissions is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

V.

The Respondent reported the following violations from permitted operating parameters:

	REPORT (Date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (Duration)	OPERATING PARAMETER	POLLUTANTS INVOLVED	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
A.	Title V 2012 2 nd Semiannual Monitoring and Deviation Report (3/27/2013)	1981-V3	Central Flare (EQT 0023)	8/1/2012 (.5 hr)	Heat content >200BTU/scf	Ammonia	A hydrocyclone in the Melamine Plant became plugged. Average BTU/scf dropped below the required 200 BTU due to clamps on natural gas to flare (to prevent extinguishing the flare). The natural gas flow to the flare was limited after the previous incident to prevent pulling air into the ignition zone, thus causing incomplete combustion. The flare functioned with no visible emissions, however the BTU value dropped below 200 for 30 minutes.	Specific requirement 40, 40 CFR 60.18(c)(3)(ii)
B.	Title V 2012 2 nd Semiannual Monitoring and Deviation Report (3/27/2013)	1981-V3	Central Flare (EQT 0023)	12/28/2012 (2.62 hr)	Exit velocity <60 ft/sec	Ammonia	The K-1101X Ammonia Compressor tripped offline. The Quench section in Melamine Plant vented to the flare. The Flare averaged 85 ft/sec in the second hour of deviation and 64 ft/sec in third hour.	Specific requirement 41, LAC 33:III.501.C.4

Each failure to operate according to permitted requirements is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

VI.

The Respondent reported the following violations from monitoring requirements:

	REPORT (Date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE	MONITORING PARAMETER	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
A.	Title V 2011 1 st Semiannual Monitoring and Deviation Report (9/26/2011)	1981-V2	Filter Vents (EQT 0016, EQT 0017, EQT 0018, EQT 0021, EQT 0024, EQT 0025, EQT 0026, EQT 0027, EQT 0028, EQT 0050)	4/5/2011 – 4/6/2011	Filter Vents: Visible emissions monitored by visual inspection daily	Missed day shift inspections as a result of upset conditions. Night shift inspections were completed, but not within the midnight-to-midnight timeframe. Cornerstone's night shift workers' shifts ran from 7:00 PM - 7:00 AM. For 4/5/2011, the night shift readings were obtained at 4:50 AM on 4/6/2011. For 6/2/2011, the night shift readings were obtained at 4:09 AM on 6/3/2011.	Specific requirements 4, 10, 16, 23, 59, 65, 73, 76, and 82, LAC 33:III.501.C.6
B.				6/2/2011 – 6/3/2011			

	REPORT (Date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE	MONITORING PARAMETER	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
C.	Title V 2011 1 st Semiannual Monitoring and Deviation Report (9/26/2011)	1981-V2	Melamine Flare, Central Flare (EQT 0022, EQT 0023)	4/5/2011 – 4/6/2011	Monitor flares to ensure that they are operated and maintained in conformance with their designs.	Missed day shift inspections as a result of upset conditions. Night shift inspections completed, but not within the midnight-to-midnight timeframe. Cornerstone's night shift workers' shifts ran from 7:00 PM - 7:00 AM. For 4/5/2011, the night shift readings were obtained at 4:50 AM on 4/6/2011. For 6/2/2011, the night shift readings were obtained at 4:09 AM on 6/3/2011.	Specific requirements 30 and 42, 40 CFR 60.18(d)
D.	Title V 2011 1 st Semiannual Monitoring and Deviation Report (9/26/2011)	1981-V2	Melamine Flare, Central Flare (EQT 0022, EQT 0023)	6/2/2011 – 6/3/2011	Monitor flares to ensure that they are operated and maintained in conformance with their designs.	Missed day and night shifts missed the inspection rounds. Readings were resumed on 1/3/2012 at 9:32 AM.	Specific requirements 30 and 42, 40 CFR 60.18(d)
E.	Title V 2012 1 st Semiannual Monitoring and Deviation Report (9/12/2012)	1981-V3	Filter Vents (EQT 0016, EQT 0017, EQT 0018, EQT 0021, EQT 0022, EQT 0023, EQT 0024, EQT 0025, EQT 0026, EQT 0027, EQT 0028, EQT 0050)	1/2/2012	Filter Vents: Visible emissions monitored by visual inspection daily	Both day and night shifts missed the inspection rounds. Readings were resumed on 1/3/2012 at 9:32 AM.	General Condition X, Specific requirements 4, 10, 16, 23, 59, 65, 72, 78, 85, LAC 33.III.501.C.6
F.	Title V 2012 2 nd Semiannual Monitoring and Deviation Report (3/25/2013)	594-V3	Sulfuric Acid Plant (UNF 0004)	2009 - 2011	Continuous documentation of equipment / operational data by electronic or hard copy	Mechanical Integrity Inspections on two piping sections were not conducted within the required time frame.	Specific requirements 70 and 71, 40 CFR 68.73(d)(4)
G.	Title V 2013 1 st Semiannual Monitoring and Deviation Report (9/24/2013)	594-V3	Sulfuric Acid Plant Stack (EQT 0051)	3/27-28/2013 (20.5 hr)	Sulfur dioxide <=4 lb/ton of sulfuric acid produced	Sample line of Analyzer AI-476 was found to be plugged and data during this time was not recorded.	Specific requirement 3, 40 CFR 60.82(a)

Each failure to monitor as required is a violation of any applicable permit and associated requirement(s) listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).

VII.

The Respondent reported the following emission exceedances:

	REPORT (Date)	PERMIT NUMBER or UNIT	EMISSION POINT	INCIDENT DATE (Duration)	POLLUTANTS RELEASED, PERMIT LIMIT	QUANTITY REPORTED (lbs)	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
A.	Release Notification for Incident 132033 (6/24/2011)	1981-V2	Central Flare (EQT 0023)	6/24/2011 (.1 hr)	Ammonia, 26.4 lb/hr	852	A block valve on the P-1006 pump was improperly installed. A new gas ring had been installed on the flare during the previous outage before this incident. Cornerstone later confirmed with the flare vendor that the new flare ring supplied was pulling too much air into the ignition zone thus causing the flare to extinguish unexpectedly.	Emission rates for TAP/HAP and other pollutants, Permit No. 1981-V2, LAC 33.III.501.C.4

	REPORT (Date)	PERMIT NUMBER or UNIT	EMISSION POINT	INCIDENT DATE (Duration)	POLLUTANTS RELEASED, PERMIT LIMIT	QUANTITY REPORTED (lbs)	REPORTED CAUSE	REGULATORY or PERMIT REQUIREMENTS
B.	Release Notification for Incident 139685 (5/18/2012)	2195-V4	Absorber Vent (RLP 008)	5/13/2012 (4 hr)	Acrylonitrile, 257 lb/hr	2500	A vent valve on reactor 3 was unintentionally activated.	Emission rates for TAP/HAP and other pollutants, Permit No. 2195-V4, LAC 33.III.501.C.4
C.	Title V 2012 2 nd Semiannual Monitoring and Deviation Report (3/27/2013)	1981-V3	Seal leg on the T-9 Effluent Tank (FUG 0002)	11/5/2012 (0.83 hr)	Ammonia, 24.79 lb/hr	68	A seal leg on the T-9 Effluent Tank lost its seal.	Emission rates for TAP/HAP and other pollutants, Permit No. 1981-V3, LAC 33.III.501.C.4
D.	Release Notification for Incident 144558 (11/16/2012)	2306-V3	Building 270 scrubber device (EQT 113)	11/8/2012 (25.67 hr)	Ammonia, 0.14 lb/hr	171	A valve malfunctioned and a leak occurred in a contractor installed stopple.	Emission rates for TAP/HAP and other pollutants, Permit No. 2306-V3, LAC 33.III.501.C.4

VIII.

The Respondent reported the following recordkeeping violations:

	INSPECTION OR REPORT (Date)	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE	RECORD REQUIREMENT	REPORTED CAUSE	SPECIFIC REQUIREMENT or REGULATION
A.	Title V 2011 1 st Semiannual Monitoring and Deviation Report (9/26/2011)	2306-V2	Baghouse Lime Storage Silo (EQT 107)	1/9/2011 – 1/19/2011 (5 nonconsecutive days)	Maintain files, for at least five years, of all results of opacity and visible emissions observations	Missing data due to an error using handheld device.	Specific requirement 69, LAC 33:III.1311.C, 40 CFR 63.10(b)(2)(viii)
B.	RMP Inspections (11/27-29/2012, 12/10/2012, 12/12/2012), Title V 2012 2 nd Semiannual Monitoring and Deviation Report (3/25/2013)	594-V3	UNF 0004	N/A	Retain process hazards analyses for the life of the process	Original PHA's for 4 systems could not be located in records retention. Permit condition stipulates records to be kept for life of process.	Specific requirement 58, 40 CFR 68.67(g), LAC 33:III.5901.A
C.	RMP Inspections (11/27-29/2012, 12/10/2012, 12/12/2012), Title V 2012 2 nd Semiannual Monitoring and Deviation Report (3/25/2013)	594-V3	UNF 0004	N/A	Obtain and evaluate information regarding the contract owner or operator's safety performance and programs, when selecting a contractor.	Recordkeeping / documentation for contractor safety program evaluations was not available.	Specific requirement 93, 40 CFR 68.87(b)(1), LAC 33:III.5901.A
D.	Title V 2012 2 nd Semiannual Monitoring and Deviation Report (3/27/2013)	2306-V3	Baghouse Lime Storage Silo (EQT 107)	7/2/2012 – 7/3/2012; 9/1/2012 – 9/2/2012	Opacity <= 20 percent, except emissions may have an average opacity in excess of 20 percent for not more than one six minute period in any 60 consecutive minutes	Daily opacity checks were conducted, but electronic recordkeeping shows that Daily Opacity Checks were performed late. Cornerstone has set up daily notifications to supervision and management if checks are not entered by certain time.	Specific requirements 14, 61, 62, 72, LAC 33:III.501.C.4, LAC 33:III.1311.C
E.	Title V 2012 2 nd Semiannual Monitoring and Deviation Report (3/27/2013)	2306-V3	Flare Stack – 25K Ammonia Storage Tank EQT 116	9/1/2012 – 9/3/2012			Specific requirements 21, 61, 62, 72, LAC 33:III.501.C.4, LAC 33:III.1311.C

Each failure to maintain the required records is a violation of any applicable permit and associated permit requirement listed above, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

IX.

According to the Title V 2011 2nd Semiannual Monitoring and Deviation Report for the Sulfuric Acid Regeneration Unit dated March 30, 2012, the following violation was noted:

The Respondent failed to inform employees involved in operating a process, and maintenance and contract employees whose job tasks will be affected, of a change in the process. The Respondent was also required to train them in the change, prior to start-up of the process or affected part of the process. This is a violation of LAC 33:III.5901.A as described in 40 CFR 68.75(c), Specific Requirement 74 of Title V Permit No. 594-V3, and La. R.S. 30:2057(A)(2).

X.

As a result of RMP inspections on November 27 through 29, 2012, and December 10 and 12, 2012 for the Sulfuric Acid Regeneration Unit, the following violations were noted. The violations were included in the Title V 2012 2nd Semiannual Monitoring and Deviation Report dated March 25, 2013:

The Respondent failed to update and revalidate the PHAs at least every five years after completion of initial PHA to assure the PHAs are consistent with the current process. Records must be kept for the life of the process. The period of noncompliance for three PHAs were May 18 to 26, 2011 (17-0-41), March 25 to May 3, 2012 (17-0-19), and May 22 to June 19, 2012 (17-0-13). Failure to complete PHAs on the 5-year schedule is a violation of Specific requirements 57 and 58 of Title V Permit No. 594-V3, LAC 33:III.5901.A, 40 CFR 68.67(f), and La. R.S. 30:2057(A)(2).

XI.

As a result of inspections by the Department on November 27, 28, 29, and December 10 and 12, 2012, the following violations were noted:

- A. The Respondent failed to maintain documentation for 5 years that contractors were periodically evaluated on safely performing their jobs. This is a violation of LAC 33:III.5901.A as described in 40 CFR 68.200 and La. R.S. 30:2057(A)(2).

- B. The Respondent failed to implement procedures for the inspection, testing, and maintenance of emergency response equipment. The emergency response plan requires the facility to conduct a yearly fire extinguisher maintenance inspection in accordance with NFPA 10, which the facility's Emergency Plan states all equipment would comply with. Yearly maintenance inspections required under NFPA 10 were only done for the MMA Plant in 2012. No other units had yearly maintenance inspections in 2012. Yearly maintenance inspections on extinguishers have not been done in previous years anywhere in the facility. This is a violation of LAC 33.III.5901.A as described by 40 CFR 68.95(a)(2) and La. R.S. 30:2057(A)(2).
- C. The Respondent failed to provide specific training in the relevant procedures to members of the Emergency Response Team as stated in the Emergency Response Plan. Out of four (4) members chosen at random by the inspector, one (1) had received the required annual refresher. This is a violation of LAC 33.III.5901.A as described by 40 CFR 68.95(a)(3) and La. R.S. 30:2057(A)(2).

XII.

According to the Respondent's Title V 2013 1st Semiannual Monitoring report for the Utilities Plant dated September 26, 2013, the following violation was noted:

The Respondent incorporated EQT 209, EQT 210, EQT 211, EQT 212, and EQT 213, emergency engines subject to 40 CFR 63 Subpart ZZZZ, as insignificant activities in Title V Permit No. 2306-V3 when they should have been included as permitted emission points. The engines were compliant with 40 CFR 63 ZZZZ by May 3, 2013, and a Regulatory Permit for each engine was issued on August 13, 2013 for EQT 209 and EQT 210, and August 14, 2013 for EQT 211, EQT 212, and EQT 213. The unauthorized operation of the engines from March 1, 2011, until August 2013, is a violation of Title V Permit No. 2306-V3, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

XIII.

According to the Respondent's Title V 2013 1st Semiannual Monitoring report for the Acrylonitrile Plant dated September 20, 2013, the following violation was noted:

The Respondent's Acrylonitrile Plant conducts marine barge loading operations for which 40 CFR 63.560, Subpart Y, apply. The initial applicability evaluation concluded that Subpart Y did not apply, but subsequent analysis showed otherwise. The initial Notice of Compliance Status included a Method 22 test, but no records are

available to show that Method 22 was performed during 3 complete loading cycles, as required by 40 CFR 565(e). An initial performance test report and notification of compliance status for 40 CFR 63 Subpart Y was sent to the Department on June 20, 2014. Failure to initially test according to 40 CFR 565(e) and report the results according to 40 CFR 63.567(d) is a violation of specific requirements 170 and 171 of Title V Permit No. 2195-V5, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

COMPLIANCE ORDER

Based on the foregoing, the Respondent is **hereby ordered**:

I.

To take, immediately upon receipt of this **COMPLIANCE ORDER**, any and all steps necessary to meet and maintain compliance with the Act, the Air Quality Regulations, and all applicable permits.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, an updated quantity, including the methods used, of ammonia released during the incident that took place on March 28, 2012.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, a written report that includes a detailed description of the circumstances surrounding the cited violations and actions taken or to be taken to achieve compliance with the Order Portion of this **COMPLIANCE ORDER**. This report and all other reports or information required to be submitted to the Enforcement Division by this **COMPLIANCE ORDER** shall be submitted to:

Office of Environmental Compliance
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312
Attn: **Roy Andermann, Jr.**
Re: **Enforcement Tracking No. AE-CN-14-00035**
Agency Interest No. 1357

THE RESPONDENT SHALL FURTHER BE ON NOTICE THAT:

I.

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this **COMPLIANCE ORDER**. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this **COMPLIANCE ORDER**.

II.

The request for an adjudicatory hearing shall specify the provisions of the **COMPLIANCE ORDER** on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the following:

Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. AE-CN-14-00035
Agency Interest No. 1357

III.

Upon the Respondent's timely filing a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this **COMPLIANCE ORDER** may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:950, et seq.), and the Department's Rules of Procedure. The Department may amend or supplement this **COMPLIANCE ORDER** prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV.

This **COMPLIANCE ORDER** shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent's right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V.

The Respondent's failure to request a hearing or to file an appeal or the Respondent's withdrawal of a request for hearing on this **COMPLIANCE ORDER** shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this **COMPLIANCE ORDER** becoming a permanent part of its compliance history.

VI.

Civil penalties of not more than twenty-seven thousand five hundred dollars (\$27,500) for each day of violation for the violation(s) described herein may be assessed. For violations which occurred on August 15, 2004, or after, civil penalties of not more than thirty-two thousand five hundred dollars (\$32,500) may be assessed for each day of violation. The Respondent's failure or refusal to comply with this **COMPLIANCE ORDER** and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars (\$50,000) for each day of continued violation or noncompliance.

VII.

For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

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 Roy Andermann Jr. at 225.219.3169 or roy.andermann@la.gov 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 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 violation(s) 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 that statement.

IV.

This **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is effective upon receipt.

Baton Rouge, Louisiana, this 25 day of August, 2014.



Cheryl Sonnier Nolan
Assistant Secretary
Office of Environmental Compliance

Copies of a request for a hearing and/or related correspondence should be sent to:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821-4312
Attention: Roy Andermann Jr.

BOBBY JINDAL
GOVERNOR



PEGGY M. HATCH
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

April 20, 2015

CERTIFIED MAIL (7005 1820 0002 2365 4223)
RETURN RECEIPT REQUESTED

CORNERSTONE CHEMICAL COMPANY

c/o C T Corporation System
Agent for Service of Process
5615 Corporate Blvd., STE. 400B
Baton Rouge, LA 70808

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. HE-PP-15-00059
AGENCY INTEREST NO. 1357**

Dear Sir:

On or about November 14, 2013, and November 19, 2013, inspections of **CORNERSTONE CHEMICAL COMPANY**, a treatment, storage, and disposal facility, owned and/or operated by **CORNERSTONE CHEMICAL COMPANY (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 10800 River Road in Waggaman, Jefferson 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 inspections:

- A. The Respondent failed to document significant deteriorations relating to the hazardous waste tank secondary containment structures in the daily tank inspection logs, as specified in LAC 33:V.1911.C.2, in violation of LAC 33:V.1911.G, LAC 33:V.309.A, and Permit Condition V.A.6.b(1)(c) of Hazardous Waste Operating Permit LAD008175390-OP-RN-1. Specifically, the Respondent failed to document the hazardous waste tank secondary containment deteriorations (i.e., cracks and gaps) on the daily inspection reports on the following dates:
 - a. The Respondent failed to note moderate cracks in the MET secondary containment area, on the daily inspection report dated June 25, 2013. A third party inspection performed on June 26, 2013, noted moderate cracks in the MET secondary containment area.
 - b. The Respondent failed to note abraded areas in the secondary containment lining for the South Battery Waste Treatment (SBWT) tank area on the daily



inspection report dated November 18, 2013. The Department noted abraded areas during an inspection conducted on November 19, 2013.

- c. The Respondent failed to note cracks in the secondary containment for the North Battery Waste Treatment (NBWT) tank area on the daily inspection report dated November 18, 2013. The Department noted cracks in this area during an inspection conducted on November 19, 2013.

The Respondent submitted photographs of these areas of concern to the Department on January 20, 2014, demonstrating that repairs to these areas have been completed. Therefore, this violation has been addressed.

- B. The Respondent failed to maintain hazardous waste storage tanks' secondary containment structures free of cracks and gaps, in violation of LAC 33:V.309.A, LAC 33:V.1509.C, and LAC 33:V.1907.E.1.c.7, & Permit Conditions III.E and V.A.6.b(2) of Hazardous Waste Operating Permit LAD008175390-OP-RN-1. Specifically, the November 19, 2013, inspection noted cracks in the NBWT Containment Area and in the MET Secondary Containment Area; a facility representative noted that no work orders were in place to repair these cracks. The November 19, 2013, inspection also noted abraded areas in the secondary containment system liner in the SBWT containment area; a facility representative noted that no work orders were in place to repair these areas. The Respondent submitted photographs of these areas of concern to the Department on January 20, 2014, demonstrating that repairs to these areas have been completed. Therefore, this violation has been addressed.
- C. The Respondent failed to take tank thickness measurements from each quadrant of the tank top, bottom, and shell of its permitted hazardous waste storage tanks, in violation of LAC 33:V.309.A and Permit Condition V.A.6.e(2) of Hazardous Waste Operating Permit LAD008175390-OP-RN-1. Specifically, the Respondent failed to take a thickness reading on the roof of hazardous waste tank 100-6. However, at the time of the inspection, the Respondent conducted tank thickness measurements as required by Permit Condition V.A.6.e(2) of Hazardous Waste Operating Permit LAD008175390-OP-RN-1. Therefore, this violation has been addressed.

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 Bradley Taylor at (225) 219-3805 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**

Notice of Potential Penalty
CORNERSTONE CHEMICAL COMPANY
Page 3

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.

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,

A handwritten signature in black ink, appearing to read "D. Chance McNeely". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

D. Chance McNeely
Assistant Secretary
Office of Environmental Compliance

DCM/BST/bst
Alt ID No. LAD008175390



JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE
March 15, 2017

CERTIFIED MAIL (7014 1200 0000 7863 8492)
RETURN RECEIPT REQUESTED

CORNERSTONE CHEMICAL COMPANY
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Dr.
Baton Rouge, LA 70816

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. HE-PP-16-00485
AGENCY INTEREST NO. 1357**

Dear Sir:

On or about February 3, 2016 and February 4, 2016, an inspection of a treatment, storage, and disposal facility, owned and/or operated by **CORNERSTONE CHEMICAL COMPANY (RESPONDENT)**, was 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 10800 River Road in Waggaman, Jefferson Parish, Louisiana.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violation was noted during the course of the inspection:

The Respondent failed to document significant deteriorations relating to the hazardous waste tank secondary containment structures in the daily tank inspection logs, in violation of LAC 33:V.1911.G, LAC 33:V.309.A, LAC 33:V.1509.D and Permit Condition V.A.6.b(1)(c) of Hazardous Waste Operating Permit LAD008175390-OP-RN-1. Specifically, the Respondent failed to document the following observations and/or findings on the daily inspection reports for the following dates:

- a. The Respondent failed to note moderate and high severity containment problems (crack and sealant problems) on the daily inspection reports for the North and South Battery Waste Treatment (SBWT & NBWT) tank areas that were noted on a third party inspection report dated May 26, 2016. Specifically, the problems were not noted on the daily inspection reports from



- the week prior to the third party inspection or on daily inspection reports from the week after the third party inspection was made.
- b. The Respondent failed to note moderate severity containment problems (sealant problems) on the daily inspection reports on May 18, 2015 through May 25, 2015, for the MET tank area. The third party inspection reports noted the problems during the May 26, 27 and 29, 2015 inspections. Specifically, these problems were not noted on the daily inspection reports for the week prior to the third party inspection.

The Respondent addressed the above-referenced violation by requesting a Class 1 Permit Modification of Permit LAD 008175390-RN-OP-1. The Department's Waste Permit Division approved and issued the modification on December 21, 2016, to clarify the intent and record keeping requirements of the daily and third party engineer inspections.

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 Tom Cranford at (225) 219-3095 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.

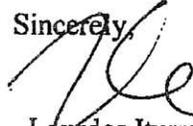
For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. 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**" 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.

The NOTICE OF POTENTIAL PENALTY will not be closed if the Respondent owes outstanding fees to the Department. Please contact the Financial Services Division at 225-219-3865 or via email at _DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees.

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/TLC/tlc
Alt ID No. LAD008175390

