STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-20-0037**
BRIDGELINE HOLDINGS, L.P.	*	
	*	**Enforcement Tracking No.**
AI #s 24330, 24332, 27281	*	**AE-PP-18-00948**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Bridgeline Holdings, L.P. ("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 partnership that owned and/or operated facilities located in Cameron Parish, Vermilion Parish, and Assumption Parish, Louisiana ("the Facilities").

II

On January 10, 2020, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-18-00948 (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 FIFTEEN THOUSAND SEVEN HUNDRED AND NO/100 DOLLARS ($15,700.00), of which One Thousand Four Hundred Thirty-Five and 35/100 Dollars ($1,435.35) 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 Cameron Parish, Vermilion Parish, and Assumption Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

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

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

BRIDGELINE HOLDINGS, L.P.

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
Chuck Carr Brown, Ph.D., Secretary

BY: _____
Lourdes Iturralde, 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: _____
Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

EXHIBIT
1

January 10, 2020

CERTIFIED MAIL (7004 2510 0006 3853 3032)
RETURN RECEIPT REQUESTED

BRIDGELINE HOLDINGS, L.P.
c/o C T Corporation System
Agent for Service of Process
3867 Plaza Tower Drive
Baton Rouge, LA 70816

RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-PP-18-00948
AGENCY INTEREST NOS. 24330, 24332, and 27281

Dear Sir/Madam:

On or about August 23, 2018, an inspection of **GRAND CHENIER COMPRESSOR STATION** (Agency Interest No. 24330, the facility), a natural gas pipeline compressor station, owned and/or operated by **BRIDGELINE HOLDINGS, L.P. (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 4119 Grand Chenier Highway in Grand Chenier, Cameron Parish, Louisiana. The facility currently operates under the Title V Air Permit No. 0560-00058-V8 issued on January 12, 2015.

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 file review performed on October 3, 2019:

> The Respondent failed to keep records of oil and filter changes on four (4) Waukesha Engines (CRG001). Specifically, the Respondent is required to conduct oil and filter changes every 2,160 hours of operation or annually, whichever comes first. The Respondent failed to maintain record of oil and filter changes in 2016 for EQT002, EQT003, EQT004, and EQT005 and in 2017 for EQT002, EQT004, and EQT005. Each failure to maintain the required records is a violation of Specific Requirement No. 60 of Title V Permit No. 0560-00058-V8, LAC 33:III.535, 40 CFR 63.6655, which language has been adopted as a Louisiana regulation in LAC 33:III.5122, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated December 21, 2018, the Respondent stated oil analyses were performed immediately upon discovery and the analytical results verified the oil in each of the four units were within manufacture and

regulatory specifications. Additionally, the Respondent stated a reoccurring annual work order was created in the internal work order system, which notifies the facility operators of the tasks to be completed.

On or about September 5, 2018, an inspection of **HENRY COMPRESSOR STATION** (Agency Interest No. 24332, the facility), a natural gas transmission facility, owned and/or operated by the 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 5625 Aristide Road, Henry, Vermillion Parish, Louisiana. The facility previously operated under the Title V Air Permit No. 2940-00025-V3 issued on February 3, 2014. The facility currently operates under Title V Air Permit No. 2940-00025-V4 issued on May 3, 2019.

While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection and subsequent file review performed on October 3, 2019:

A. The Respondent failed to keep records of oil and filter changes on Emergency Generator EP-3 (EQT0003) from November 1, 2014 until September 15, 2016. Specifically, the Respondent failed to maintain records of oil and filter changes every 500 hours of operation or annually, whichever comes first. Each failure to maintain the required records is a violation of Specific Requirement No. 12 of Title V Permit No. 2940-00025-V3, 40 CFR 63.6655, which language has been adopted as a Louisiana regulation in LAC 33:III.5122, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In the 2016 1st Semiannual Report dated September 26, 2017, the Respondent stated oil and filter changes were conducted on September 15, 2016. Additionally, the Respondent created oil change inspection forms and communicated to operations to complete the form, keep records, and to input into the automated work order system.

B. The Respondent failed to keep records on inspections of spark plugs on Emergency Generator EP-3 (EQT0003) from November 1, 2014 until September 15, 2016. Specifically, the Respondent failed to maintain records of inspections on spark plugs every 1,000 hours of operation or annually, whichever comes first. Each failure to maintain the required records is a violation of Specific Requirement No. 12 of Title V Permit No. 2940-00025-V3, 40 CFR 63.6655, which language has been adopted as a Louisiana regulation in LAC 33:III.5122, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In the 2016 Title V 1st Semiannual Report dated September 26, 2017, the Respondent stated spark plugs were inspected on September 15, 2016.

On or about September 6, 2018, an inspection of **NAPOLEONVILLE STORAGE FACILITY** (Agency Interest No. 27281, the facility), a natural gas transmission facility, owned and/or operated by the 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 1282 Highway LA-70 South in Belle Rose, Assumption Parish, Louisiana. The facility previously operated under the Title V Air Permit No. 0200-00002-V7 issued on August 27, 2015, Title V Air Permit No. 0200-00002-V8 issued on December 5, 2016, and Title V Air Permit No. 0200-00002-V9 issued on August 23, 2018. The facility currently operates under the Title V Air Permit No. 0200-00002-V10 issued on November 7, 2019.

While the investigation by the Department is not yet complete, the following violations were noted during the course of the inspection and subsequent file review performed on October 3, 2019:

A. The Respondent failed to control air emissions by failing to connect the process vent to a control device. Specifically, the Respondent reported the following in the 2017 1st Half Periodic Report dated September 27, 2017 and 2017 2nd Half Periodic Report dated February 28, 2018:

	PERMIT NUMBER	EMISSION POINT	INCIDENT DATE (duration)	EMISSIONS RELEASED	OPERATING PARAMETER	REPORTED CAUSE	CORRECTIVE ACTION
a	0200-00002-V8	PCS 0001-Glycol Regeneration Unit (EQT0007 and EQT0008)	3/18/2017-3/22/2017 (97 hours)	184.6 pounds of volatile organic compounds (VOC)	Control air emissions by connecting the process vent to a control device or a combination of control devices through a closed-vent system.	Vapor recovery system was offline due to a malfunction of the vapor recovery blower. Sampling intervals were increased gas to aid in determining the need to operate the glycol dehydrator based on moisture content during the outage.	In electronic correspondence dated October 21, 2019, the Respondent stated that the facility had issues with seals leaking and bearings becoming seized on the blower system. The pillar block bearings seized up on the blower. The facility ordered new bearings and installed them once they were received from the manufacturer.
b			8/7/2017-8/8/2017 (36.5 hours)	82,411 mscf of gas			In electronic correspondence dated October 21, 2019, the Respondent stated that the facility had issues with seals leaking and bearings becoming seized on the blower system. The first downtime event occurred when operations discovered a seal leaking. A new seal was ordered and replaced. On a separate occasion, bearings failed and seized on the shaft of the blower. As a result, operations had to send the shaft to a machine shop to remove and seize the bearings and re-machine the shaft.
c			8/17/2017 (24 hours)	16,706 mscf of gas			
d			8/25/2017 (24 hours)	3,050 mscf of gas			
e			8/29/2017 (24 hours)	14,885 mscf of gas			
f			9/3/2017 (14 hours)	8,160 mscf of gas			
g			10/28/2017 (24 hours)	189,189 mscf of gas			

Each failure to control emissions is a violation of Specific Requirement 26 of Title V Permit No. 0200-00002-V8, LAC 33:III.501.C.4, 40 CFR 63.1275(b)(1)(i), which language has been adopted as a Louisiana regulation in LAC 33:III.5122, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Additionally, in electronic correspondence dated October 21, 2019, the Respondent stated that operations regularly inspects the vent system and repairs the system each time it malfunctions. The Respondent reinstalled a new demister pad, which aided in collecting all water vapor instead of it encountering the blower and purchased a new stainless steel blower and housing, which will be installed once it is received. In response to Warning Letter, Enforcement Tracking No. AE-L-19-00338, dated June 7, 2018, the Respondent stated that the annual uncontrolled volatile organic compounds (VOC) emissions were conservatively calculated to be 743.9 pounds, which did not exceed the permitted emissions limitations of 4.07 tons per year for 7.7 MMBTu/hr Reboiler No. 1 Stack 1 (EQT007) and 7.7 MMBTu/hr Reboiler No. 1 Stack 2 (EQT008) in the Glycol Regeneration unit.

B. The Respondent's 2017 Annual Compliance Certification dated March 29, 2018, and 2017 2nd Semiannual Monitoring Report dated March 29, 2018, failed to clearly identify instances of deviation from permitted monitoring requirements. Specifically, deviations were not included in the aforementioned reports that were in the 2017 1st Half 40 CFR 63 Subpart HHH Periodic Report dated September 27, 2017, and the 2017 2nd Half 40 CFR 63 Subpart HHH Periodic Report dated February 28, 2018. Each failure to identify deviations in the aforementioned reports is a violation of Specific Requirement No. 95 of Title V Permit No. 0200-00002-V8, LAC 33:III.535 General Conditions K and M, LAC 33:III. 501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated June 7, 2018, the Respondent stated the date of all corresponding Semiannual Periodic Reports will be referenced in all future Part 70 Semiannual Monitoring Report and Annual Compliance Certification submittals.

C. The Respondent failed to submit the following 40 CFR 63 Subpart HHH Periodic reports 60 calendar days after the end of the applicable reporting period:

	REPORT	DATE SUBMITTED	DUE DATE	REPORTING PERIOD	CORRECTIVE ACTION
a	2016 1st Half Periodic Report	Not submitted	August 29, 2016	January 1, 2016 through June 30, 2016	In correspondence dated June 7, 2019, the Respondent stated an electronic compliance tracking system has been instituted to avoid missing future submittal deadlines.
b	2016 2nd Periodic Report	Not submitted	March 1, 2017	July 1, 2016 through December 31, 2016	
c	2017 1st Half Periodic Report	September 27, 2017	August 29, 2017	January 1, 2017 through June 30, 2017	

Each failure to timely submit periodic reports is a violation of Specific Requirement No. 40 of Title V Permit No. 0200-00002-V8, LAC 33:III.501.C.4, 40 CFR 63.1285(e), which language has been adopted as a Louisiana regulation in LAC 33:III.5122, and La. R.S. 30.2057(A)(2).

D. The Respondent failed to submit stack test results within 60 days of completing a performance test. Specifically, the Respondent submitted the stack tests results for a performance test conducted on June 30, 3016 untimely for Compressor Engines EQT0001, EQT0002, EQT0003, and EQT0004. The results were due August 29, 2016 but were not submitted until September 8, 2016. The failure to timely submit stack tests results is a violation of Specific Requirement No. 59 of Title V Permit No. 0200-00002-V7, LAC 33:III.501.C.4, and La. R.S. 30.2057(A)(2). In correspondence dated June 7, 2019, the Respondent stated an electronic compliance tracking system has been instituted to avoid missing future submittal deadlines.

E. The Respondent reported the following recordkeeping violations:

	REPORT (date)	PERMIT NUMBER	EMISSION POINT	REPORTED DEVIATION	PERMITTED REQUIREMENT	SPECIFIC REQUIREMENT	CORRECTIVE ACTION
a	2016 1st Semiannual Report (9/8/2016)	0200-00002-V7	Emergency Generator Engine (EQT0006)	The Respondent failed to keep records of oil and filter changes and inspections of all hoses and belts every 500 hours or annually. Specifically, the Respondent could not produce these records on EQT0006 from November 1, 2014 until August 3, 2016.	Change oil and filter every 500 hours of operation or annually, whichever comes first	Specific Requirement No. 69	In correspondence dated June 7, 2019, the Respondent stated that EQT0006 operated 4.5 hours in 2014 and 0 hours in 2015. Upon discovery, the deficiencies were addressed on August 3, 2016. Additionally, the Respondent created an oil change and inspection form and generated a reoccurring work order in their internal work order system to prevent reoccurrences.
b					Inspect all hoses and belts, and replace as necessary. Equipment/operational data monitored by visual inspection/determination annually or every 500 hours of operation, whichever comes first.		
c				The Respondent failed to keep records of inspections of all spark plugs every 1,000 hours or annually. Specifically, the Respondent could not produce these records on EQT0006 from November 1, 2014 until August 3, 2016.	Inspect spark plugs. Equipment/operational data monitored by visual inspection/determination annually or every 1,000 hours of operation, whichever comes first.		

Each failure to maintain the required records for EQT0006 is a violation of Title V Permit No. 0200-00002-V7, 40 CFR 63.6655, which language has been adopted as a Louisiana regulation in LAC 33:III.5122, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

F. In the Amended 2018 Title V 2nd Semiannual Report dated November 12, 2019, the Respondent reported the failure to record daily inspections for visible emissions on Flare 01-Flare (EQT0015) from August 23, 2015 to September 6, 2018. This is a violation of Specific Requirement No. 92 of Title V Permit No. 0200-00002-V9, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). In correspondence dated June 7, 2019, the Respondent stated a flare log has been implemented to record daily inspections of visible emissions.

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 Madison Kirkland at (225) 219-3165 or at Madison.Kirkland@la.gov 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.Chapter 7. 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.

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 Nos. 0560-00058, 2940-00025, and 0200-00002

c: Bridgeline Holdings, L.P.
Ronald McCabe, Lead Environmental Field Specialist
1722 Routh Street, Suite 1300
Dallas, TX 75201

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE
ENFORCEMENT DIVISION
POST OFFICE BOX 4312
BATON ROUGE, LOUISIANA 70821-4312

NOTICE OF POTENTIAL PENALTY
REQUEST TO SETTLE *(OPTIONAL)*

Enforcement Tracking No.	AE-PP-18-00948	**Contact Name**	Madison Kirkland
Agency Interest (AI) Nos.	24330, 24332, and 27281	**Contact Phone No.**	225-219-3165
Alternate ID Nos.	0560-00058 and 2940-00025	**Contact Email**	Madison.Kirkland@la.gov
Respondent:	**Bridgeline Holdings, L.P.**	**Facility Name:**	Grand Chenier Compressor Station
	c/o C T Corporation System	**Physical Location:**	4119 Grand Chenier Hwy.
	Agent for Service of Process		
	3867 Plaza Tower Drive	**City, State, Zip:**	Grand Chenier, LA 70643
	Baton Rouge, LA 70816	**Parish:**	Cameron
	[redacted]	**Facility Name:**	Henry Compressor Station
		Physical Location:	5625 Aristide Road
		City, State, Zip:	Henry, LA 70533
		Parish:	Vermillion
		Facility Name:	Napoleonville Storage Facility
		Physical Location:	1282 Highway LA-70 South
		City, State, Zip:	Belle Rose, Louisiana, 70341
		Parish:	Assumption

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:I.Subpart1.Chapter7.
____	In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-18-00948), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
____	In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (AE-PP-18-00948), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay $_____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. • Monetary component = $_____ • Beneficial Environmental Project (BEP)component (optional)= $_____ • *DO **NOT** SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.*
	The Respondent has reviewed the violations noted in **NOTICE OF POTENTIAL PENALTY** (AE-PP-18-00948) 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