

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

**SPECIALTY APPLICATION SERVICES,
INC.**

AI # 11059

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

* **Settlement Tracking No.**
* **SA-AE-24-0065**
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* **Enforcement Tracking Nos.**
* **AE-CN-18-00400**
* **AE-CN-21-00625**
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Specialty Application Services, Inc. ("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 corporation that owns and/or operates a cleaning, blasting, and coating facility located in Port Allen, West Baton Rouge Parish, Louisiana ("the Facility").

II

On May 13, 2021, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-18-00400 (Exhibit 1).

On March 22, 2022, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-21-00625 (Exhibit 2).

The following violations, although not cited in the foregoing enforcement actions, are

included within the scope of this settlement:

During the course of the inspection, the Department's inspector observed an engine powered generator that is used by the facility covered with a blue tarp. The generator was located in a parking lot south of the main office building next to portable fuel storage tanks. The generator is manufactured on a trailer chassis to be portable, but a representative of the Respondent stated the generator doesn't leave the site and as a result is not used as a portable generator. The engine powered generator is not included in Title V Air Permit No. 3120-00073-V2. The Respondent failed to submit a permit modification application pertaining to a new or modified source prior to commencement of construction, reconstruction, or operation of the engine. This is a violation of LAC 33:III.501.C.1 and La. R.S. 30:2057(A)(2). Additionally, the Respondent failed to permit the engine at the facility as an emission source prior to the commencement of operation. The unauthorized operation of the engine is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

The Respondent failed to fully enclose the item, or surround the structure to be blasted. Specifically, at the time of the inspection, the Department's inspector observed that the blasting area was not fully enclosed. The facility was not conducting blasting activities at the time of the inspection. However, there is no enclosed area for the blasting to occur. A representative of the Respondent stated during the inspection that blasting is conducted using some screens along the perimeter but not fully enclosing the blasting area. The failure to fully enclose the item, or surround the structure, to be blasted is a violation of Specific Requirement No. 29 of Title V Air Permit No. 3120-00073-V2, LAC 33:III.1329.A.1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

The Respondent failed to submit the 2022 Annual Usage Reports for Coating Metal Surfaces (ARE 0001) to the Office of Environmental Compliance, Enforcement Division, by the due date of

March 31, 2023. This is a violation of Specific Requirement No. 22 of Title V Air Permit No. 3120-00073-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The report was submitted on or about July 7, 2023.

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 FOURTEEN THOUSAND AND NO/100 DOLLARS (\$14,000.00), of which Two Thousand Four Hundred Nine and 41/100 Dollars (\$2,409.41) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement 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 Orders & Notices of Potential Penalty and this Settlement Agreement 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 Settlement 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 Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

VII

This Settlement Agreement 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 Agreement, 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 West Baton Rouge Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement 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 Agreement 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 thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Settlement Agreement is voidable at the option of the Department. The Respondent shall provide its tax identification number when submitting payment. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form attached hereto.

XI

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

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.

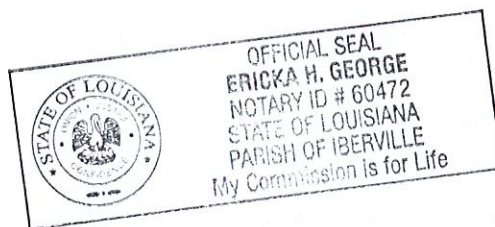
**SPECIALTY APPLICATION SERVICES,
INC.**

BY: Alicia Rosenquist
(Signature)

Alicia Rosenquist
(Printed)

TITLE: Secretary / Treasurer

THUS DONE AND SIGNED in duplicate original before me this 23 day of
December, 20 24, at Port Allen, La.



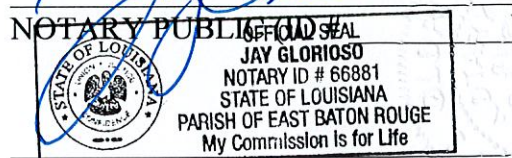
Ericka H. George
NOTARY PUBLIC (ID # 60472)

Ericka H. George, Notary No. 60472
(stamped or printed)

**LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY**
Aurelia S. Giacometto, Secretary

BY: [Signature]
Jerrie "Jerry" Lang, Assistant Secretary
Office of Environmental Compliance

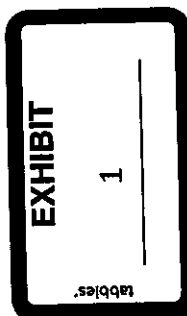
THUS DONE AND SIGNED in duplicate original before me this 26th day of
April, 20 25, at Baton Rouge, Louisiana.



(stamped or printed)

Approved: [Signature]
Jerrie "Jerry" Lang, Assistant Secretary

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY OFFICE OF ENVIRONMENTAL COMPLIANCE ENFORCEMENT DIVISION POST OFFICE BOX 4312 BATON ROUGE, LOUISIANA 70821-4312		CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY	
Enforcement Tracking No.	AE-CN-18-00400	Certified Mail No.	7018 2290 0000 5826 1432
Agency Interest (AI) No.	11059	Contact Name	Christopher Clement
Alternate ID No.	3120-00073	Contact Phone No.	(225) 219-3748
Respondent:	Specialty Application Services, Inc. c/o Robert L. Breaux, Jr. Agent for Service of Process 1331 US HWY. 190 W. Port Allen, LA 70767	Facility Name:	Specialty Application Services, Inc. - Port Allen Facility
		Physical Location:	1331 US Highway 190 West
		City, State, Zip:	Port Allen, LA 70767
		Parish:	West Baton Rouge
This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is issued 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			
An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.			
I.	The Respondent owns and/or operates Specialty Application Services, Inc. - Port Allen Facility, a cleaning, blasting and coating facility, located at 1331 US Highway 190 West, Port Allen, West Baton Rouge Parish, Louisiana. The facility previously operated under Title V Air Permit No. 3120-00073-V1 issued on January 8, 2015, which expired on January 8, 2020. The Respondent currently operates under Title V Air Permit No. 3120-00073-V2, issued on September 3, 2020.		
	Date of Violation	Description of Violation	
II.	Inspection(s) May 19, 2016	The Respondent failed to submit the 2015 annual Usage Reports for Coating Metal Surfaces (ARE 0001) to the Office of Environmental Compliance, Enforcement Division, which was due by March 31 2016. This is a violation of Specific Requirement No. 19 of Title V Air Permit No. 3120-00073-V0, Specific Requirement No. 24 of Title V Air Permit No. 3120-00073-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).	
III.	Inspection(s) May 19, 2016	The Respondent failed to conduct initial performance tests on Diesel Compressor Engine XP825 (EQT 006) and Diesel Compressor Engine XP750 (EQT 007) by no later than May 3, 2013. EQT 006 is a 275 horsepower (hp) stationary reciprocating internal combustion engine (RICE) and EQT 007 is a 250 hp stationary RICE, used to power the blasting nozzles and coating spray guns. According to the Respondent, EQT 006 had been sold as of 2015 and was not located at the facility. EQT 007 was located at the facility; however, according to the Respondent's representative it had not been in service for approximately five (5) years and is only used in emergencies. In a subsequent email to the Inspector dated June 6, 2016, the Respondent stated that EQT 007 would not be used for any purpose and would be removed. Each failure to timely perform performance tests is a violation of 40 CFR 63.6630(a), which language has been adopted as a Louisiana regulation in LAC 33:III.5122, Specific Requirement No. 47 of Title V Air Permit No. 3120-00073-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The Respondent requested the removal of EQT 006 and EQT 007 in its November 1, 2019 Title V Air Permit renewal application. These emission sources were removed in Title V Air Permit No. 3120-00073-V2 issued on September 3, 2020.	
IV.	Inspection(s) May 19, 2016	The Respondent failed to obtain Authorization to Construct (ATC) or a permit modification prior to constructing and operating a fourth Silo. During the inspection, a fourth silo was in use which was not included as an emission source in Title V Air Permit No. 3120-00073-V1. The failure to obtain written authorization to construct prior to commencement of construction or modification of a Part 70 source is a violation of LAC 33:III.501.C.1, LAC 33:III.507.D.2.c, and La. R.S. 30:2057(A)(2). The unauthorized operation of Sand Storage Silo No. 4 is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). The Respondent submitted a permit renewal application on November 1, 2019, in which they requested the inclusion of the fourth silo as an emission source. The application noted that the silo was constructed in March 2016. Sand Storage Silo No. 4 (FUG0007) was included as an emission source in Title V Air Permit No. 3120-00073-V2 issued on September 3, 2020.	
V.	File Review April 28, 2021	The Respondent failed to submit a Title V Air Permit renewal application six (6) months prior to the expiration of the current permit. The expiration date for Title V Air Permit No. 3120-00073-V1 was January 8, 2020. A permit renewal was required to be submitted by no later than July 8, 2019. The Respondent submitted the Title V Air Permit renewal application on or about November 11, 2019. The failure to submit the Title V Air Permit renewal application at least six (6) months prior to the expiration date of a permit is a violation of Specific Requirement 84 of Title V Permit No. 3120-00073-V1, LAC 33:III.535.A Part 70 General Condition A, LAC 33:III.501.C.4, LAC 33:III.507.E.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).	
VI.	File Review April 28, 2021	The Respondent operated the facility without a permit. Because the Respondent failed to submit a timely permit renewal application, the permit was not administratively extended after the expiration date of January 8, 2020. Therefore, the Respondent operated the facility without a permit from January 8, 2020 until Title V Air Permit No. 3120-00073-V2 was issued on September 3, 2020, a period of 239 days. The operation of the facility, which ultimately may have resulted in an initiation or increase in emission of air contaminants, without a valid air permit is a violation of LAC 33:III.501.C.2, LAC 33:III.535 Part 70 General Condition A, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).	



VII.	File Review April 28, 2021	The Respondent's 2019 and 2020 Title V Annual Compliance Certifications dated January 30, 2020 and January 28, 2021; 2019 Title V Second Semiannual Monitoring Report dated January 30, 2020; and 2020 Title V First and Second Semiannual Monitoring Reports dated July 30, 2020 and January 28, 2021, failed to identify instances of deviation from permitted requirements. Specifically, the Respondent failed to report the late submission of the Title V Air Permit renewal application as a deviation in the aforementioned reports. Each failure to identify deviations in the aforementioned reports is a violation of Specific Requirement No. 84 of Title V Permit No. 3120-00073-V1, Specific Requirement No. 81 of Title V Permit No. 3120-00073-V2, LAC 33:III.535.A General Conditions K and M, LAC 33:III. 501.C.4, and La. R.S. 30:2057(A)(2).
ORDER		
Based on the foregoing, the Respondent is hereby ordered to comply with the requirements that are indicated below:		
I.	To take, immediately upon receipt of this COMPLIANCE ORDER, any and all steps necessary to meet and maintain compliance with the Air Quality Regulations. This shall include, but not be limited to; correcting <u>all</u> of the violations described in the "Findings of Fact" portion.	
II.	To revise and submit to the Enforcement Division, immediately upon receipt of this COMPLIANCE ORDER, the 2019 and 2020 Title V Annual Compliance Certifications, the 2019 Title V Second Semiannual Monitoring Report, and the 2020 Title V First and Second Semiannual Monitoring Reports as described in Paragraph VII of the "Findings of Fact" portion of this COMPLIANCE ORDER.	
III.	To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER, documentation stating when Sand Storage Silo No. 4 (FUG0007) commenced operations.	
IV.	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 violation(s) 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 the Department at the address specified in this document.	
RIGHT TO APPEAL		
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 address specified in this document.	
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 Division of Administrative Law (DAL) Procedural Rules. 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 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(8), 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 Christopher Clement at (225) 219-3748 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 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.	

IV.	The Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7. To expedite closure of this NOTICE OF POTENTIAL PENALTY portion, 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 "CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE" form. The Respondent must include a justification of the offer. <u>DO NOT</u> 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.
V.	This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is effective upon receipt.

CONTACTS AND SUBMITTAL OF INFORMATION

Enforcement Division:	Hearing Requests:
Louisiana Department of Environmental Quality Office of Environmental Compliance Air Enforcement Division Post Office Box 4312 Baton Rouge, LA 70821 Attn: Christopher Clement	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-18-00400 Agency Interest No. 11059
Permit Division (if necessary):	Physical Address (if hand delivered):
Department of Environmental Quality Office of Environmental Services Post Office Box 4313 Baton Rouge, LA 70821-4313 Attn: Air Permits Division	Department of Environmental Quality 602 N Fifth Street Baton Rouge, LA 70802

HOW TO REQUEST CLOSURE OF THIS CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY

- To appeal the COMPLIANCE ORDER portion, the Respondent must follow the guidelines set forth in the "Right to Appeal" portion of this COMPLIANCE ORDER.
- To request closure of this CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, the Respondent must demonstrate compliance with the "Order" portion of this COMPLIANCE ORDER by completing the attached "CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL REQUEST TO CLOSE" form and returning it to the address specified.
- To expedite closure of the NOTICE OF POTENTIAL PENALTY portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein.
- The Department assesses civil penalties based on LAC 33:1.Subpart1.Chapter7.
- The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
- 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.

If you have questions or need more information, you may contact Christopher Clement at (225) 219-3748 or Christopher.Clement@la.gov.


 Lourdes Iturralde
 Assistant Secretary
 Office of Environmental Compliance

Date: 5-13-2021

c: Specialty Application Services, Inc.
 c/o Robert L. Breaux, Jr.
 1331 US HWY. 190 W.
 Port Allen, LA 70767

Attachment(s)
 - Request to Close

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

CONSOLIDATED COMPLIANCE ORDER &
NOTICE OF POTENTIAL PENALTY
REQUEST TO CLOSE



Enforcement Tracking No.	AE-CN-18-00400	Contact Name	Christopher Clement
Agency Interest (AI) No.	11059	Contact Phone No.	(225) 219-3748
Alternate ID No.	3120-00073		
Respondent:	Specialty Application Services, Inc. c/o Robert L. Breaux, Jr. Agent for Service of Process 1331 US HWY. 190 W. Port Allen, LA 70767	Facility Name:	Specialty Application Services, Inc. - Port Allen Facility
		Physical Location:	1331 US Highway 190 West
		City, State, Zip:	Port Allen, LA 70767
		Parish:	West Baton Rouge

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph IV of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph III of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER.	N/A	N/A
All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s)? of the "Order" portion of the COMPLIANCE ORDER.	N/A	N/A
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00400), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00400), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$_____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$_____ • Beneficial Environmental Project (BEP) component (optional) = \$_____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (AE-CN-18-00400) 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: Christopher Clement

JOHN BEL EDWARDS
GOVERNOR



CHUCK CARR BROWN, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

MAR 22 2022

CERTIFIED MAIL (7021 0950 0001 9072 9116)
RETURN RECEIPT REQUESTED

SPECIALTY APPLICATION SERVICES, INC.

c/o Timothy N. Breaux, Jr.
Agent for Service of Process
1331 Highway 190 West
Port Allen, LA 70767

**RE: CONSOLIDATED COMPLIANCE ORDER
& NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. AE-CN-21-00625
AGENCY INTEREST NO. 11059**

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 **SPECIALTY APPLICATION SERVICES, INC. (RESPONDENT)** for the violation(s) described therein.

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

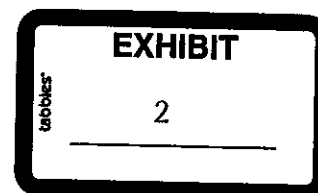
Any questions concerning this action should be directed to Gabrielle Green at (225) 219-3468 or Gabrielle.Green2@la.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Angela Marse".

Angela Marse
Administrator
Enforcement Division

AM/GJG/gig
Alt ID No. 3120-00073
Attachment



c: Specialty Application Services, Inc.
c/o Daryl Allen
1331 Highway 190 West
Port Allen, LA 70767

**STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE**

IN THE MATTER OF

**SPECIALTY APPLICATION
SERVICES, INC.
W. BATON ROUGE PARISH
ALT ID NO. 3120-00073**

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

*
*
*
* **ENFORCEMENT TRACKING NO.**
*
* **AE-CN-21-00625**
*
* **AGENCY INTEREST NO.**
*
* **11059**
*

**CONSOLIDATED
COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

The following **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY** is issued to **SPECIALTY APPLICATION SERVICES, INC. (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 the **PORT ALLEN FACILITY (FACILITY)**, a cleaning, blasting, and coating facility, located at 1331 US Highway 190 West in Port Allen, West Baton Rouge Parish, Louisiana. The facility currently operates under the authority of Title V Air Permit No. 3120-00073-V2 issued on September 3, 2020. The facility previously operated under the authority of Title V Air Permit No. 3120-00073-V1 issued on January 8, 2015, which expired on January 8, 2020.

II.

On or about May 28, 2020, the Department conducted a full compliance evaluation of the Respondent's facility to determine the Respondent's degree of compliance with the Act, the Air Quality

Regulations, and all applicable air permits. While the review is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to submit the 2016-2020 individual and combined toxic air pollutants (TAPs) annual reports to the Office of Environmental Compliance. Specifically, the reports were due on or about March 31, 2017; March 31, 2018; March 31, 2019; March 31, 2020; and March 31, 2021. As of March 2, 2022, the Department has not received these reports. Each failure to submit the required report is a violation of Specific Requirement No. 79 of Title V Air Permit No. 3120-00073-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- B. The Respondent failed to fully enclose the item, or surround the structure to be blasted. Specifically, at the time of the inspection, the Department's inspector observed that sandblasting (ARE0002) was conducted outside with a twenty-five (25) foot-high fabric screen on one (1) side of the blast yard; therefore, the screen did not fully enclose the item, or surround the structure being blasted. The failure to fully enclose the item, or surround the structure to be blasted is a violation of LAC 33:III.1329.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, Air Quality Regulations, and all applicable air permits.

II.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, the 2016-2020 total individual and combined TAPs, as referenced in Paragraph II.A of the **FINDINGS OF FACT** portion of this action. The 2020 report shall cover the reporting period of January 1, 2020 through September 3, 2020.

III.

To submit to the Enforcement Division, within thirty (30) days after receipt of this **COMPLIANCE ORDER**, documentation that ARE0002 is in compliance with Title V Air Permit No.

IV.

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 violation(s) 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: **Gabrielle Green**
Re: **Enforcement Tracking No. AE-CN-21-00625**
Agency Interest No. 11059

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-21-00625**
Agency Interest No. 11059

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 Division of Administrative Law (DAL) Procedural Rules. 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 Gabrielle Green at (225) 219-3468 or Gabrielle.Green2@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. 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.

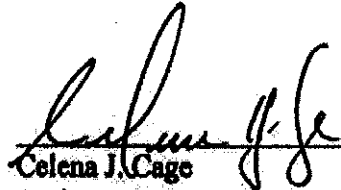
IV.

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY** portion, 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 "**CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE**" form. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this **NOTICE OF POTENTIAL PENALTY** portion but no later than ninety (90) days of achieving compliance with the **COMPLIANCE ORDER** portion. 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.

V.

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

Baton Rouge, Louisiana, this 22nd day of March, 2022.


Celena J. Cage
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: Gabrielle Green



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

CONSOLIDATED COMPLIANCE ORDER &
 NOTICE OF POTENTIAL PENALTY
 REQUEST TO CLOSE

Enforcement Tracking No.	AE-CN-21-00625	Contact Name	Gabrielle Green
Agency Interest (AI) No.	11059	Contact Phone No.	(225) 219-3468
Alternate ID No.	3120-00073		
Respondent:	Specialty Application Services, Inc. c/o Robert L. Breaux, Jr. Agent for Service of Process 1331 US Highway 190 West Port Allen, LA 70767	Facility Name:	Port Allen Facility
		Physical Location:	1331 US Highway 190 West
		City, State, Zip:	Port Allen, LA 70767
		Parish:	West Baton Rouge

STATEMENT OF COMPLIANCE

STATEMENT OF COMPLIANCE	Date Completed	Copy Attached?
A written report was submitted in accordance with Paragraph IV of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 30 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) II-III of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 45 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER.		
All necessary documents were submitted to the Department within 90 days of receipt of the COMPLIANCE ORDER in accordance with Paragraph(s) ? of the "Order" portion of the COMPLIANCE ORDER.		
All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:		

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-21-00625), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/>	<p>In order to resolve any claim for civil penalties for the violations in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-21-00625), 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. The Respondent may submit the settlement offer within one hundred and eighty (180) days of receipt of this NOTICE OF POTENTIAL PENALTY portion but no later than ninety (90) days of achieving compliance with the COMPLIANCE ORDER portion.</p> <ul style="list-style-type: none"> • Monetary component = \$_____ • Beneficial Environmental Project (BEP) component (optional)= \$_____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted. <p>The Respondent has reviewed the violations noted in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY (AE-CN-21-00625) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.</p>

CERTIFICATION STATEMENT		
<i>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.</i>		
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: Gabrielle Green		

WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:1.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

		NATURE AND GRAVITY OF THE VIOLATION		
DEGREE OF RISK/IMPACT TO HUMAN HEALTH OR PROPERTY		MAJOR	MODERATE	MINOR
	MAJOR	\$32,500 to \$20,000	\$20,000 to \$15,000	\$15,000 to \$11,000
	MODERATE	\$11,000 to \$8,000	\$8,000 to \$5,000	\$5,000 to \$3,000
	MINOR	\$3,000 to \$1,500	\$1,500 to \$500	\$500 to \$100

Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions.

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred.

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated.

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.



Given the previous information, the following formula is used to obtain a penalty amount.

$$\text{Penalty Event Total} = \text{Penalty Event Minimum} + (\text{Adjustment Percentage} \times (\text{Penalty Event Maximum} - \text{Penalty Event Minimum}))$$

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement.

Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

Settlement Offers	searchable in EDMS using the following filters Media: Air Quality, Function: Enforcement, Description: Settlement
Settlement Agreements	Enforcement Division's website specific examples can be provided upon request
Penalty Determination Method	LAC 33:1 Chapter 7
Beneficial Environmental Projects	LAC 33:1 Chapter 25 FAQs
Judicial Interest.....	provided by the Louisiana State Bar Association

