

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

CONRAD ALUMINUM, L.L.C.

AI # 41118

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

* Settlement Tracking No.
* SA-AE-14-0041
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* Enforcement Tracking No.
* AE-CN-13-01084
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SETTLEMENT

The following Settlement is hereby agreed to between Conrad Aluminum, L.L.C. (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

I

Respondent is a Limited Liability Company that owns and/or operates a shipyard facility located in St. Mary Parish, Louisiana (“the Facility”).

II

On November 15, 2013, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **AE-CN-13-01084**, which was based upon the following findings of fact:

“The Respondent owns and/or operates the Aluminum Shipyard (the facility) located at 9752 Louisiana Highway 182 in Amelia, St. Mary Parish, Louisiana. The facility previously operated under Air Permit No. 2660-00281-01 issued on December 3, 2009. The facility currently operates under Air Permit No. 2660-00281-02 issued on May 13, 2013. On or about September 18, 2013, an

air permit modification application was submitted to the Department.

On or about October 22, 2013, and November 13, 2013, file reviews of the Respondent's facility were performed to determine the degree of compliance with the Act and the Air Quality Regulations. While the Department's investigation is not yet complete, the following violations were noted during the course of the file reviews:

- A. In correspondence dated October 4, 2012, the Respondent reported the following exceedance of the consecutive 12-month limit for xylene:

Emission Point	Month during 2012	Xylene year to date emissions (tons per year)	Xylene emissions in excess of permit limit (tons)
03-03/FUG0002	July	7.868	0.868
	August	8.472	1.472
	September	8.341	1.341
	October	7.653	0.653

Each exceedance is a violation of Permit No. 2660-00281-01, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

- B. On October 23, 2013, and November 11, 2013, the Department received email correspondence from the Respondent's representative which stated an exceedance of the PM₁₀ and PM_{2.5} permit limits occurred at the facility. The permit limit for each of these pollutants is 1.02 tpy. The Respondent's correspondence reported the facility's twelve month rolling emissions were 1.03 tpy for each pollutant as of the end of September 2013, and 1.22 tpy for each pollutant as of the end of October 2013. This is associated with EPN 04-06. This is a violation of Permit No. 2660-00281-02, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On October 3, 2013, the Department received a request for interim authorization for emissions of PM₁₀, PM_{2.5}, Copper and Compounds, and Chromium and Compounds in excess of air permit limits for Emission Point No. 04-06, Welding Operations. The Respondent's correspondence states that during a review of purchasing invoices and usage sheets it was noted that the inventory of welding materials had been evaluated incorrectly when projecting the usage and estimating the requested emissions for the current permit."

III

In response to the Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

V

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 THREE THOUSAND TWO HUNDRED EIGHTY-NINE AND 10/100 DOLLARS (\$3,289.10), of which Three Hundred Twenty Nine and 10/100 Dollars (\$329.10) 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).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order & Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the Secretary for all purposes, including,

but not limited to, enforcement under La. R.S. 30:2025(G)(2), and 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.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Mary Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

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

payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

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

XII

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

CONRAD ALUMINUM, L.L.C.

BY: [Signature]
(Signature)

Terry T. Frickrey
(Printed)

TITLE: V.P., C.O.O.

THUS DONE AND SIGNED in duplicate original before me this 11th day of March, 20 15, at Morgan City, LA.

[Signature]
NOTARY PUBLIC (ID # 064390)

Robert Marcell
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: [Signature]
D. Chance McNeely, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 28th day of May, 20 15, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: [Signature]
D. Chance McNeely, Assistant Secretary