



STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

<b>IN THE MATTER OF:</b>	*	<b>Settlement Tracking No.</b>
	*	<b>SA-AE-12-0001</b>
<b>PSC INDUSTRIAL OUTSOURCING, L.P.</b>	*	
	*	<b>Enforcement Tracking No.</b>
<b>AI # 50037</b>	*	<b>AE-CN-10-00675</b>
	*	
<b>PROCEEDINGS UNDER THE LOUISIANA</b>	*	
<b>ENVIRONMENTAL QUALITY ACT</b>	*	
<b>LA. R.S. 30:2001, <u>ET SEQ.</u></b>	*	

SETTLEMENT

The following Settlement is hereby agreed to between PSC Industrial Outsourcing, 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 owns and/or operates a crude oil reclamation facility located in Jeanerette, St. Mary Parish, Louisiana (“the Facility”).

II

On June 30, 2010, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-10-00675, which was based upon the following findings of fact:

The Respondent owns and/or operates Jeanerette Facility (the facility), a crude oil reclamation facility with saltwater injection, located at 9523 Louisiana Highway 87 in Jeanerette, St. Mary Parish, Louisiana. The facility does not currently operate under an air permit.

On or about July 21, 2009, a meeting was held between the Department and representatives of the Respondent to discuss the facility's current operations. The Respondent submitted a Minor Source Air Permit Application to the Department on or about November 30, 2009. On or about January 7, 2010, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the meeting and subsequent file review:

- A. During the course of the meeting, representatives of the Respondent stated that the facility was operating without an air permit. In a letter dated December 29, 2009, the Respondent stated that the facility was acquired and began production in 1998. The Respondent's failure to submit a timely and complete permit application prior to construction, reconstruction, or modification of the facility is a violation of LAC 33:III.501.C.1, and La. R.S. 30:2057(A)(2).
- B. During the course of the meeting, representatives of the Respondent stated that the facility was operating without an air permit. In a letter dated December 29, 2009, the Respondent stated that the facility was acquired and began production in 1998. The Respondent's failure to obtain approval from the Department prior to construction, modification, or operation of the facility is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

In the letter dated December 29, 2009, the Respondent requested interim limitations to operate the Jeanerette Facility until such time that the facility's air permit is issued.

### 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

THIRTY-FIVE THOUSAND AND NO/100 DOLLARS (\$35,000.00), of which Three Hundred Fifty-Five and 09/100 Dollars (\$355.09) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent, in addition to the penalty amount specified in Paragraph IV above and as part of this Settlement, agrees to expend the amount of \$30,000.00 to implement and/or perform the following Beneficial Environmental Project (BEP):

- A. Baldwin City Asbestos Abatement Project. PSC will work under the direction of the City of Baldwin to remove Asbestos Containing Material from a City owned structure.
- B. The following tasks outline the scope of work for this project:
  1. Meet with City officials to identify a location that would benefit from PSC's asbestos abatement services.
  2. Perform an inspection to identify suspected ACMs.
  3. Prepare asbestos awareness information materials for City use and distribution.
  4. Conduct formal asbestos survey.
  5. Notify key contact of the survey results.
  6. Repair/remove the ACM.
  7. Properly containerize the ACM.
  8. Work with the City to profile the ACM.
  9. Arrange for transportation and disposal of the ACM.
  10. Perform conformation sampling.
  11. Submit final report.
- C. The Respondent will begin the Baldwin City Asbestos Abatement Project within sixty (60) days of receipt of the finalized settlement agreement and will have a total of sixty (60) days from the start date to complete the project.
- D. The total amount to be spent by the Respondent on this project is \$30,000.00.
- E. Respondent shall submit monthly reports regarding its progress on the projects. The first shall be due on the 5<sup>th</sup> of the month following the date the Department signs this Settlement. Monthly reports shall be submitted on the 5<sup>th</sup> of every month thereafter until the project is completed. Each such monthly report shall include a description of the project, tasks completed, tasks remaining, the percentage completed, and money expended on the project through the date of the report. Upon completion of all tasks to complete the project required under this Settlement, Respondent shall submit

a final report to include a summary of all the information previously submitted and a total amount spent on the projects listed above. It shall also contain a certification that the projects were completed as described.

- F. If Respondent does not spend the amount of \$30,000.00, then it shall, in its final report, propose additional projects for the Department's approval [or: pay to the Department] in an amount equal to the difference between the amount of money agreed to be spent and the amount of money actually spent.
- G. The total amount of money expended by Respondent on cash payments to the Department and on beneficial environmental projects, 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 permit record(s), the Consolidated Compliance Order & Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

## 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 and the rules relating to beneficial environmental projects set forth in LAC 33:I.Chapter 25.

## 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 from the newspaper 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.

PSC INDUSTRIAL OUTSOURCING, L.P.

BY: *Michael W. Ramirez*  
(Signature)

Michael W. Ramirez  
(Printed)

TITLE: CFO, Treasurer and Secretary

THUS DONE AND SIGNED in duplicate original before me this 14<sup>th</sup> day of August, 20 12, at Houston, TEXAS.

*Marlene Jenkins*  
NOTARY PUBLIC (ID # 12584612-9)



(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Peggy M. Hatch Secretary

BY: *Cheryl Sonnier Nolan*

Cheryl Sonnier Nolan, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 4<sup>th</sup> day of Dec, 20 12, at Baton Rouge, Louisiana.

*Perry Theriot*  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved: *Cheryl Sonnier Nolan*  
Cheryl Sonnier Nolan, Assistant Secretary