

STATE OF LOUISIANA .

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	Settlement Tracking No.
	*	SA-AE-10-0075
SHAW SUNLAND FABRICATORS, INC.	*	
	*	Enforcement Tracking No.
AI# 9154	*	AE-CN-04-0145
	*	AE-CN-04-0145A
PROCEEDINGS UNDER THE LOUISIANA	*	AE-PP-09-0033
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, <u>ET SEQ.</u>	*	

SETTLEMENT

The following Settlement is hereby agreed to between Shaw Sunland Fabricators, 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 an industrial pipe fabrication and coating facility in Walker, Livingston Parish, Louisiana ("the Facility").

II

On January 26, 2005, the Department issued to Respondent a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-04-0145, which was based upon the following findings of fact:

The Respondent owns and/or operates the Walker Plant, an industrial pipe fabrication and coating facility. The facility is located at 30103 Sunland Drive in Walker, Livingston Parish, Louisiana. The facility currently operates under Title V Permit Number 1740-00040-V1 issued on

November 22, 1999. The Respondent submitted a Title V permit renewal application dated July 30, 2002, which is currently under review by the Department.

On June 2, 2004, and December 13, 2004, an inspection and a file review of the Respondent's facility were performed, respectively, to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the inspection and the review:

- A. The Respondent submitted the facility's 2001 annual compliance certification report dated June 13, 2002, after the required March 31, 2002, due date. The Respondent's failure to submit the facility's annual compliance certification to the Department by March 31 for the preceding calendar year is a violation of Part 70 General Condition M of Title V Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- B. In the facility's 2002 annual compliance certification report, the Respondent notified the Department that it failed to submit a Toxic Emission Data Inventory (TEDI) to the Department by the required July 1, 2002, due date. The report, dated August 14, 2002, was submitted late, in violation of the Title V Specific Condition Number 1 of Title V Permit Number 1740-00040-V1, LAC 33:III.501.C.4, LAC 33:III.5107.A.2, and Section 2057(A)(2) of the Act.
- C. The Respondent submitted the facility's semiannual monitoring report, encompassing January through June 2003, after the required September 30, 2003, due date. The report was postmarked on October 16, 2003. The Respondent's failure to submit the facility's semiannual report to the Department by September 30 for the period encompassing January through June is a violation of Part 70 General Condition K of Title V Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- D. In the facility's 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that hydrochloric acid, an unpermitted toxic air pollutant (TAP), had been emitted from the facility. The facility emitted 0.45 pounds of hydrochloric acid from its Coating Operations (Emission Point 2) during the 2003 calendar year. The Respondent's failure to obtain a variance or permit modification prior to the use of any paint, thinner, or other organic solvent product which contains a TAP not listed in

Attachment I of the facility's permit is a violation of Specific Condition Number 2 of Title V Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

- E. In the facility's 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the Respondent failed to inspect the filter vents of the facility's Indoor Shot Blasting (Emission Point 5) for visible emissions on a daily basis from January 1 through December 31, 2003. Each failure to inspect the filter vents on a daily basis is a violation of Specific Condition Number 4 of Title V Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- F. In the facility's 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the facility emitted 1 ton of PM-10 from the facility's Welding Operations (Emission Point 3) during the 2003 calendar year. This exceeded the facility's permitted annual emission limit of 0.26 tons of PM-10 per year from Emission Point 3, in violation of LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- G. In the facility's 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the cover on the Parts Washer (Emission Point 4) was intermittently left open during the 2003 calendar year. The Respondent's failure to keep the parts washer covered when it was not in use as stated in Table 2 of the facility's permit is a violation of the Specific Condition of Air Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- H. In the facility's 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the cover on the cleaning solvent for the facility's Spray Gun Cleaning Operations (Emission Point 7) was intermittently left open during the 2003 calendar year. The Respondent's failure to keep the containers holding the solvent closed when it was not in use is a violation of the Specific Condition of Air Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

In the facility's 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the Respondent's revised calculation spreadsheet indicates that the facility's Coating Operations (Emission Point 2) potentially exceeded its permitted daily weighted average of 3.5 pounds of volatile organic compounds (VOCs) per gallon of coating from

January 1 through January 31, 2003, and from April 1 through May 31, 2003. The facility is required to manage the use of high VOC coatings so as not to exceed a daily weighted average VOC limit of 3.5 pounds of VOCs per gallon of coating by the Specific Condition of Air Permit Number 1740-00040-V1 and LAC 33:III.2123.C.9. The Respondent reported that the facility began using thinning methods that required less solvent toward the end of 2003 to address this potential problem.

On January 26, 2006, the Department issued to Respondent an Amended Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-04-0145A, as follows:

The Department hereby amends Paragraph II.E of the Findings of Fact portion of the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145, to read as follows:

“E. In the facility’s 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the Respondent failed to inspect the filter vents of the facility’s Indoor Shot Blasting (Emission Point 5) for visible emissions on a daily basis from January 1 through December 31, 2003. In addition, in the facility’s 2004 annual compliance certification report dated March 31, 2005, the Respondent notified the Department that the facility failed to inspect the filter vents of Emission Point 5 for visible emissions on a daily basis from January 1 through January 26, 2004, from January 30 through February 7, 2004, from February 13 through April 11, 2004, on December 20, 2004, on December 22, 2004, and on December 29, 2004. Each of the Respondent’s failures to inspect the filter vents on a daily basis is a violation of Specific Condition Number 4 of Title V Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.”

The Department hereby amends Paragraph II.F of the Findings of Fact portion of the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145, to read as follows:

“F. In the facility’s 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the facility emitted 1 ton of PM-10 from the facility’s Welding Operations (Emission Point 3) during the 2003 calendar year. In addition, in the facility’s 2004 annual

compliance certification report dated March 31, 2005, the Respondent notified the Department that the facility emitted 0.8 tons of PM-10 from Emission Point 3 during the 2004 calendar year. The facility's annual PM-10 emissions from Emission Point 3 during the 2003 and 2004 calendar years exceeded the facility's permitted annual emission limit of 0.26 tons of PM-10 per year from that emission point. Each of the Respondent's failures to operate the facility in accordance with all terms and conditions of Title V Permit Number 1740-00040-V1 is a violation of LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent submitted a permit renewal and modification application dated March 18, 2005, to reconcile the emissions from this emission point."

The Department hereby amends Paragraph II.G of the Findings of Fact portion of the Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145, to read as follows:

"G. In the facility's 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the cover on the Parts Washer (Emission Point 4) was intermittently left open during the 2003 calendar year. In addition, in the facility's 2004 annual compliance certification report dated March 31, 2005, the Respondent notified the Department that the cover on Emission Point 4 was intermittently left open during the 2004 calendar year. Each of the Respondent's failures to keep the parts washer covered when it was not in use as stated in Table 2 of the facility's permit is a violation of the Specific Condition of Air Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act."

Department hereby amends Paragraph II.H of the Findings of Fact portion of the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145, to read as follows:

"H. In the facility's 2003 annual compliance certification report dated March 31, 2004, the Respondent notified the Department that the cover on the cleaning solvent for the facility's Spray Gun Cleaning Operations (Emission Point 7) was intermittently left open during the 2003 calendar year. In addition, in the facility's 2004 annual compliance certification report dated March 31, 2005, the Respondent notified the Department that the cover on the cleaning solvent for the facility's Emission Point 7 was intermittently left open during the 2004 calendar year. Each of the Respondent's failures to keep the containers holding the solvent closed

when not in use is a violation of the Specific Condition of Air Permit Number 1740-00040-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.”

The Department hereby adds Paragraph IV to the Findings of Fact portion of the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145, to read as follows:

“IV.

As discussed in a meeting with the Department on March 18, 2005, and in letters dated March 24, 2005, March 31, 2005, May 5, 2005, September 2, 2005, November 2, 2005, and November 20, 2005, and correspondence dated June 6, 2005, June 7, 2005, June 20, 2005, and September 15, 2005, the Respondent requested interim authorization from the Department to operate several of the facility’s emission points at emission limits different than those specified in Title V Permit Number 1740-00040-V1, due to the need for flexibility for the facility’s coating operations and to reconcile discovered existing emissions that are not addressed in the facility’s current permit. The interim limits requested are based on the Respondent’s permit renewal and modification application dated and received by the Department on March 18, 2005, supplemental information via electronic mail dated May 12, 2005, and June 7, 2005, and revisions to the March 2005 application dated May 31, 2005, September 2, 2005, November 3, 2005, and November 20, 2005. Furthermore, the Respondent requested interim authorization to operate multiple emission points at the facility as insignificant activities.”

The Department hereby adds Paragraph V to the Findings of Fact portion of the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145, to read as follows:

“V.

On or about December 15, 2005, a file review of the Respondent’s facility was 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 review:

- A. According to the facility’s 2004 annual compliance certification report dated March 31, 2005, and correspondence from the Respondent dated April 26, 2004, the Respondent’s facility emitted several pollutants from its Spray Gun Cleaning Operations (Emission Point 7) above the permitted rates specified in Title V Permit Number 1740-00040-V1 during the 2004 calendar year as noted in the table below. The asterisks label toxic air pollutants (TAPs).

POLLUTANT	REPORTED EMISSION RATE (TONS/YEAR)	PERMITTED EMISSION RATE (TONS/YEAR)
Non-TAP Volatile Organic Compounds (VOCs)	4.11	0.078
Toluene*	2.7	0.078
Methanol*	1.41	0.016

According to General Condition II of the facility’s permit, each of the Respondent’s failures to operate the facility in accordance with all terms and conditions of Title V Permit Number 1740-00040-V1 is a violation of LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent submitted a permit renewal and modification application dated March 18, 2005, to reconcile the emissions from this emission point.

- B. According to the facility’s 2004 annual compliance certification report dated March 31, 2005, the Respondent’s facility emitted unpermitted pollutants from its Welding Operations (Emission Point 3) during the 2004 calendar year as noted in the table below. Each single asterisk denotes a TAP. The double asterisk denotes a pollutant from the Louisiana Toxic Air Pollutant Supplemental List in LAC 33:III.5112, Table 51.3.

POLLUTANT	REPORTED EMISSION RATE (POUNDS/YEAR)
Total Chromium Including Chromium VI	49
Chromium VI*	23.9
Cobalt**	0.07
Manganese*	82
Nickel*	4.73

Each of the Respondent's failures to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent submitted a permit renewal and modification application dated March 18, 2005, and supplemental information via electronic mail dated June 7, 2005, and revisions to the permit application dated September 2, 2005, November 3, 2005, and November 20, 2005, to reconcile the emissions from this emission point.

- C. According to the facility's 2004 annual compliance certification report dated March 31, 2005, the Respondent's facility emitted approximately 4.6 tons of fugitive dust from its roadway during the 2004 calendar year. However, fugitive dust emissions are not addressed in the facility's current permit. The Respondent's failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent submitted a permit renewal and modification application dated March 18, 2005, to reconcile the emissions from this emission point.
- D. According to the facility's 2004 annual compliance certification report dated March 31, 2005, the Respondent allowed an unpermitted 1000 gallon gasoline storage tank to emit 0.92 tons of unpermitted VOCs during the 2004 calendar year. The Respondent's failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission

of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent submitted a permit renewal and modification application dated March 18, 2005, to reconcile the emissions from this emission point.

- E. According to the facility's 2004 annual compliance certification report dated March 31, 2005, the Respondent's Stress Relief Furnace operations (Emission Points 6A and/or 6B) emitted one pound of formaldehyde and 24.7 pounds of hexane, two unpermitted TAPs, during the 2004 calendar year. Each of the Respondent's failures to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent submitted a permit renewal and modification application dated March 18, 2005, and a revision to the March 2005 application dated May 31, 2005, to reconcile the emissions from this emission point.
- F. According to the facility's 2004 annual compliance certification report dated March 31, 2005, the Respondent's facility emitted unpermitted TAPs from its Coating Operations (Emission Point 2) during the 2004 calendar year as noted in the table below.

POLLUTANT	REPORTED EMISSION RATE (POUNDS/YEAR)
Hydrochloric Acid	1.2
Copper	19
Manganese	98.4
Nickel	19
Zinc	25

Each of the Respondent's failures to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and Sections 2057(A)(1) and 2057(A)(2) of the Act. The Respondent submitted a permit renewal and modification application dated March 18, 2005,

supplemental information via electronic mail dated May 12, 2005, and revisions to the March 2005 application dated May 31, 2005, November 3, 2005, and November 20, 2005, to reconcile the emissions from this emission point.

- G. According to the facility's 2004 annual compliance certification report dated March 31, 2005, the Respondent's facility emitted manganese, an unpermitted Class II TAP, above the 75.0 pound per year Minimum Emission Rate (MER) for that pollutant, as listed in LAC 33:III.5112, Table 51.1, during the 2004 calendar year. In the report, the Respondent notified the Department that it emitted 82 pounds of manganese from Emission Point 3 and 98.4 pounds of manganese from Emission Point 2 during 2004. The facility's exceedance of the annual MER of a Class II TAP prior to employing approved Maximum Achievable Control Technology (MACT) controls at the facility is a violation of LAC 33:III.5109.A and Section 2057(A)(2) of the Act."

The Department hereby amends Paragraph I of the Order portion of the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145, to read as follows:

"I.

To immediately take, upon the receipt of this Compliance Order, any and all steps necessary to achieve and maintain compliance with the Act and all applicable Air Quality Regulations."

The Department hereby adds Paragraph IV to the Order portion of the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145, to read as follows:

"IV.

To protect air quality, the Respondent is required to comply with the following:

- A. If the Respondent chooses to emit any air contaminant in the State of Louisiana from its Walker Plant, the following interim limitations shall apply:

EMISSION POINT	POLLUTANT	EMISSION RATE (TONS/YEAR)
Coating Operations (Emission Point 2)	Hydrochloric Acid	0.03
Emission Point 2	PM-10	0.17
Emission Point 2	Manganese	0.004
Emission Point 2	Copper	0.009
Emission Point 2	Nickel	0.009
Emission Point 2	Zinc	0.007
Emission Point 2	Cobalt	0.001 For The Cobalt Emissions From Emission Points 2 and 3 Combined
Emission Point 2	Any TAP Other Than Those Speciated Above For Emission Point 2	< MER For The Entire Facility's Emissions of That TAP*
Emission Point 2	Total TAPs Other Than Those Speciated Above For Emission Point 2	0.50
Welding Operations (Emission Point 3)	PM-10	0.46
Emission Point 3	Total Chromium Including Chromium VI	0.001
Emission Point 3	Chromium VI	0.001
Emission Point 3	Cobalt	0.001 For The Cobalt Emissions From Emission Points 2 and 3 Combined
Emission Point 3	Manganese	0.026
Emission Point 3	Nickel	0.001
Emission Point 3	Any TAP Other Than Those Speciated Above For Emission Point 3	< MER For The Entire Facility's Emissions of That TAP*
Emission Point 3	Total TAPs Other Than Those Speciated Above For Emission Point 3	0.001

Road Fugitive Emissions (Emission Point 4)	PM-10	4.60
Stress Furnace (Emission Point 6A)	Any TAP Other Than Those Speciated Above For Emission Point 6A	< MER For The Entire Facility's Emissions of That TAP*
Emission Point 6A	Total TAPs Other Than Those Speciated Above For Emission Point 6A	0.10
Stress Furnace (Emission Point 6B)	Any TAP Other Than Those Speciated Above For Emission Point 6B	< MER For The Entire Facility's Emissions of That TAP*
Emission Point 6B	Total TAPs Other Than Those Speciated Above For Emission Point 6B	0.10
Cleaning Operations (Emission Point 7)	Total VOCs	6.40
Emission Point 7	Methanol	0.92
Emission Point 7	Methyl Isobutyl Ketone	0.00
Emission Point 7	Toluene	4.99
Emission Point 7	Any TAP Other Than Those Speciated Above For Emission Point 7	< MER For The Entire Facility's Emissions of That TAP*
Emission Point 7	Total TAPs Other Than Those Speciated Above For Emission Point 7	0.50
Gasoline Storage (Emission Point 10)	Total VOCs	0.92

*The MERs for TAPs are listed in LAC 33:III.5112, Table 51.1.

Furthermore, if the Respondent chooses to operate any of the following at its Walker Plant, it shall operate each as an insignificant activity as defined in LAC 33:III.501.B.5 under the specifications in the Respondent's permit modification application dated March 18, 2005, and correspondence dated June 7, 2005:

Five trucks, one backhoe, five jackers, one parts washer, two flatbed trucks, four trailers, ten front-end loaders, cutting operations, 71 shop gas heaters, seven kerosene heaters,

steam cleaning operations, nine gas central heating units, one paint booth heater, two cooling towers, seven cherry pickers, one water truck, three liquefied petroleum gas (LPG) tanks and piping, argon emissions, natural gas piping fugitive emissions, two oil-water separators, four water heaters, one outdoor blast media silo loading operation, one bulldozer, one 2,000 gallon off-road diesel tank, one 1,000 gallon on-road diesel tank, and one 500 gallon kerosene tank.

All other emission limitations, monitoring requirements, and permit conditions of Title V Permit Number 1740-00040-V1 shall remain in effect and enforceable.

The interim limitations shall remain in effect until the modified Title V operating permit containing the appropriate emission limitations is issued or unless otherwise notified by the Department.

The Respondent shall at all times properly operate and maintain all facilities and systems of control (and related appurtenances) which are installed or used by the Respondent to achieve compliance with the conditions of the interim limitations.

- B. If the Respondent does not choose to emit any air contaminant in the State of Louisiana from its Walker Plant, the Respondent shall, within thirty (30) days after receipt of the Compliance Order, provide written documentation to the Department that no activities exist at the Respondent's facility resulting in any unauthorized discharges to the air."

The Department incorporated all of the remainder of the original Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145 and Agency Interest No. 9154, as if reiterated therein.

This Amended Compliance Order and Notice of Potential Penalty was effective upon receipt.

On April 7, 2009, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-09-0033, based on the following findings of fact:

On or about January 30, 2009, a file review of the Walker Facility, owned and/or operated by Shaw Sunland Fabricators, Inc. (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 30103 Sunland Drive in Walker, Livingston Parish, Louisiana.

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

- A. According to the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent's facility emitted unpermitted Toxic Air Pollutants (TAPs) from its Coating Operations (Emission Point 2) during the 2005 calendar year as noted in the table below.

TAP	REPORTED EMISSION RATE (POUNDS/YEAR)
Copper	88
Manganese	13
Nickel	88
Zinc	48

Each of the Respondent's failures to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 1740-00040-V2, which was issued on September 5, 2007, reconciled the emissions of the facility's Coating Operations.

- B. In the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent notified the Department that the facility emitted 0.6 tons of Methyl Isobutyl Ketone (MIBK), a Class III TAP, from the facility's Coating Operations (Emission Point 2) during the 2005 calendar year. This exceeded the permitted annual emission limit for the facility, or 0.25 tons of MIBK per year, as set forth in Attachment I of Title V Permit No. 1740-00040-V1. The Respondent's failure to operate the facility in accordance with all terms and conditions of Title V Permit No. 1740-00040-V1 is a violation of LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 1740-00040-V2 increased the permitted annual MIBK emission limit for the facility's Coating Operations to 3.81 tons per year to reflect current operations.
- C. In the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent notified the Department that the facility emitted 0.37 tons of PM-10 from the facility's Welding Operations (Emission Point 3)

during the 2005 calendar year. This exceeded the permitted annual emission limit for Emission Point 3, or 0.26 tons of PM-10 per year, as set forth in Title V Permit No. 1740-00040-V1. The Respondent's failure to operate the facility in accordance with all terms and conditions of Title V Permit No. 1740-00040-V1 is a violation of LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 1740-00040-V2 increased the permitted annual PM-10 emission limit for the facility's Welding Operations to 0.650 tons per year to reflect current operations.

- D. According to the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent's facility emitted unpermitted pollutants from its Welding Operations (Emission Point 3) during the 2005 calendar year as noted in the table below. Each single asterisk denotes a TAP. The double asterisk denotes a pollutant from the Louisiana Toxic Air Pollutant Supplemental List in LAC 33:III.5112, Table 51.3.

POLLUTANT	REPORTED EMISSION RATE (POUNDS/YEAR)
Total Chromium Including Chromium VI	0.87
Chromium VI*	<0.001
Cobalt**	0.076
Manganese*	42
Nickel*	0.56

Each of the Respondent's failures to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 1740-00040-V2 reconciled the emissions of the facility's Welding Operations.

- E. In the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent notified the Department that the Respondent failed to inspect the filter vents of the facility's Indoor Shot Blasting (Emission Point 5) for visible emissions on a daily basis from January 1 through April 6, 2005. Each of the Respondent's failures to inspect the filter vents on a daily basis is a violation of Specific Condition No. 4 of Title V Permit No. 1740-00040-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- F. According to the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent's Stress Relief Furnace operations (Emission Points 6A and/or 6B) emitted 0.78 pounds of formaldehyde and 18.7 pounds of hexane, two unpermitted TAPs, during the 2005 calendar year. Each of the Respondent's failures to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of

LAC 33:III.501.C.1, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 1740-00040-V2 reconciled the emissions of the facility's Stress Relief Furnaces.

- G. According to the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent's facility emitted several pollutants from its Spray Gun Cleaning Operations (Emission Point 7) above the permitted rates specified in Title V Permit Number 1740-00040-V1 during the 2005 calendar year as noted in the table below. The asterisks in the table below denote TAP.

POLLUTANT	REPORTED EMISSION RATE (TONS/YEAR)	PERMITTED EMISSION RATE (TONS/YEAR)
Non-TAP Volatile Organic Compounds (VOCs)	4.63	0.078
Toluene*	2.13	0.078
Methanol*	2.51	0.016

Each of the Respondent's failures to operate the facility in accordance with all terms and conditions of Title V Permit No. 1740-00040-V1 is a violation of LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 1740-00040-V2 increased the permitted annual VOC, toluene, and methanol emission limits for the facility's Spray Gun Cleaning Operations to 5.90, 4.99, and 0.92 tons per year, respectively, to reflect current operations.

- H. According to the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent's facility emitted approximately 4.6 tons of fugitive dust from its roadway during the 2005 calendar year. However, fugitive dust emissions were not addressed in Title V Permit No. 1740-00040-V1. The Respondent's failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of LAC 33:III.501.C.1, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 1740-00040-V2 added Fugitive Road (FUG 1) emissions for the facility.
- I. According to the facility's 2005 annual compliance certification report dated March 31, 2006, the Respondent allowed an unpermitted 1000 gallon gasoline storage tank to emit 0.673 tons of unpermitted VOCs during the 2005 calendar year. The Respondent's failure to submit a permit application and receive approval from the permitting authority prior to the construction, modification, or operation of a facility, which ultimately may have resulted in an initiation and/or increase in emission of air contaminants, is a violation of

LAC 33:III.501.C.1, LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 1740-00040-V2 includes the Gasoline Tank (EQT007) and permits it to emit a maximum of 0.56 tons of VOC per year.

- J. In the facility's 2006 annual compliance certification report dated March 27, 2007, the Respondent notified the Department that the facility emitted 220 pounds of copper, 80 pounds of manganese, and 220 pounds of nickel from the facility's Coating Operations (Emission Point 2) during the 2006 calendar year. The Respondent exceeded the interim limits set forth in Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. AE-CN-04-0145A, for each of the abovementioned pollutants. This is a violation of La. R.S. 30:2025(E)(2), 30:2057(A)(1), and 30:2057(A)(2). According to the facility's 2007 annual compliance certification report dated March 28, 2008, the Coating Operations maintained compliance with the emission limits set forth in Title V Permit No. 1740-00040-V2.

The following violations, although not cited in the foregoing enforcement actions nor included in any other enforcement actions issued to the Respondent, are included within the scope of this settlement:

1. According to the revised 2006 Annual Compliance Certification dated June 15, 2010, Respondent emitted 0.58 tons of PM-10 from its Welding Operations (Emission Point 3) during 2006. This is a violation of the interim limitation of 0.46 tons per year set forth in Consolidated Compliance Order and Notice of Potential Penalty #AE-CN-04-0145A. Additionally, the Respondent failed to timely report this exceedance. This is a violation of Part 70 General Condition R of Title V Permit 1740-00040-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
2. According to the revised 2006 Annual Compliance Certification dated June 15, 2010, Respondent emitted 10 lbs of nickel from its Welding Operations (Emission Point 3) during 2006. This is a violation of the interim limitation of 2 pounds per year set forth in Consolidated Compliance Order and Notice of Potential Penalty #AE-CN-04-0145A. Additionally, the Respondent failed to timely report this exceedance. This is a violation of Part 70 General Condition R of Title V Permit 1740-00040-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

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 SIXTY-FIVE THOUSAND AND NO/100 DOLLARS (\$65,000.00), of which One Thousand Five Hundred Ninety-nine and 45/100 Dollars (\$1,599.45) represents DEQ'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 DEQ 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), the Consolidated Compliance Order & Notice of Potential Penalty, the Amended Consolidated Compliance Order & Notice of Potential Penalty, the Notice of Potential Penalty Assessment 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 LSA- R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Livingston 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 newspaper 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.

IX

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).

X

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

XI

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.

SHAW SUNLAND FABRICATORS, INC.

BY: Brian M. Bowin
(Signature)

Brian M. Bowin
(Print)

TITLE General Manager

THUS DONE AND SIGNED in duplicate original before me this 5th day of July, 20 11, at Walker, LA.

Dona B. Sheppard
NOTARY PUBLIC (ID # 157405)

Dona B. Sheppard
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

Peggy M. Hatch, Secretary

BY: Cheryl
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 18 day of October, 20 11, at Baton Rouge, Louisiana.

Dekua King
NOTARY PUBLIC (ID # 20592)

Dekua King
(Print) *Pen Roll # Life Commission*

Approved: Beau James Brock
Beau James Brock, Assistant Secretary