

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

SPARTECH POLYCOM, INC.

AI # 31771

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

* Settlement Tracking No.
* SA-AE-13-0004
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* Enforcement Tracking No.
* AE-PP-08-0106
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SETTLEMENT

The following Settlement is hereby agreed to between Spartech Polycom, 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 thermoplastic compounding and pulverizing facility located in Lake Charles, Calcasieu Parish, Louisiana ("the Facility").

II

On September 27, 2011, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-08-0106, which was based upon the following findings of fact:

On or about March 13, 2008, an inspection of Lake Charles Plant, owned and/or operated by Spartech Polycom, Inc. (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The Respondent owns and/or operates the Lake Charles Plant, a thermoplastic compounding and pulverizing facility. The facility is located at 1101 James East Sudduth Parkway in Lake Charles, Calcasieu Parish,

Louisiana. The facility previously operated under Air Permit No. 0520-00197-02 issued on September 17, 2003. On or about May 23, 2008, the Respondent applied for a minor source permit modification to reconcile the emissions at the facility. The facility currently operates under Air Permit No. 0520-00197-03 issued on August 27, 2008. On or about March 22, 2011, a subsequent file review was performed.

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

- A. The inspector noted that the Respondent failed to have the baghouse exhaust for extruder line 160 permitted in Permit No. 0520-00197-02. The Respondent's failure to submit a permit application and receive approval from the permitting authority prior to construction, modification, and/or operation of a facility which ultimately may have resulted in an initiation or increase in emission of air contaminants is a violation of LAC 33:III.501.C.2, La. R.S. 30:2057(A)(1) and 30:2057(A)(2). This has been corrected with the issuance of Permit No. 0520-00197-03.
- B. The inspector noted that the facility was not performing daily visual opacity inspections of all baghouse vents grouped under Emission Point No. GRP1 (except for EQT2) as required by the monitoring requirements of Air Permit No. 0520-00197-02. This is a violation of LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2). According to a letter dated May 20, 2008, the Respondent began conducting daily visual inspections.
- C. At the time of inspection, the facility was not conducting maintenance inspections of the baghouses semiannually and whenever visual checks indicate maintenance may be necessary for all of Emission Point No. GRP1 (except EQT 2) as required by the monitoring requirements of Permit No. 0520-00197-02. This is a violation of LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2). According to a letter dated May 20, 2008, the Respondent began conducting these inspections.
- D. The inspector noted that the facility replaced the baghouse for Line 150 (EQT 6) with cyclones. The cyclones and their emissions were not permitted. Thus, the facility failed to operate and or maintain all proposed control equipment as specified in the permit application as required by General Condition I of Permit No. 0520-00197-02. Operating an unpermitted emission source is a violation of Permit No. 0520-00197-02, LAC 33:III.501.C.1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). This has been corrected with the issuance of Permit No. 0520-00197-03.
- E. During the course of the file review, it was discovered that the Respondent failed to submit construction reports in accordance with General Condition V of Permit No. 0520-00197-02. The Respondent proposed to construct Lines 170 and 180

for more capacity at the facility in the permit application for Permit No. 0520-00197-02. The Respondent failed to submit construction reports for the process Line 170 and 180 or a report stating that the lines were not going to be constructed. This is a violation of General Condition V of Permit No. 0520-00197-02, 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 TWENTY THOUSAND AND NO/100 DOLLARS (\$20,000.00) of which Seven Hundred Twenty-Four and 35/100 Dollars (\$724.35) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

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

VI

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

but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VII

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

VIII

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

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.

SPARTECH POLYCOM, INC.

BY: Danielle L. Adler
(Signature)

Danielle L. Adler
(Printed)

TITLE: Asst. Corp. Secretary

THUS DONE AND SIGNED in duplicate original before me this 16th day of May, 20 13, at St. Louis County, MO.

Kathleen E. Scott
NOTARY PUBLIC (ID # 12533719)



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 2nd day of July, 20 13, at Baton Rouge, Louisiana.

Perry Theriot
NOTARY PUBLIC (ID # 19181)

Perry Theriot
(stamped or printed)

Approved: Cheryl
Cheryl Sonnier Nolan, Assistant Secretary