

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

WESTLAKE PETROCHEMICALS LP
WESTLAKE STYRENE LLC
WESTLAKE PETROCHEMICALS L.L.C.
WESTLAKE POLYMERS L.L.C.

AI # 18070, 6164, 27518 and 9061

PROCEEDINGS UNDER THE LOUISIANA
ENVIRONMENTAL QUALITY ACT
LA. R.S. 30:2011-, ET SEQ.

* Settlement Tracking No.
* SA-WE-15-0044
*
* Enforcement Tracking Nos.
* WE-CN-06-0426
* WE-CN-08-0153
* WE-CN-09-0213
* AE-P-06-0026
*
* Docket Nos.
* 2011-13600-EQ
* 2011-12614-EQ
* 2011-13604-EQ

SETTLEMENT

The following Settlement is hereby agreed to between Westlake Petrochemicals LP, Westlake Styrene LLC, Westlake Petrochemicals L.L.C., Westlake Polymers L.L.C. (“Respondents”), 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

Respondents are corporations that own and/or operate two chemical production facilities located in Calcasieu Parish, Louisiana (“the Facilities”).

II

On May 4, 2006, the Department issued to Respondent a Penalty Assessment, Enforcement No. **AE-P-06-0026**, which is attached as Exhibit A.

On April 26, 2010, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **WE-CN-06-0426**, which is attached as

Exhibit B.

On April 26, 2010, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **WE-CN-08-0153**, which is attached as Exhibit C.

On May 3, 2010, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **WE-CN-09-0213**, which is attached as Exhibit D.

The following violations, although not cited in the foregoing enforcement actions, are included within the scope of this settlement.

On or about August 28, 2013, the Department conducted a file review of the Westlake Chemical Corporation Petrochemical Complex (AI 6164) which includes Westlake Petrochemicals L.L.C., Poly I, II, and III, and, as of February 1, 2010, Westlake Styrene L.L.C. to determine the degree of compliance. The Department noted the following violations.

A. The Respondent exceeded the effluent limitations contained in LPDES permit LA0082511. These effluent exceedances, as reported by the Respondent on DMRs and NCRs, are summarized below:

OUTFALL	DATE	PARAMETER	PERMIT LIMIT	SAMPLE VALUE
001	3/1/2011-3/31/2011	Benzene Monthly Average	0.38 lbs/day	1.61 lbs/day
001	3/1/2011-3/31/2011	Benzene Daily Maximum	1.21 lbs/day	8.03 lbs/day
101	1/1/2011-3/31/2011	Fecal Coliform Daily Maximum	400 col/100mL	776 col/100 mL
001	9/1/2011-9/30/2011	pH Exceedance >60 minutes	0 occur/month	1 occur/month
001	1/1/2012-12/31/2012	Acenaphthylene Monthly Av.	0.19 lbs/day	0.24 lbs/day
001	1/1/2012-12/31/2012	Acenaphthylene Monthly Av.	0.19 lbs/day	0.20 lbs/day

001	1/1/2012-12/31/2012	Acenaphthylene Daily Max	0.5 lbs/day	1.62 lbs/day
001	1/1/2012-12/31/2012	Acenaphthylene Daily Max	0.5 lbs/day	0.74 lbs/day
001	1/1/2012-12/31/2012	Acenaphthylene Daily Max	0.5 lbs/day	0.70 lbs/day
OUTFALL	DATE	PARAMETER	PERMIT LIMIT	SAMPLE VALUE
001	1/1/2013-1/31/2013	Naphthalene Monthly Average	0.19 lbs/day	0.23 lbs/day
001	1/1/2013-1/31/2013	Naphthalene Daily Maximum	0.5 lbs/day	1.14 lbs/day
001	3/1/2013-3/31/2013	pH Exceedance >60 minutes	0 occur/month	1 occur/month
001	5/1/2013-5/31/2013	BOD ₅ Daily Maximum	824 lbs/day	>918.7 lbs/day

Each effluent exceedances is a violation of LPDES permit LA0082511 (Part I; Part II, Section L; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A.

- B. The Respondent failed to continuously record pH at Outfall 001 during the following monthly monitoring periods: February- July 2010, November 2010, December 2010, August 2011, January 2012, March 2012, September- December 2012, February 2013, and March 2013. Each failure to continuously record pH as required is a violation of LPDES permit LA0082511 (Part I; Part II, Section L; and Part III, Section A.2), La. R.S. 30:2076(A)(3) and LAC 33:IX.501.A.

A file review conducted by the Department of the Westlake Styrene L.L.C. facility (AI 18070) on or about August 28, 2013, revealed the Respondent exceeded an effluent limitation contained in LPDES permit LA0087157. Specifically, the Respondent reported a TSS Monthly Average value of 87.9 lbs/day at Outfall 001 for the January 2010 monthly monitoring period. The TSS Monthly Average permit limit is 57 lbs/day. The exceedance of the effluent limit is a violation of LPDES permit LA0087157 (Part I; Part II, Section K; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A.

On or about August 28, 2013, the Department conducted a file review of the Westlake Polymers L.L.C. facility (AI 9061) to determine the degree of compliance. The Department noted the following violations:

- A. The Respondent exceeded the effluent limitations contained in LPDES permit LA0071382. Specifically, the Respondent reported a BOD Daily Maximum value of 124.7 lbs/day at Outfall 007 for the July 2010 monitoring period and an Oil and Grease Daily Maximum value of 104.4 lbs/day at Outfall 010 for the September 2011 monitoring period. The permitted limits are 113 lbs/day and 65 lbs/day, respectively. Each effluent exceedance is a violation of LPDES permit LA0071382 (Part I; Part II, Section II.K; and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A.
- B. The Respondent failed to continuously record pH at Outfall 007 during the September 2011 and February 2012 monthly monitoring periods. Each failure to continuously record pH as required is a violation of LPDES permit LA0071382 (Part I; Part II, Section K; and Part III, Section A.2), La. R.S. 30:2076(A)(3) and LAC 33:IX.501.A.
- C. The Respondent failed to continuously record flow at Outfall 007 during the September 2011 monthly monitoring period. The failure to continuously record flow as required is a violation of LPDES permit LA0071382 (Part I; Part II, Section K; and Part III, Section A.2), La. R.S. 30:2076(A)(3) and LAC 33:IX.501.A.
- D. The Respondent did cause and/or allow the discharge of effluent containing a visible sheen from Outfall 011 on the following occasions:
 - a. On November 14, 2011, storm water backed-up into storm water sump 003 after a well water back-up pump activated. Oils from the sump were displaced into the storm water ditch leading to Outfall 011 and a visible sheen was noted in the Outfall 011 effluent.

- b. On January 9, 2013, a transformer ruptured during a storm causing manufacturing lines to shutdown and release approximately 200 gallons of oil to the ground. The Respondent stated most of the oil was recovered, but storm water washed some oil into a storm water ditch which discharges through Outfall 011. A visible sheen was noted in the effluent.

The discharge of effluent with a visible sheen is a violation of LPDES permit LA0071382 (Part I, page 10 of 11 and Part III, Section A.2), La. R.S. 30:2076(A)(3) and LAC 33:IX.501.A.

III

In response to the Consolidated Compliance Orders & Notices 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 NINETY-SEVEN THOUSAND AND NO/100 , of which Three Thousand Six Hundred Ninety-Two and 41/100 Dollars (\$3,692.41) 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)/permit record(s), Consolidated Compliance Orders & Notices of Potential Penalty, the 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.

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

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.

X

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 and wording 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.

XI

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 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 E).

XII

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

XIII

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.

WESTLAKE PETROCHEMICALS LP

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

WESTLAKE STYRENE LLC

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

WESTLAKE PETROCHEMICALS L.L.C.

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

WESTLAKE POLYMERS L.L.C.

BY: _____
(Signature)

(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

NOTARY PUBLIC (ID # _____)

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: _____
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

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

NOTARY PUBLIC (ID # _____)

(stamped or printed)

Approved:  _____
Lourdes Iturralde, Assistant Secretary