

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

COASTAL GULF & INTERNATIONAL, INC.

AI # 87729

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

* **Settlement Tracking No.**
* **SA-HE-23-0067**
*
* **Enforcement Tracking No.**
* **HE-PP-19-00847**
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SETTLEMENT AGREEMENT

The following Settlement Agreement is hereby agreed to between Coastal Gulf & International, 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 owned and/or operated a petroleum testing laboratory located in Luling, St. Charles Parish, Louisiana ("the Facility").

II

On January 10, 2020, the Department issued to Respondent a Notice of Potential Penalty, Enforcement Tracking No. HE-PP-19-00847 (Exhibit 1).

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 NINE THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$9,500.00), of which One Thousand Two Hundred Sixty and 73/100 Dollars (\$1,260.73) represents the Department's enforcement costs, in settlement of the claims set forth in this Settlement 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 inspection report(s), the Notice of Potential Penalty and this Settlement Agreement 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 Settlement 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 Settlement Agreement in any action by the Department to enforce this Settlement Agreement.

VII

This Settlement Agreement 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 Agreement, the Department considered the factors

for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

VIII

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.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Charles Parish, Louisiana. The advertisement, in form and wording approved by the Department, announced the availability of this Settlement Agreement 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 Agreement 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 over a period of twelve (12) months. An initial payment of \$2,375.00 is to be made within thirty (30) days from notice of the Secretary's signature, with subsequent payments due in the amount of \$1,781.25 every 90 days thereafter, until the remaining balance of \$7,125.00 is paid in full. If payment is not received within that time, this Settlement 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 attached hereto.

XI

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


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.

**COASTAL GULF & INTERNATIONAL,
INC.**

BY: [Signature]
(Signature)
Robert T. Kennedy
(Printed)
TITLE: C.O.O.

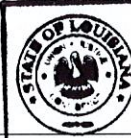
THUS DONE AND SIGNED in duplicate original before me this 17th day of January, 20 25, at St. Rose, LA.

[Signature]
NOTARY PUBLIC (ID # 33797)
CHRIS J. DAY
Notary Public
Notary ID No. 33797
 (stamped or printed)

**LOUISIANA DEPARTMENT OF
ENVIRONMENTAL QUALITY**
Aurelia S. Giacometto, Secretary

BY: [Signature]
Jerrie "Jerry" Lang, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 30th day of April, 20 25, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 51205)
 OFFICIAL SEAL
DEIDRA JOHNSON
NOTARY ID # 51205
STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE
My Commission Is for Life
(stamped or printed)

Approved: [Signature]
Jerrie "Jerry" Lang, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR

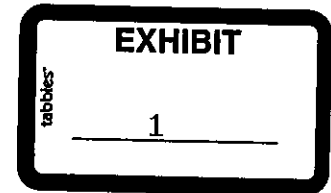


CHUCK CARR BROWN, Ph.D.
SECRETARY

State of Louisiana
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

January 10, 2020

CERTIFIED MAIL (7018 1830 0000 5751 5425)
RETURN RECEIPT REQUESTED



COASTAL GULF & INTERNATIONAL, INC.
c/o Keith Collura
Agent for Service of Process
13615 River Road
Luling, LA 70070

**RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. HE-PP-19-00847
AGENCY INTEREST NO. 87729**

Dear Sir:

On or about May 23, 2019, an inspection of Coastal Gulf & International Laboratories, a petroleum testing laboratory, owned and/or operated by **COASTAL GULF & INTERNATIONAL, INC. (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Hazardous Waste Regulations. The facility is located at 13615 River Road in Luling, St. Charles Parish, Louisiana. The facility operates as a large quantity generator of hazardous waste, and has been assigned EPA identification number LAR000042416.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection:

- A. The Respondent failed to mark containers of hazardous waste with an accumulation start date, in violation of LAC 33:V.1109.E.1.c. Specifically, all six (6) full fifty-five (55) gallon drums located in the less than ninety (<90) day container storage area, five (5) containing lab waste and one (1) containing waste acid (D002), were not marked with an accumulation start date at the time of the inspection. The six (6) containers were dated prior to the end of the inspection.
- B. The Respondent failed to keep containers holding hazardous waste closed during storage, except when it is necessary to add or remove waste, in accordance with LAC 33:V.2107.A, in violation of LAC 33:V.1109.E.1.a.i. Specifically, a partially-full fifty-five (55) gallon drum of hazardous waste acid (D002) in the less than ninety (<90) day container storage area was not

Coastal Gulf & International, Inc.
HE-PP-19-00847
Page 2

closed at the time of the inspection, as the bung was not in place, and waste was not actively being added to the container. The container was closed prior to the end of the inspection. In a response to the inspection received by the Department on or about July 26, 2019, a representative of the Respondent submitted a photograph showing a funnel with a latching flip-top lid has been installed on the drum.

- C. The Respondent failed to keep containers holding hazardous waste closed during storage, except when it is necessary to add or remove waste, in accordance with LAC 33:V.2107.A, in violation of LAC 33:V.1109.E.4. Specifically, three (3) containers in the laboratory satellite accumulation area: a five (5) gallon container of waste benzene (D018), a five (5) gallon container of waste acid (D002), and a five (5) gallon container of waste methanol (F005), each had an open funnel in the top of the container at the time of the inspection, and waste materials were not being actively added to the containers. In a response to the inspection received by the Department on or about July 26, 2019, a representative of the Respondent submitted a photograph showing funnels with latching flip-top lids were installed on all the five (5) gallon hazardous waste containers in the satellite accumulation area, and the containers were closed.
- D. The Respondent failed to submit an annual hazardous waste report covering generator activities during the previous calendar year to the Office of Environmental Services by March 1 of each year, in violation of LAC 33:V.1111.B.1. Specifically, a records review conducted during the inspection found the Respondent had submitted an annual hazardous waste report late in 2016, and had not submitted annual hazardous waste reports for 2017 and 2018. A representative of the Respondent submitted annual hazardous waste reports for 2017 and 2018 to the Office of Environmental Services on or about June 4, 2019.
- E. The Respondent failed to notify the Office of Environmental Services of a change in information in the application for the identification number within seven (7) days, in violation of LAC 33:V.1105.B. Specifically, a records review conducted during the inspection found the most recent hazardous waste notification form (HW-1) on file for the facility was dated November 11, 2017. The HW-1 form did not include hazardous waste codes D005, D006, D007, D008, and D011, which were listed on hazardous waste manifest 003685595, dated September 17, 2018. Hazardous waste manifest 003685470, dated August 6, 2018, also listed hazardous waste code D011. An updated HW-1 form for the facility dated October 21, 2019, which includes the aforementioned hazardous waste codes, was received by the Office of Environmental Services on or about October 23, 2019.
- F. The Respondent failed to develop and implement a waste minimization plan as specified in LAC 33:V.2245.K, in violation of LAC 33:V.1109.E.1.e. Specifically, at the time of the inspection, the facility did not have a waste minimization plan. A copy of the facility's waste minimization plan, dated June 10, 2019, was provided to the Department on or about July 26, 2019.

Coastal Gulf & International, Inc.
HE-PP-19-00847
Page 3

- G. The Respondent failed to provide a contingency plan for the facility, as required and specified by LAC 33:V.1513.A.1, in violation of LAC 33:V.1109.E.1.e. Specifically, the Respondent was unable to provide a contingency plan for the facility during the inspection. A copy of the facility's contingency plan, which states it was prepared on June 10, 2019, was provided to the Department on or about September 5, 2019, along with documentation that copies of the plan had been mailed to the local police station, fire station, and hospital.
- H. The Respondent failed to maintain records documenting at least weekly inspections of areas where containers holding hazardous waste are stored, as specified in LAC 33:V.2109.C, in violation of LAC 33:V.1109.E.1.a.i. Specifically, a representative of the Respondent stated during the inspection that the facility performs inspections of the hazardous waste container storage area, but was unable to provide any record of the inspections. In a response to the Warning Letter received by the Department on or about October 23, 2019, a representative of the Respondent stated the facility has implemented a weekly hazardous waste storage area inspection log, and provided a copy of the facility's inspection log for the weeks of October 14, 2019 and October 21, 2019.

Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

Prior to the issuance of any additional appropriate enforcement action, you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Brock Bonvillain at (225) 219-1423 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance in order to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent's most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violations to the above named contact person within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify this statement. If the Respondent chooses not to submit the requested most current annual gross revenues statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

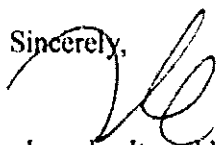
For each violation described herein, the Department reserves the right to seek civil penalties and the right to seek compliance with its rules and regulations in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties and compliance.

Coastal Gulf & International, Inc.
HE-PP-19-00847
Page 4

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached "**NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE**" form. The Respondent must include a justification of the offer. **DO NOT** submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,



Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

LI/BB
Alt ID No. LAR0C0042416



LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY

OFFICE OF ENVIRONMENTAL COMPLIANCE

ENFORCEMENT DIVISION

POST OFFICE BOX 4312

BATON ROUGE, LOUISIANA 70821-4312

NOTICE OF POTENTIAL PENALTY

REQUEST TO SETTLE (OPTIONAL)

Enforcement Tracking No.	HE-PP-19-00847	Contact Name	Brock Bonvillain
Agency Interest (AI) No.	87729	Contact Phone No.	(225) 219-1423
Alternate ID No.	LAR000042416		
Respondent:	Coastal Gulf & International, Inc.	Facility Name:	Coastal Gulf & International Laboratories
	c/o Keith Collura	Physical Location:	13615 River Road
	Agent for Service of Process		
	13615 River Road	City, State, Zip:	Luling, LA 70070
	Luling, LA 70070	Parish:	St. Charles

SETTLEMENT OFFER (OPTIONAL)

(check the applicable option)

<input type="checkbox"/>	The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (HE-PP-19-00847), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.
<input type="checkbox"/>	In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (HE-PP-19-00847), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay \$_____ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance. <ul style="list-style-type: none"> • Monetary component = \$_____ • Beneficial Environmental Project (BEP) component (optional)= \$_____ • DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.
<input type="checkbox"/>	The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (HE-PP-19-00847) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

CERTIFICATION STATEMENT

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent's Signature	Respondent's Printed Name	Respondent's Title
Respondent's Physical Address	Respondent's Phone #	Date

MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
P.O. Box 4312
Baton Rouge, LA 70821
Attn: Brock Bonvillain

SETTLEMENT AGREEMENTS

WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:1.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

		NATURE AND GRAVITY OF THE VIOLATION		
		MAJOR	MODERATE	MINOR
DEGREE OF RISK OR IMPACT TO HUMAN HEALTH OR PROPERTY	MAJOR	\$32,500 to \$20,000	\$20,000 to \$15,000	\$15,000 to \$11,000
	MODERATE	\$11,000 to \$8,000	\$8,000 to \$5,000	\$5,000 to \$3,000
	MINOR	\$3,000 to \$1,500	\$1,500 to \$500	\$500 to \$100

Degree of Risk to Human Health or Property

Major: (actual measurable harm or substantial risk of harm) A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.

Moderate: (potential for measurable detrimental impact) A violation of moderate impact and hazard may be one characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions.

Minor: (no harm or risk of harm) A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.

Nature and Gravity of the Violation

Major: Violations of statutes, regulations, orders, permit limits, or permit requirements that result in negating the intent of the requirement to such an extent that little or no implementation of requirements occurred.

Moderate: Violations that result in substantially negating the intent of the requirements, but some implementation of the requirements occurred.

Minor: Violations that result in some deviation from the intent of the requirement; however, substantial implementation is demonstrated.

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.



SETTLEMENT AGREEMENTS

Given the previous information, the following formula is used to obtain a penalty amount.

$$\text{Penalty Event Total} = \text{Penalty Event Minimum} + (\text{Adjustment Percentage} \times [\text{Penalty Event Maximum} - \text{Penalty Event Minimum}])$$

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

WHAT IS A BEP?

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement.

Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

WHAT HAPPENS IF MY OFFER IS REJECTED?

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?

Settlement Offers	searchable in <u>EDMS</u> using the following filters Media: Air Quality, Function, Enforcement, Description, Settlement
Settlement Agreements	<u>Enforcement Division's website</u> specific examples can be provided upon request
Penalty Determination Method	<u>LAC 33:1 Chapter 7</u>
Beneficial Environmental Projects	<u>LAC 33:1 Chapter 25</u> <u>FAQs</u>
Judicial Interest.....	<u>provided by the Louisiana State Bar Association</u>

