## VIA CERTIFIED MAIL

 RETURN RECEIPT REQUESTEDMr. Chris S. Leason
Gallagher \& Kennedy
2575 East Camelback Road
Phoenix, Arizona 85016-9225
Re: Consent Agreement and Final Order Agrium U.S. Inc.
Docket Number: RCRA-04-2013-4012(b)
Dear Mr. Leason:
Enclosed is a copy of the fully executed Consent Agreement and Final Order (CA/FO) as filed with the Regional Hearing Clerk (RHC) in the above referenced matter. The CA/FO was effective upon filing with the RHC and payment of the civil penalty is to be paid within thirty (30) calendar days of the effective date of the CA/FO.

Also enclosed is a copy of a document titled "Notice of Securities and Exchange Commission Registrants' Duty to Disclose Environmental Legal Proceedings." This document puts Agrium U. S. Inc. on notice of its potential duty to disclose to the Securities and Exchange Commission any environmental actions taken by the EPA.

If you have any questions, please feel free to contact Joan Redleaf Durbin, of my staff, at (404) 5629544.

Sincerely,


Chief, RCRA and OPA Enforcement and
Compliance Branch
RCRA Division

Enclosures

## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 4



## CONSENT AGREEMENT

## I. NATURE OF THE ACTION

1. This is a civil administrative enforcement action, ordering compliance with the requirements of Chapter 130A, Article 9, of North Carolina's General Statutes (N.C. GEN. STAT.) (Subtitle C of the Resource Conservation and Recovery Act (RCRA), 42 United States Code (U.S.C.) § 6921, et seq.). This action is seeking the imposition of civil penalties pursuant to Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), for violations of N.C. GEN. STAT. § 130A-290, et. seq. (RCRA, 42 U.S.C § 6921 et seq.), and the North Carolina regulations promulgated pursuant thereto at Title 15A of the North Carolina Administrative Code (N.C. Admin. Code), Chapter 13, Subchapter 13A (regulations promulgated pursuant to RCRA at Title 40 of the Code of Federal Regulations (C.F.R.), Parts 260 through 268, 270 and 279).
2. The Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, which govern this action and are promulgated at 40 C.F.R. Part 22, provide that where the parties agree to settlement of one or more causes of action before the filing of a complaint, a proceeding may be simultaneously commenced and concluded by the issuance of a Consent Agreement and Final Order (CAFO). 40 C.F.R. §§ 22.13(b) and 22.18(b)(2).
3. Complainant and Respondent have conferred for the purpose of settlement pursuant to 40 C.F.R. $\S 22.18$ and desire to settle this action. Accordingly, before any testimony has been taken upon the pleadings and without any admission of violation or adjudication of any issue of fact or law and in accordance with 40 C.F.R. § 22.13(b), Complainant and Respondent have agreed to the execution of this CAFO, and Respondent hereby agrees to comply with the terms of this CAFO.

## II. THE PARTIES

4. Complainant is the Chief, RCRA and OPA Enforcement and Compliance Branch, RCRA Division, Region 4, United States Environmental Protection Agency (the EPA). Respondent is Agrium U.S. Inc. (Respondent), a corporation incorporated under the laws of the State of Colorado. Respondent owns and operates a facility at 2400 US Highway 421 N, Wilmington, North Carolina (Wilmington facility) and, for purposes of this CAFO, operated a leased facility at 800 South Wilson Avenue, Dunn, North Carolina (Dunn facility) (together, the Facilities).

## III. PRELIMINARY STATEMENTS

5. Pursuant to Section 3006(b) of RCRA, 42 U.S.C. § 6926(b), North Carolina has received final authorization from EPA to carry out a hazardous waste program in lieu of the federal program set forth in RCRA. The requirements of the North Carolina authorized program are found in N.C. GEN. STAT. § 130A-290, et seq. and N.C. Admin. Code tit. 15A r. 13A.0101.
6. Although the EPA has granted the State of North Carolina authority to enforce its own hazardous waste program, EPA retains jurisdiction and authority to initiate an independent enforcement action pursuant to Section 3008(a)(2) of RCRA, 42 U.S.C. § 6928(a)(2). This authority is exercised by the EPA in the manner set forth in the Memorandum of Agreement between the EPA and the State of North Carolina.
7. As the authorized provisions of North Carolina's hazardous waste program operate in lieu of the federal RCRA program, the citations for the violations of those authorized provisions alleged herein will be to the authorized North Carolina program; however, for ease of reference, the federal citations will follow in parentheses.
8. Pursuant to Section 3008(a)(2) of RCRA, 42 U.S.C. § 6928(a)(2), Complainant has given notice of this action to the State of North Carolina before issuance of this CAFO.
9. N.C. GEN. STAT. § 130A-291, et seq. (Section 3002(a) of RCRA, 42 U.S.C. § 6922(a)) requires the promulgation of standards applicable to generators of hazardous waste. The implementing regulations for these standards are found in N.C. Admin. Code tit. 15A r. 13A. 0107 (40 C.F.R. Part 262).
10. N.C. GEN. STAT. § 130A-291, et seq. (Section 3004 of RCRA, 42 U.S.C. § 6924) requires the promulgation of standards applicable to owners and operators of hazardous waste treatment, storage, and disposal facilities. The implementing regulations for these standards are found in N.C. Admin. Code tit. 15A r. 13A. 0109 (40 C.F.R. Part 264).
11. N.C. GEN. STAT. § 130A-291, et seq. (Section 3005 of RCRA, 42 U.S.C. § 6925) sets forth the requirement that a facility treating, storing, or disposing of hazardous waste must have a permit or interim status. The implementing regulations for this requirement are found at N.C. Admin. Code tit. 15A r. 13A. 0109 (permitted) and N.C. Admin. Code tit. 15A r. 13A. 0110 (interim status) (40 C.F.R. Part 264 (permitted) and 265 (interim status)).
12. Pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.2), a "solid waste" is any discarded material that is not otherwise excluded by regulation.
13. Pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.3), a solid waste is a "hazardous waste" if it is not otherwise excluded from regulation as a hazardous waste and it meets the criteria set forth in N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.3).
14. Pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.3), a solid waste is a listed "hazardous waste" if it is listed in N.C. Admin. Code tit. 15A r. 13A.0106(d) (40 C.F.R. Part 261, Subpart D).
15. Pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(d) (40 C.F.R. § 261.31), wastewater treatment sludges from electroplating operations, with certain exceptions not applicable here, are listed hazardous waste F006 (40 C.F.R. § 261.31).
16. N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.4(a)(20)) establishes the conditions to exclude zinc-bearing hazardous secondary materials from the definition of solid waste when such secondary materials are used to make zinc fertilizers (Zinc Fertilizer Exclusion).
17. Among the requirements for the Zinc Fertilizer Exclusion from the definition of solid waste, N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.4(a)(20)(ii)(A)) requires generators and intermediate handlers of zinc-bearing hazardous secondary materials to submit a one-time notice to the State of North Carolina which contains the name, address and EPA ID number of the generator or intermediate handler facility, provides a brief description of the secondary material that will be subject to the exclusion, and identifies when the manufacturer intends to begin managing excluded, zinc-bearing hazardous secondary materials under the conditions specified in this paragraph (a)(20).
18. In order to maintain the Zinc Fertilizer Exclusion, manufacturers of zinc fertilizers or zinc fertilizer ingredients made from excluded hazardous secondary materials must meet the following conditions:
a. Submit a onetime notification to the State of North Carolina pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.4(a)(20)(iii)(B));
b. Maintain for a minimum of three years records of all shipments of excluded hazardous secondary materials pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.4(a)(20)(iii)(C)); and
c. Submit to the State of North Carolina an annual report as required in N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.4(a)(20)(iii)(D)).

## IV. EPA ALLEGATIONS AND DETERMINATIONS

19. Respondent is a "person" as defined in Section in N.C. Admin. Code tit. 15A r. 13A. 0102 (Section 1004(15) of RCRA, 42 U.S.C. § 6903(15) and 40 C.F.R. § 260.10).
20. Respondent is the "owner/operator" of the Wilmington facility as those terms are defined in N.C. Admin. Code tit. 15A r. 13A. 0102 (40 C.F.R. § 260.10).
21. Respondent was the "operator" of the Dunn facility as those terms are defined in N.C. Admin. Code tit. 15A r. 13A. 0102 (40 C.F.R. § 260.10).
22. At the Facilities, Respondent stored different types of fertilizers, including fertilizers that contained zinc oxide.
23. Webb Minerals, LLC (Webb), located at 1261 Maine Street, Quincy, Illinois, is a limited liability company formed under the laws of Illinois.
24. TNT General Contracting, Inc. (TNT), is a Missouri corporation that conducts business at Rural Route 3 Box 83, Kahoka, Clark County, Missouri, and that stores and mixes various zinc bearing materials for Webb.
25. Webb owns all the zinc bearing materials delivered to TNT and the resulting mixtures. Webb sells the processed zinc bearing ingredients to commercial fertilizer manufacturers to be added as a zinc nutrient to complete fertilizer product mixtures. Some of the zinc bearing materials originate from metal plating and galvanizing operations. The material from metal plating and galvanizing operations often meets the definition of hazardous waste.
26. On March 24, 2010, Missouri Department of Natural Resources (MDNR) inspectors conducted a Compliance Evaluation Inspection of the hazardous waste management practices at the Webb/TNT facility in Missouri.
27. At the time of the inspection, Webb/TNT had several "supersacks" that were labeled as containing F006, which is the EPA hazardous waste code for electroplating wastewater treatment sludge.
28. The Zinc Fertilizer Exclusion is inapplicable in Missouri because Missouri has not sought EPA authorization for the rule. Moreover, EPA Region 7 and the MDNR determined that TNT and Webb failed to satisfy the following conditions and therefore do not qualify for the Zinc Fertilizer Exclusion:
a. TNT and Webb failed to ensure that zinc-bearing materials were not accumulated speculatively.
b. TNT and Webb failed to submit notice to EPA or MDNR that they would be handling zinc-bearing materials to be incorporated into zinc fertilizers. Moreover, neither one notified MDNR of the location of the Missouri facility nor applied for a RCRA EPA Identification Number for the Missouri facility.
c. TNT and Webb failed to store the zinc bearing materials in tanks, containers, or buildings that are constructed and maintained in a way that prevents releases into the environment.
d. TNT and Webb failed to provide written notice to receiving facilities that the material is subject to the conditions of 40 C.F.R. § 261.4(a)(20).
e. TNT and Webb failed to maintain minimum required records.
29. In a letter dated November 10, 2010, South Holland Metal Finishing Company, Inc., Monee, Illinois (South Holland) informed EPA Region 7 that, since 2007, it has sent its electroplating wastewater treatment sludge to Webb/TNT in Kahoka, Missouri.
30. On several occasions in 2010, Respondent purchased zinc oxide from Webb/TNT (Webb Zinc Oxide) that contained electroplating wastewater treatment sludge.
31. In 2010, Respondent manufactured fertilizer with Webb Zinc Oxide containing electroplating wastewater treatment sludge, from now on referred to as "Fertilizer Products."
32. In January 2011, Respondent informed the EPA that it was storing Fertilizer Products at the Dunn and Wilmington facilities.
33. In September 2011, Respondent informed the EPA that some of the Fertilizer Products stored at the Dunn and Wilmington facilities did not meet the treatment standards for F006 hazardous waste in N.C. Admin. Code tit 15A r. 13A .0112(a) (Subpart D of 40 C.F.R. Part 268).
34. In September 2011, the EPA issued a CAFO to Respondent to resolve alleged hazardous waste violations at Respondent's Hartsville, South Carolina facility. The CAFO required Respondent to either dispose of or reprocess Fertilizer Products at that facility in compliance with the hazardous waste laws and regulations.
35. On September 24, 2012, counsel for Respondent informed the EPA that Respondent disposed as if they were hazardous wastes, the Fertilizer Products stored at the Dunn and Wilmington facilities, which exceeded the treatment standards in N.C. Admin. Code tit 15A r. 13A .0112(a) (Subpart D of 40 C.F.R. Part 268) that apply to F006 hazardous wastes.
36. Pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(d) (40 C.F.R. § 261.31(a)(2)), South Holland electroplating wastewater treatment sludge is an F 006 listed hazardous waste.
37. Pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.2), Respondent's Webb Zinc Oxide is a solid waste.
38. Pursuant to N.C. Admin. Code tit. 15A r. 13A.0106(a) (40 C.F.R. § 261.3(a)(2)(iv)), the Webb Zinc Oxide is a listed F006 hazardous waste.
39. Pursuant to N.C. Admin. Code tit 15A r. 13A .0111(a) (40 C.F.R. § 266.20) Respondent's Fertilizer Products are regulated as hazardous waste because the materials do not meet the Zinc Fertilizer Exclusion, nor the treatment standards for F006 hazardous waste in N.C. Admin. Code tit 15A r. 13A .0112(a) (Subpart D of 40 C.F.R. Part 268), and therefore cannot be regulated as recyclable materials.
40. Pursuant N.C. Admin. Code tit 15A r. 13A .0111(a) (Section 3005 of RCRA, 42 U.S.C. § 6928), the treatment, storage and disposal of hazardous waste is prohibited except in accordance with a permit. By accepting and storing hazardous waste fertilizer at the Facilities without a permit, Respondent was illegally storing hazardous waste in violation of N.C. Admin. Code tit 15A r. 13A .0111(a) (Section 3005 of RCRA, 42 U.S.C. § 6928).

## V. GENERAL PROVISIONS

41. For the purposes of this CAFO, Respondent admits the jurisdictional allegations set out in the above paragraphs pursuant to Section 3008 of RCRA, 42 U.S.C. § 6928.
42. Respondent neither admits nor denies the above factual allegations, determinations, and conclusions of law set forth herein.
43. Respondent waives any right to contest the allegations and its right to appeal the proposed Final Order accompanying the Consent Agreement.
44. Respondent waives its right to challenge the validity of this CAFO and the settlement of the matters addressed in this CAFO based on the Paperwork Reduction Act.
45. Respondent waives any right pursuant to 40 C.F.R. $\S 22.8$ to be present during any discussions with, or to be served with and reply to, any memorandum or communication addressed to EPA officials where the purpose of such discussion, memorandum, or communication is to persuade such official to accept and issue this CAFO.
46. Respondent waives any and all remedies, claims for relief, and otherwise available rights to judicial or administrative review that Respondent may have with respect to any issue of fact or law set forth in this CAFO, including any right of judicial review under Chapter 7 of the Administrative Procedure Act, 5 U.S.C. §§ 701-706.
47. The parties agree that the settlement of this matter is in the public interest and that this CAFO is consistent with the applicable requirements of RCRA. The parties agree that compliance with the terms of this CAFO shall resolve all of Respondent's liability for civil penalties for the violations and facts alleged and stipulated to in this CAFO.
48. Each party will pay its own costs and attorney's fees.

## VI. PAYMENT OF CIVIL PENALTY

49. Respondent consents to the payment of a civil penalty in the amount of $\$ 70,415$ within thirty (30) calendar days of the effective date of this CAFO.
50. Payment shall be made by cashier's check, certified check, by electronic funds transfer (EFT), or by Automated Clearhouse (ACH) (also known as REX or remittance express). If paying by check, the check shall be payable to: Treasurer, United States of America, and the docket number and facility name shall be referenced on the face of the check. If Respondent utilizes the US Postal Service, the payment shall be addressed to:

United States Environmental Protection Agency<br>Fines and Penalties<br>Cincinnati Finance Center<br>P.O. Box 979077<br>St. Louis, Missouri 63197-9000

If Respondent utilizes non-US Postal express mail delivery, the payment shall be sent to:

United States Bank
Government Lockbox 979077
United States Environmental Protection Agency
Fines and Penalties
1005 Convention Plaza
SL-MO-C2-GL
St. Louis, Missouri 63101
(314) 425-1818

If paying by EFT, the Respondent shall transfer the payment to:
Federal Reserve Bank of New York
ABA: 021030004
Account Number: 68010727
SWIFT address: FRNYUS33
33 Liberty Street
New York, New York 10045
Field Tag 4200 of the Fedwire message should read:
"D 68010727 Environmental Protection Agency"
If paying by ACH , the Respondent shall remit payment to:
PNC Bank, ABA: 051036706
Account Number: 310006
CTX Format Transaction Code 22 - checking
United States Environmental Protection Agency
$80817^{\text {th }}$ Street, N.W.
Washington, D.C. 20074
Contact: Jesse White, (301) 887-6548
51. Respondent shall submit a copy of the payment to the following addressees:

Patricia Bullock<br>Regional Hearing Clerk<br>United States Environmental Protection Agency, Region 4<br>61 Forsyth Street, S.W.<br>Atlanta, Georgia 30303-8909

And to:
Javier Garcia
RCRA and OPA Enforcement and Compliance Branch
RCRA Division
United States Environmental Protection Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303
52. If Respondent fails to remit the civil penalty as agreed to herein, EPA is required to assess interest and penalties on debts owed to the United States and a charge to cover the costs of processing and handling the delinquent claim. Interest, at the statutory judgment rate provided for in 31 U.S.C. $\S 3717$, will begin to accrue on the civil penalty if not paid within 30 calendar days after the effective date of this Consent Agreement. Pursuant to 31 U.S.C. § 3717, Respondent must pay the following amounts on any amount overdue:
a. Interest. Any unpaid portion of a civil penalty or stipulated penalty must bear interest at the rate established by the Secretary of the Treasury pursuant to 31 U.S.C. § 3717(a)(1). Interest will therefore begin to accrue on a civil penalty or stipulated penalty if it is not paid by the last date required. Interest will be assessed at the rate of the United States Treasury tax and loan rate.
b. Monthly Handling Charge. Respondent must pay a late payment handling charge of fifteen dollars (\$15.00) on any late payment, with an additional charge of fifteen dollars $(\$ 15.00)$ for each subsequent thirty (30) calendar-day period over which an unpaid balance remains.
c. Non-Payment Penalty. On any portion of a civil penalty or a stipulated penalty more than ninety (90) calendar days past due, Respondent must pay a non-payment penalty of six percent ( $6 \%$ ) per annum, which will accrue from the date the penalty payment became due and is not paid. This non-payment is in addition to charges which may accrue under subparagraphs (a) and (b).
53. Penalties paid pursuant to this CAFO are not tax deductible under 26 U.S.C. § 162(f).

## VII. PARTIES BOUND

54. This CAFO shall be binding on Respondent and its successors and assigns. Respondent shall cause its officers, directors, employees, agents, and all persons, including independent contractors, contractors, and consultants acting under or for Respondent, to comply with the provisions hereof in connection with any activity subject to this CAFO.
55. No change in ownership, partnership, corporate or legal status relating to the facility will in any way alter Respondent's obligations and responsibilities under this CAFO.
56. The undersigned representative of Respondent hereby certifies that she or he is fully authorized to enter into this CAFO and to execute and legally bind Respondent to it.

## VIII. RESERVATION OF RIGHTS

57. Notwithstanding any other provision of this CAFO, an enforcement action may be brought pursuant to Section 7003 of RCRA, 42 U.S.C. § 6973 , or other statutory authority, should the EPA find that the handling, storage, treatment, transportation, or disposal of solid waste or hazardous waste at Respondent's facility may present an imminent and substantial endangerment to human health or the environment.
58. Complainant reserves the right to take enforcement action against Respondent for any future violations of RCRA and the implementing regulations and to enforce the terms and conditions of this CAFO.
59. Except as expressly provided herein, nothing in this CAFO constitutes a release from any civil or criminal claim, cause of action, or demand in law or equity for any liability Respondent may have arising out of, or relating to, the storage, transportation, release, or disposal of hazardous constituents, hazardous substances, hazardous wastes, pollutants, or contaminants found at, taken to, or taken from Respondent's facility.

## IX. OTHER APPLICABLE LAWS

60. All actions required to be taken pursuant to this CAFO shall be undertaken in accordance with the requirements of all applicable local, state, and Federal laws and regulations.

## X. SERVICE OF DOCUMENTS

61. A copy of any documents that Respondent files in this action shall be sent to the following attorney who represents EPA in this matter:

Joan Redleaf Durbin<br>Associate Regional Counsel<br>United States Environmental Protection Agency, Region 4<br>61 Forsyth Street, S.W.<br>Atlanta, Georgia 30303

62. A copy of any documents that Complainant files in this action shall be sent to the following attorney who represents Respondent in this matter:

Chris S. Leason<br>Gallagher \& Kennedy<br>2575 East Camelback Road<br>Phoenix, Arizona 85016-9225

## XI. SEVERABILITY

63. It is the intent of the parties that the provisions of this CAFO are severable. If any provision or authority of this CAFO or the application of this CAFO to any party or circumstances is held by any judicial or administrative authority to be invalid or unenforceable, the application of such provisions to other parties or circumstances and the remainder of the CAFO shall remain in force and shall not be affected thereby.

## XII. EFFECTIVE DATE

64. The effective date of this CAFO is the date it is filed with the Regional Hearing Clerk.
(Signatures on next page)

In the Matter of Agrium U.S. Inc.
Docket Number: RCRA-04-2013-4012(b)

## AGREED AND CONSENTED TO:

Agrium U.S. Inc.

By:
 Dated:


Print Title: $\frac{V P \text { Nitrogen st Services }}{\text { Respondent }}$

## U.S. Environmental Protection Agency



# UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 4 



## FINAL ORDER

The foregoing Consent Agreement is hereby approved, ratified and incorporated by reference into this Final Order in accordance with the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits, 40 C.F.R. Part 22. The Respondent is hereby ORDERED to comply with all of the terms of the foregoing Consent Agreement effective immediately upon filing of this Consent Agreement and Final Order with the Regional Hearing Clerk. This Order disposes of this matter pursuant to 40 C.F.R. §§ 22.18 and 22.31.

BEING AGREED, IT IS SO ORDERED this $\qquad$ day of Sept. , 2013.

BY:


Susan B. Schub
Regional Judicial Officer
United States Environmental Protection Agency, Region 4

## CERTIFICATE OF SERVICE

I hereby certify that I have this day filed the original and a true and correct copy of the foregoing Consent Agreement and the attached Final Order (CAFO), in the Matter of Agrium U.S. Inc., in Wilmington, North Carolina and Dunn, North Carolina, Docket Number: RCRA-04-2013-4012(b), and on $\qquad$ , served the parties listed below in the manner indicated:

## Joan Redleaf Durbin

(Via EPA Internal Mail)
Associate Regional Counsel
Office of Environmental Accountability
United States Environmental Protection Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8909

Quantindra Smith
RCRA and OPA Enforcement and Compliance Branch
U.S. EPA, Region 4

61 Forsyth Street, S.W.
Atlanta, Georgia 30303-8960
Chris S. Leason
Gallagher \& Kennedy
2575 East Camelback Road
Phoenix, Arizona 85016-9225

Date:

(Via EPA Internal mail)
(Via Certified Mail - Return Receipt Requested)


Patricia Bullock, Regional Hearing Clerk United States Environmental Protection
Agency, Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303
(404) 562-9511

