UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 7

901 NORTH 5TH STREET KANSAS CITY, KANSAS 66101

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IN THE MATTER OF:)
Arnette Limited, Inc.)
) <u>CONSENT AGREEMENT</u>) <u>AND FINAL ORDER</u>
) Docket No. RCRA-07-2010-0008) EPCRA-07-2010-0001
Respondent.)
Proceeding under Section 3008(a) and (g) of the Resource Conservation and Recovery)
Act as amended, 42 U.S.C. § 6928(a) and (g); and Section 325(a) of the Emergency Planning and))
Community Right-to-Know Act, 42 U.S.C. § 11045(a).))
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I. PRELIMINARY STATEMENT

The United States Environmental Protection Agency (EPA), Region 7 (Complainant) and Arnette Limited, Inc. (Respondent) have agreed to a settlement of this action before the filing of a complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(b)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits (Consolidated Rules of Practice), 40 Code of Federal Regulations (C.F.R.) §§ 22.13(b) and 22.18(b)(2). This Consent Agreement and Final Order (CAFO) is a complete and final settlement of all civil and administrative claims and causes of action for the violations set forth in this CAFO.

II. ALLEGATIONS

Jurisdiction

1. This administrative action is being conducted pursuant to Sections 3008(a) and (g) of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (RCRA), and the Hazardous and Solid Waste Amendments of 1984 (HSWA), 42 United States Code (U.S.C.) § 6928(a) and (g), Section 325 of the Emergency Planning and Community Right to Know Act of 1986 (EPCRA), 42 U.S.C. § 11045, and in accordance with the Consolidated Rules of Practice.

2. This CAFO serves as notice that EPA has reason to believe that Respondent violated Section 3005 of RCRA, 42 U.S.C. § 6925, Section 390.1(1) of Chapter 260 of the Revised Statutes of Missouri (R.S.Mo.), and the regulations found at 40 C.F.R. §§ 261, 262, and 265, as incorporated in Title 10, Division 25 of the Missouri Code of State Regulations (10 C.S.R. 25) at section 261 and 262 of Chapter 5, and Section 313 of EPCRA, 42 U.S.C. § 11023, and the regulations promulgated thereunder and codified at 40 C.F.R. § 372.

Parties

- 3. The Complainant is the Director of the Air and Waste Management Division of EPA, Region 7, who has been duly delegated the authority to bring this action by the Administrator of EPA.
- 4. The Respondent is Arnette Limited, Inc., a corporation authorized to conduct business under the laws of Missouri.

Statutory and Regulatory Framework

- 5. The State of Missouri has been granted authorization to administer and enforce a hazardous waste program pursuant to Section 3006 of RCRA, 42 U.S.C. § 6926, and the State of Missouri has adopted by reference the federal regulations cited herein at pertinent parts in Title 10, Division 25 of the Missouri Code of State Regulations. Section 3008 of RCRA, 42 U.S.C. § 6928, authorizes EPA to enforce the provisions of the authorized State program and the regulations promulgated thereunder. When EPA determines that any person has violated or is in violation of any RCRA requirement, EPA may issue an order assessing a civil penalty for any past or current violation and/or require immediate compliance or compliance within a specified time period pursuant to Section 3008 of RCRA, 42 U.S.C. § 6928. In the case of a violation of any RCRA requirement, where such violation occurs in a state which is authorized to implement a hazardous waste program pursuant to Section 3006 of RCRA, EPA shall give notice to the state in which such violation has occurred or is occurring prior to issuing an order. The State of Missouri has been notified of this action in accordance with Section 3008(a)(2) of RCRA, 42 U.S.C. § 6928(a)(2).
- 6. Section 3008(g) of RCRA, 42 U.S.C. § 6928(g), authorizes a civil penalty of not more than \$25,000 per day for violations of Subchapter III of RCRA (Hazardous Waste Management). This figure has been adjusted upward for inflation pursuant to the Civil Monetary Penalties Inflation Adjustment Rule, 40 C.F.R. Part 19, so that penalties of up to \$32,500 per day are authorized for violations of Subchapter III of RCRA that occur from March 15, 2004 through January 12, 2009. For violations of Subchapter III of RCRA that occur after January 12, 2009, penalties of up to \$37,500 per day are now authorized. Based upon the facts alleged in this CAFO and upon those factors which Complainant must consider pursuant to Section 3008(a)(3) of RCRA, 42 U.S.C. § 6928(a)(3), as discussed in the RCRA Civil Penalty Policy issued by EPA in June 2003, the Complainant and Respondent agree to the payment of a civil penalty pursuant to Section 3008(g) of RCRA, 42 U.S.C. § 6928(g), for the violation of RCRA alleged in this

CAFO.

- 7. Section 325(c) of EPCRA, 42 U.S.C. § 11045(c), authorizes a civil penalty of not more than \$25,000 for each violation of Section 11022 or 11023 of EPCRA. This figure has been adjusted upward for inflation pursuant to the Civil Monetary Penalties Inflation Adjustment Rule, so that penalties of up to \$32,500 per violation are authorized for violations of Section 11022 or 11023 of EPCRA that occur from March 15, 2004 through January 12, 2009. For violations of Section 11022 or 11023 of EPCRA that occur after January 12, 2009, penalties of up to \$37,500 per day are now authorized. Based upon the facts alleged in this CAFO and upon those factors which Complainant must consider pursuant to Section 325(b)(2) of EPCRA, 42 U.S.C. § 11045(b)(2), as discussed in the EPCRA Enforcement Response Policy issued by EPA in April 2001, the Complainant and Respondent agree to the payment of a civil penalty pursuant to Section 325(c) of EPCRA, 42 U.S.C. § 11045(c), for the violations of EPCRA alleged in this CAFO.
- 8. Pursuant to the regulations set forth at 10 C.S.R. 25-4.262, incorporating by reference 40 C.F.R. Part 262, generators of solid waste must perform hazard waste determinations on all solid wastes.
- 9. Section 3005 of RCRA, 42 U.S.C. § 6925, R.S.Mo. 260.390.1(1), and the regulations at 10 C.S.R. 25-7.270 incorporating by reference 40 C.F.R. § 270.1(b), require each person owning or operating a facility for the treatment, storage, or disposal of a hazardous waste identified or listed under Subchapter C of RCRA to have a permit for such activities.
- 10. The regulations at 10 C.S.R. 25-5.262(1), which incorporate by reference 40 C.F.R. § 262.34(a), allow a generator to accumulate hazardous waste in containers on-site for ninety days without a permit or without interim status, provided the conditions listed in 40 C.F.R. §§ 262.34(a)(1)-(4) are met. These conditions include compliance with various hazardous waste regulatory requirements.
- 11. Section 313 of EPCRA and the regulations at 40 C.F.R. §§ 372.22 and 372.30 require that any owner or operator of a facility:
 - a. With 10 or more full time employees;
 - b. Have a Standard Industrial Classification (SIC) code of 10 (except 1011, 1081, and 1094), 12 (except 1241), or 20 through 39; industry codes 4911, 4931, or 4939 (limited to facilities that combust coal and/or oil for the purpose of generating power for distribution in commerce); or 4953 (limited to facilities regulated under the Resource Conservation and Recovery Act), or 5169, or 5171, or 7389 (limited to facilities primarily engaged in solvent recovery services on a contract or fee basis); and
 - c. Manufactured, processed or otherwise used a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity

established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during the calendar year,

to complete and submit a toxic chemical release inventory form (hereinafter "Form R") to the Administrator of EPA and to the State in which the subject facility is located by July 1 for the preceding calendar year for each toxic chemical known by the owner or operator to be manufactured, processed, or otherwise used in quantities exceeding the established threshold quantity during that preceding calendar year.

12. As set forth in Section 313(f) of EPCRA and 40 C.F.R. § 372.25, the reporting threshold amount for a toxic chemical manufactured or processed at a facility is 25,000 pounds per calendar year. The reporting threshold for a toxic chemical otherwise used at a facility is 10,000 pounds per calendar year. The reporting threshold amount for lead is 100 pounds. 40 C.F.R. § 272.28.

General Factual Allegations

- 13. Respondent is a corporation authorized to conduct business in the State of Missouri, and is a "person" as defined in Section 1004(15) of RCRA, 42 U.S.C. § 6903(15) and Section 329(7) of EPCRA, 42 U.S.C. § 11049(7).
- 14. Respondent manufactures epoxy blends and advanced resins, with a Standard Industrial Classification (SIC) code of 2821. Respondent operates two facilities located in Richmond, Missouri. The first facility is located at 8905 Wollard Boulevard, and the second facility is located at 1002 W. Main Street. Respondent employs approximately 14 full time employees at its Richmond facilities.
- 15. As part of its operations at the Wollard Boulevard facility, Respondent generates waste, including but not limited to curing (b-side) waste (D001, F003, and F005); amine blend waste (D001 and D002); epoxy (a-side) waste (D001, F003, and F005); epoxy intermediate process water (D001 and D002); waste vacuum pump oil (D001); and diatomaceous earth waste (D001).
- 16. The regulations for determining whether a waste is a solid and/or hazardous waste are set forth at 10 C.S.R. 25-4.261, which incorporate by reference the regulations at 40 C.F.R. Part 261. Each of the wastes listed in Paragraph 15 are a "solid waste" and a "hazardous waste" within the meaning of these regulations.
- 17. Respondent's facility located at 8905 Wollard Boulevard is a Large Quantity Generator (hereinafter "LQG facility" or "Wollard Boulevard facility") of hazardous waste by both monthly generation (over 1000 kg) and accumulation. 10 C.S.R. 25-5.262, incorporating by reference the regulations at 40 C.F.R. Part 262.
- 18. Respondent's Wollard Boulevard location has been assigned the following EPA RCRA Identification (ID) Number: MOR000000422.

- 19. At the Wollard Boulevard facility, Respondent operates one less-than-90 day hazardous waste container storage area and one above-ground less-than-90 day hazardous waste storage tank. All of Respondent's less-than-90 day hazardous storage areas and tanks at the Wollard Boulevard facility have containment structures.
- 20. On or about December 9-10, 2008, an EPA representative conducted a RCRA Compliance Evaluation Inspection at Respondent's Wollard Boulevard LQG facility (hereinafter the "December 2008 inspection"). Based on information obtained during the inspection, Respondent was issued a RCRA Notice of Violation.
- 21. Based on a review of the inspection report and the information provided during the inspection by facility personnel, it was determined that Respondent was operating, at the time of the inspection, as a LQG of hazardous waste, pursuant to 10 C.S.R. 25-5.262 at the Wollard Boulevard facility.
- 22. Respondent's facility located at 1002 W. Main Street is a Small Quantity Generator (hereinafter "SQG facility" or "Main Street facility") of hazardous waste by monthly generation (greater than 100 kg but less than 1,000 kg). 10 C.S.R. 25-5.262, incorporating by reference the regulations at 40 C.F.R. Part 262.
- 23. Respondent's Main Street location has been assigned the following EPA RCRA ID Number: MOR000505586.
- 24. Respondent's Main Street location has been assigned the following EPA Toxics Release Inventory (TRI) Programmatic ID Number: 6408WRNTTL12MAI, and an EPCRA Facility ID Number: 110015852219.
- 25. On or about November 9-10, 2009, an EPA representative conducted a Compliance Evaluation Inspection at Respondent's Main Street facility (hereinafter the "November 2009 inspection"). Based on information obtained during the inspection, Respondent was issued a Notice of Preliminary Findings.
- 26. Documentation collected during the November 2009 inspection reveal that Respondent manufactured, processed, or otherwise used the following toxic chemicals in 2006 in excess of the respective threshold quantity at the Main Street facility:
 - a. Chemical Category N120, Diisocyanates;
 - b. 4,4-isopropylidenediphenol; and
 - c. Chemical Category N420, Lead compounds.
- 27. Documentation collected during the November 2009 inspection reveal that Respondent manufactured, processed, or otherwise used the following toxic chemicals in 2007 in excess of the respective threshold quantity at the Main Street facility:
 - a. Chemical Category N120, Diisocyanates;

- b. 4,4-isopropylidenediphenol;
- c. Chemical Category N420, Lead compounds; and
- d. Phenol.
- 28. Documentation collected during the November 2009 inspection reveal that Respondent manufactured, processed, or otherwise used the following toxic chemicals in 2008 in excess of the respective threshold quantity at the Main Street facility:
 - a. 4,4-isopropylidenediphenol;
 - b. Chemical Category N420, Lead compounds;
 - c. Phenol; and
 - d. Isobutyraldehyde
 - e. Chemical Category N120, Diisocyanates.

Violations

29. Complainant hereby states and alleges that Respondent has violated RCRA, EPCRA, and federal and state regulations promulgated thereunder, as follows:

Count 1

Failure to Conduct Hazardous Waste Determination

- 30. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 31. At the time of the December 2008 inspection, Respondent generated waste vacuum pump oil at various locations throughout the LQG facility. Respondent failed to conduct a hazardous waste determination on the waste vacuum pump oil. After the inspection, Respondent determined the waste vacuum pump oil is classified as a D001 hazardous waste.
- 32. At the time of the December 2008 inspection, Respondent generated epoxy intermediate process water in the hazardous waste tank area of the LGQ facility. Respondent failed to conduct an adequate hazardous waste determination on the epoxy intermediate process water. Subsequent to the inspection, Respondent provided documentation showing the epoxy intermediate process water is a D001 and D002 hazardous waste.
- 33. At the time of the December 2008 inspection, Respondent generated diatomaceous earth waste from filtering finished products at the LGQ facility. Respondent failed to conduct a hazardous waste determination on the diatomaceous earth waste. Subsequent to the inspection, Respondent determined the diatomaceous earth waste is classified as a D001 hazardous waste.
 - 34. At the time of the December 2008 inspection, Respondent generated a four foot

by seven foot area of spilled material on the floor in the hazardous waste tank storage area at the LQG facility. Respondent failed to conduct a hazardous waste determination on the spilled material. Subsequent to the inspection, Respondent determined the spilled material to be D001, F003, and F005 hazardous waste.

- 35. The waste streams described in Paragraphs 31-34, above, are hazardous wastes.
- 36. Respondent's failure to make a hazardous waste determination on the above referenced waste streams is a violation of 40 C.F.R. §262.11, incorporated by reference at 10 C.S.R. 25-5.262(1).

Count 2

Operation of a Hazardous Waste Treatment, Storage or Disposal Facility Without a Permit

- 37. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- Section 3005 of RCRA, 42 U.S.C. § 6925, R.S.Mo. 260.390.1(1), and the 38. regulations at 10 C.S.R. 25-7.270 incorporating by reference 40 C.F.R. § 270.1(b), require each person owning or operating a facility for the treatment, storage, or disposal of a hazardous waste identified or listed under Subchapter C of RCRA to have a permit for such activities.
- 39. The regulations at 10 C.S.R. 25-5.262(1), which incorporate by reference 40 C.F.R. § 262.34(a), allow a generator to accumulate hazardous waste in containers on-site for ninety days without a permit or without interim status, provided the conditions listed in 40 C.F.R. §§ 262.34(a)(1)-(4) are met. These conditions include compliance with other hazardous waste regulatory requirements.

Storage of Hazardous Waste for Over Ninety Days Without a Permit

- At the time of the December 2008 inspection, Respondent had one 55-gallon drum of hazardous waste located within the hazardous waste storage area. The drum was dated June 16, 2008.
- 41. Respondent shipped the drum to a permitted treatment, storage and disposal facility on December 23, 2008.
- Based on the date labeled on the drum and the date of the hazardous waste manifest which showed the drum was shipped off-site, the drum had been in storage for 192 days, or 102 days longer than the 90 days allowed for a LQG.
 - 43. Respondent does not have a RCRA permit or interim status to operate as a storage

facility at the LQG facility and is therefore in violation of Section 3005 of RCRA, 42 U.S.C. § 6925, R.S.Mo. 260.1(1), and the regulations at 10 C.S.R. 25-7.270 and 40 C.F.R. § 262.34.

Failure to Comply with Generator Requirements

- 44. The regulations at 40 C.F.R. § 262.34(a), incorporated by reference at 10 C.S.R. 25-5.262, state that a generator may accumulate hazardous waste on-site for 90 days or less without a permit or without having interim status if certain generator requirements are met.
- 45. At the time of the December 2008 inspection, Respondent was not meeting the following conditions found at 10 C.S.R. 25-262(1), incorporating 40 C.F.R. § 262.34, which must be met in order to allow Respondent to store hazardous waste at its facilities for any amount of time.

Accumulation Start Date

- 46. The regulations at 40 C.F.R. § 262.34(a)(2), incorporated by reference at 10 C.S.R. 25-5.262(2)(C)1., require a generator to clearly mark the date upon which the period of accumulation begins for each container of hazardous waste.
- 47. At the time of the December 2008 inspection, it was discovered that Respondent failed to mark the accumulation start date on one storage container of hazardous waste in the hazardous waste storage area.
- 48. Respondent's failure to date when the period of accumulation begins for each container of hazardous waste is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(2)(C)1. and 40 C.F.R. § 262.34(a)(2).

Weekly Inspections

- 49. The regulations at 40 C.F.R. § 265.174, incorporated by reference at 10 C.S.R. 25-5.262(2)(C)2.C.(I) and (II), require a generator to perform weekly inspections on hazardous waste storage containers.
- 50. At the time of the December 2008 inspection, it was discovered that Respondent failed to perform adequate weekly inspections in the hazardous waste storage area.
- 51. Respondent's failure to perform adequate weekly inspections is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(2)(C)2.C. (I) and (II) and 40 C.F.R. § 265.174.

Adequate Aisle Space

52. The regulations at 40 C.F.R. § 262.34(d)(4), referencing 40 C.F.R. § 265.35, and incorporated by reference at 10 C.S.R. 25-5.262(2)(C)1., require a generator to maintain adequate aisle space in hazardous waste storage areas.

- 53. At the time of the December 2008 inspection, it was discovered that Respondent failed to maintain adequate aisle space in the hazardous waste storage area.
- 54. Respondent's failure to maintain adequate aisle space in the hazardous waste storage area is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(2)(C)1., and 40 C.F.R. § 262.34(d)(4) referencing 40 C.F.R. § 265.35.

Satellite Accumulation Quantity

- 55. The regulations at 40 C.F.R. § 262.34(c)(1), incorporated by reference at 10 C.S.R. 25-5.262(2)(C)3., permit a generator to accumulate as much as 55 gallons of hazardous waste in containers at or near any point of generation where wastes initially accumulate.
- 56. At the time of the December 2008 inspection, it was discovered that Respondent exceeded the 55 gallon hazardous waste accumulation limit in the satellite accumulation area.
- 57. Respondent's exceedance of the 55 gallon limit of hazardous waste in the satellite accumulation area is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(2)(C)3. and 40 C.F.R. § 262.34(c)(1).

Labeling Satellite Accumulation Containers

- 58. The regulations at 40 C.F.R. § 262.34(c)(1)(ii), incorporated by reference at 10 C.S.R. 25-5.262(2)(C)3., require a generator to label satellite accumulation containers with the accumulation start date and with the words "Hazardous Waste" or with other words to identify the contents of the container.
- 59. At the time of the December 2008 inspection, it was discovered that Respondent failed to label four satellite accumulation containers with the accumulation start date and the words "Hazardous Waste" or with other words to identify the contents of the container.
- 60. Respondent's failure to properly label the satellite accumulation containers is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(2)(C)3. and C.F.R. § 262.34(c)(1)(ii).

Internal Alarm in Hazardous Waste Storage Area

61. The regulations at 40 C.F.R. § 262.34(a)(4), referencing 40 C.F.R. § 265.32(b), 40 C.F.R. § 265.34(a), and incorporated by reference at 10 C.S.R. 25-5.262(1), require a generator to have immediate access to an internal alarm or emergency communication device in the hazardous waste storage area when hazardous waste is being poured, mixed, spread, or otherwise handled. The regulations further require a generator to equip the hazardous waste storage area with a device such as a telephone or two-way radio capable of summoning emergency assistance.

- 62. At the time of the December 2008 inspection, it was discovered that Respondent failed to have immediate access to an internal alarm, emergency communication device, telephone, or two-way radio capable of summoning emergency assistance in the hazardous waste storage area.
- 63. Respondent's failure to have immediate access to an internal alarm, emergency communication device, telephone, or two-way radio capable of summoning emergency assistance in the hazardous waste storage area is a failure to meet the conditions set forth at 10 C.S.R. 25-5.262(1) and 40 C.F.R. § 262.34(a)(4), referencing 40 C.F.R. § 265.32(b) and 40 C.F.R. § 265.34(a).

Leak Detection System

- 64. The regulations at 40 C.F.R. 262.34(a)(1)(ii), referencing 40 C.F.R. § 265.193(c)(3), and incorporated by reference at 10 C.S.R. 25-5.262(1), require a generator to have a leak detection system designed and operated in a manner to detect the failure of either the primary or secondary containment structure, or any release of hazardous waste or accumulated liquid in the secondary containment system within 24 hours, or at the earliest practicable time if the existing detection technology or site conditions will not allow detection of a release within 24 hours.
- 65. At the time of the December 2008 inspection, it was discovered that Respondent failed to have a leak detection system designed and operating in a manner to detect the failure of either the primary or secondary containment structure, or any release of hazardous waste or accumulated liquid in the secondary containment system within 24 hours.
- 66. Respondent's failure to have a leak detection system is a failure to meet the conditions set forth at 10 C.S.R. 25-5.262(1) and 40 C.F.R. 262.34(a)(1)(ii), referencing 40 C.F.R. § 265.193(c)(3).

Daily inspections on Tank Spill Control Equipment

- 67. The regulations at 40 C.F.R. § 262.34(a)(1), referencing 40 C.F.R. § 265.195(a), and incorporated by reference at 10 C.S.R. 15-5.262(2)(C)2.E., require a generator to conduct daily inspections on take spill control equipment. The regulations require inspections, where present, at least once each operating day, data gathered from monitoring and leak detection equipment (e.g., pressure or temperature gauges, monitoring wells) to ensure the tank system is being operated according to its design.
- 68. At the time of the December 2008 inspection, it was discovered that Respondent failed to conduct daily inspections on the storage tank overfill/spill control equipment and secondary containment for the 12,850 gallon hazardous waste storage tank.
 - 69. Respondent's failure to perform daily inspections on the storage tank overfill/spill

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control equipment and secondary containment for the 12,850 gallon hazardous waste storage tank is a failure to meet the condition set forth at 10 C.S.R. 15-5.262(2)(C)2.E. and 40 C.F.R. § 262.34(a)(1), referencing 40 C.F.R. § 265.195(a).

Daily Tank Inspections for Spills

- 70. The regulations at 40 C.F.R. § 262.34(a)(1), referencing 40 C.F.R. § 265.195(b)(2), and incorporated by reference at 10 C.S.R. 25-5.262(2)(C)2.C(II), require a generator to perform daily tank inspections of hazardous waste storage tank systems for spills.
- 71. At the time of the December 2008 inspection, it was discovered that Respondent had a four foot by seven foot spill of D001, F003, and F005 waste near the 12,850 gallon hazardous waste storage tank. Respondent failed to perform adequate daily inspections on the spill area located near the 12,850 gallon hazardous waste storage tank.
- 72. Respondent's failure to perform adequate daily inspections on the spill area located near the 12,850 gallon hazardous waste storage tank is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(2)(C)2.C(II) and 40 C.F.R. § 262.34(a)(1), referencing 40 C.F.R. § 265.195(b)(2).

Written Assessment

- 73. The regulations at 40 C.F.R. § 262.34(a)(1), referencing 40 C.F.R. § 265.192, and incorporated by reference at 10 C.S.R. 25-5.262(2)(C)2.E., require a generator have a detailed written assessment performed by an independent, qualified, professional engineer for tanks installed after July 14, 1986.
- 74. At the time of the December 2008 inspection, it was discovered that Respondent failed to have a written assessment which was performed by an independent, qualified, professional engineer for its tanks installed after July 14, 1986.
- 75. Respondent's failure to have a written assessment performed by an independent, qualified, professional engineer for tanks installed after July 14, 1986, is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(2)(C)2.E. and 40 C.F.R. § 262.34(a)(1), referencing 40 C.F.R. § 265.192.

Annual Leak Tests, Internal Inspections, or Tank Integrity Exams

- 76. The regulations at 40 C.F.R. § 262.34(a)(1), referencing 40 C.F.R. § 265.193(i), and incorporated by reference at 10 C.S.R. 25-5.262(2)(C)2.E., require a generator to perform annual leak tests, internal inspections, or tank integrity exams.
- 77. At the time of the December 2008 inspection, it was discovered that Respondent failed to have annual leak tests, internal inspections, or tank integrity exams performed.

78. Respondent's failure to have annual leak tests, internal inspections, or tank integrity exams performed is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(2)(C)2.E. and 40 C.F.R. § 262.34(a)(1), referencing 40 C.F.R. § 265.193(i).

Documentation

- 79. The regulations at 40 C.F.R. § 262.34(a)(4), referencing 40 C.F.R. § \$ 265.16(d)(1), (2), and (3), and incorporated by reference at 10 C.S.R. 25-5.262(1), require a generator to maintain documents and records of the following: 1) the job title for each position at the facility related to hazardous waste management; 2) the name of the employee filling each position; and 3) the written description of introductory and continuing training provided to hazardous waste management personnel.
- 80. At the time of the December 2008 inspection, it was discovered that Respondent failed to maintain documentation of: 1) the job title for each position at the facility related to hazardous waste management; 2) the name of the employee filling each position; and 3) the written description of introductory and continuing training provided to hazardous waste management personnel.
- 81. Respondent's failure to maintain this documentation is a failure to meet the condition set forth at 10 C.S.R. 25-5.262(1) and 40 C.F.R. § 262.34(a)(4), referencing 40 C.F.R. §§ 265.16(d)(1), (2), and (3).

Count 3

Failure to submit Form R - Chemical Category N120, Diisocyanates (2006)

- 82. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 83. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 84. At the time of the November 2009 inspection, it was discovered that in 2006 Respondent manufactured, processed or otherwise used the Chemical Category N120, Diisocyanates in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2007.
- 85. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Failure to submit Form R – Chemical Category N120, Diisocyanates (2007)

- 86. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 87. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 88. At the time of the November 2009 inspection, it was discovered that in 2007 Respondent manufactured, processed or otherwise used Chemical Category N120, Diisocyanates in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2008.
- 89. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Count 5

Failure to submit Form R – Chemical Category N120, Diisocyanates (2008)

- 90. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 91. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 92. At the time of the November 2009 inspection, it was discovered that in 2008 Respondent manufactured, processed or otherwise used Chemical Category N120, Diisocyanates in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2009.
- 93. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Failure to Submit Form R – 4,4-isopropylidenediphenol (2006)

- 94. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 95. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 96. At the time of the November 2009 inspection, it was discovered that in 2006 Respondent manufactured, processed or otherwise used 4,4-isopropylidenediphenol in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2007.
- 97. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Count 7

Failure to Submit Form R – 4,4-isopropylidenediphenol (2007)

- 98. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 99. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 100. At the time of the November 2009 inspection, it was discovered that in 2007 Respondent manufactured, processed or otherwise used 4,4-isopropylidenediphenol in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2008.
- 101. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Failure to Submit Form R – 4,4-isopropylidenediphenol (2008)

- 102. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 103. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 104. At the time of the November 2009 inspection, it was discovered that in 2008 Respondent manufactured, processed or otherwise used 4,4-isopropylidenediphenol in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2009.
- 105. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Count 9

<u>Failure to Submit Form R – Chemical Category N420, Lead Compounds (2006)</u>

- 106. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 107. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 108. At the time of the November 2009 inspection, it was discovered that in 2006 Respondent manufactured, processed or otherwise used Chemical Category N420, Lead Compounds in excess of the threshold quantity of 100 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2007.
- 109. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Failure to Submit Form R - Chemical Category N420, Lead Compounds (2007)

- 110. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 111. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 112. At the time of the November 2009 inspection, it was discovered that in 2007 Respondent manufactured, processed or otherwise used Chemical Category N420, Lead Compounds in excess of the threshold quantity of 100 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2008.
- 113. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Count 11

Failure to Submit Form R - Chemical Category N420, Lead Compounds (2008)

- 114. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 115. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 116. At the time of the November 2009 inspection, it was discovered that in 2008 Respondent manufactured, processed or otherwise used Chemical Category N420, Lead Compounds in excess of the threshold quantity of 100 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2009.
- 117. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Failure to Submit Form R - Phenol (2007)

- 118. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 119. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 120. At the time of the November 2009 inspection, it was discovered that in 2007 Respondent manufactured, processed or otherwise used phenol in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2008.
- 121. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Count 13

Failure to Submit Form R – Phenol (2008)

- 122. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 123. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 124. At the time of the November 2009 inspection, it was discovered that in 2008 Respondent manufactured, processed or otherwise used phenol in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2009.
- 125. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

Failure to Submit Form R – Isobutyraldehyde (2008)

- 126. The allegations stated in Paragraphs 13 through 28 above are realleged and incorporated as if fully set forth herein.
- 127. Pursuant to Section 313 of EPCRA and 40 C.F.R. §§ 372.22 and 372.30, the owner or operator of a facility that manufactures, processes or otherwise uses a toxic chemical listed under Section 313(c) of EPCRA and 40 C.F.R. § 372.65, in excess of the threshold quantity established under Section 313(f) of EPCRA and 40 C.F.R. § 372.25 during a calendar year must submit a Form R to EPA and to the State in which the facility is located.
- 128. At the time of the November 2009 inspection, it was discovered that in 2008 Respondent manufactured, processed or otherwise used isobutyraldehyde in excess of the threshold quantity of 25,000 pounds, and failed to submit a Form R to EPA and the State of Missouri by July 1, 2009.
- 129. Respondent's failure to submit a Form R for this toxic chemical is a violation of Section 313 of EPCRA and 40 C.F.R. Part 372.

CONSENT AGREEMENT

- 130. Respondent and EPA agree to the terms of this CAFO and Respondent agrees to comply with the terms of the Final Order portion of this CAFO.
- 131. Respondent admits the jurisdictional allegations of this CAFO and agrees not to contest EPA's jurisdiction in this proceeding or any subsequent proceeding to enforce the terms of the Final Order portion of this CAFO set forth below.
- 132. Respondent neither admits nor denies the factual allegations and legal conclusions set forth in this CAFO.
- 133. Respondent waives its right to a judicial or administrative hearing on any issue of fact or law set forth above, and its right to appeal the proposed Final Order portion of the CAFO.
- 134. Respondent and Complainant agree to conciliate the matters set forth in this CAFO without the necessity of a formal hearing and to bear their respective costs and attorney's fees.
- 135. Nothing contained in the Final Order portion of this CAFO shall alter or otherwise affect Respondent's obligation to comply with all applicable federal, state, and local environmental statutes and regulations and applicable permits.
 - 136. This CAFO addresses all civil administrative claims for the RCRA and EPCRA

violations identified above. Complainant reserves the right to take any enforcement action with respect to any other violations of RCRA, EPCRA, or any other applicable law.

- 137. Respondent certifies that by signing this CAFO that to the best of its knowledge, Respondent's facilities are in compliance with all the requirements of RCRA, 42 U.S.C. § 6901 et. seq., EPCRA, 42 U.S.C. § 11011 et. seq., and all the regulations promulgated thereunder.
- 138. Respondent agrees that, in settlement of the claims alleged in this CAFO, Respondent shall pay a penalty of Ninety Thousand Five Hundred and Ninety-One Dollars (\$90,591.00), plus interest, as set forth in Paragraph 1 of the Final Order portion of this CAFO, below.
- 139. The effect of settlement described in Paragraph 136 above is conditioned upon the accuracy of the Respondent's representations to EPA, as memorialized in Paragraph 137 above.
- 140. The undersigned representative of Respondent certifies that he or she is fully authorized to enter the terms and conditions of this CAFO and to execute and legally bind Respondent to it.
- 141. Respondent consents to the issuance of this CAFO and consents for the purposes of settlement to the payment of the civil penalty cited in Paragraph 138 above.
- 142. Late Payment Provisions: Pursuant to 31 U.S.C. § 3717, EPA is entitled to assess interest and penalties on debts owed to the United States and a charge to cover the cost of processing and handling a delinquent claim. Interest will therefore begin to accrue on a civil or stipulated penalty if it is not paid by the date required. Interest will be assessed at a rate of the United States Treasury tax and loan rate in accordance with 31 C.F.R. § 901.9(b). A charge will be assessed to cover the costs of debt collection including processing and handling costs and attorneys fees. In addition, a non-payment penalty charge of six (6) percent per year compounded annually will be assessed on any portion of the debt which remains delinquent more than ninety (90) days after payment is due. Any such non-payment penalty charge on the debt will accrue from the date the penalty payment becomes due and is not paid. 31 C.F.R. §§ 901.9(c) and (d).
- 143. Respondent understands that failure to pay any portion of the civil penalty on the date the same is due may result in the commencement of a civil action in Federal District Court to collect said penalty, along with interest thereon at the applicable statutory rate.
- 144. This CAFO shall be effective upon entry of the Final Order by the Regional Judicial Officer for EPA, Region 7. Unless otherwise stated, all time periods stated herein shall be calculated in calendar days from such date.
- 145. This CAFO shall remain in full force and effect until Complainant provides Respondent with written notice, in accordance with Paragraph 9 of the Final Order, that all requirements hereunder have been satisfied.

FINAL ORDER

Pursuant to the authority of Section 3008(a) of RCRA, 42 U.S.C. § 6928(a), Section 325 of EPCRA, 42 U.S.C. § 11045, and according to the terms of this CAFO, IT IS HEREBY ORDERED THAT:

A. Payment of Civil Penalty

1. Respondent shall pay a mitigated civil penalty of Ninety Thousand Five Hundred and Ninety-One Dollars (\$90,591.00), plus interest of Five Hundred and Sixty-Six Dollars and Forty Cents (\$566.40) over a period of one and a half years for a total payment of Ninety One Thousand One Hundred and Fifty-Seven Dollars and Forty Cents (\$91,157.40). The total payment shall be paid in (quarterly) payments of Fifteen Thousand One Hundred and Ninety-Two Dollars and 90 cents (\$15,192.90). The first payment must be received at the address below on or before thirty (30) days after the effective date of the Final Order. Each subsequent payment shall be paid ninety (90) days after the previous payment. Payment shall be made by cashiers or certified check and made payable to "United States Treasury" and remitted to:

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

The Respondent shall reference the Docket Numbers RCRA-07-2010-0008 and EPCRA-07-2010-0001 on the check. A copy of the check shall also be mailed to:

Regional Hearing Clerk
U.S. Environmental Protection Agency
Region 7
901 North 5th Street
Kansas City, Kansas 66101

and

Kelley Catlin
Assistant Regional Counsel
U.S. Environmental Protection Agency
Region 7
901 North 5th Street
Kansas City, Kansas 66101.

2. No portion of the civil penalty or interest paid by Respondent pursuant to the requirements of this CAFO shall be claimed by Respondent as a deduction for federal, state, or local income tax purposes.

B. Parties Bound

3. This Final Order portion of this CAFO shall apply to and be binding upon Respondent and Respondent's agents, successors and/or assigns. Respondent shall ensure that all contractors, employees, consultants, firms, or other persons or entities acting for Respondent with respect to matters included herein comply with the terms of this CAFO.

C. Reservation of Rights

- 4. Notwithstanding any other provision of this CAFO, EPA reserves the right to enforce the terms of the Final Order portion of this CAFO by initiating a judicial or administrative action under Section 3008 of RCRA, 42 U.S.C. § 6928, and Section 325 of EPCRA, 42 U.S.C. § 11045, and to seek penalties against Respondent in an amount not to exceed Thirty-Seven Thousand Five Hundred Dollars (\$37,500.00) per day per violation pursuant to Section 3008(c) of RCRA and Section 325 of EPCRA, for each day of non-compliance with the terms of the Final Order, or to seek any other remedy allowed by law.
- 5. Complainant reserves the right to take enforcement action against Respondent for any future violations of RCRA, EPCRA, and the respective implementing regulations and to enforce the terms and conditions of this CAFO.
- 6. Except as expressly provided herein, nothing in this CAFO shall constitute or be construed as a release from any claim (civil or criminal), cause of action, or demand in law or equity by or against any person, firm, partnership, entity, or corporation for any liability it may have arising out of or relating in any way to the reporting, generation, storage, treatment, handling, transportation, release, use, or disposal of any toxic chemicals, hazardous constituents, hazardous substances, hazardous wastes, pollutants, or contaminants found at, taken to, or taken from Respondent's facilities.
- 7. Notwithstanding any other provisions of the CAFO, an enforcement action may be brought pursuant to Section 7003 of RCRA, 42 U.S.C. § 6973, or other statutory authority, should EPA find that the future handling, storage, treatment, transportation, or disposal of solid waste or hazardous waste at Respondent's facilities may present an imminent and substantial endangerment to human health and the environment.
- 8. The headings in this CAFO are for convenience of reference only and shall not affect interpretation of this CAFO.
- 9. The provisions of this CAFO shall be deemed satisfied upon a written determination by Complainant that Respondent has fully implemented the actions required in the Final Order.

D. Compliance Actions

10. Respondent shall take the following actions within the time period specified,

according to the terms and conditions specified below:

- a. Within thirty (30) days of the effective date of the Final Order, Respondent shall provide: 1) the job title for each position at the facility related to hazardous waste management; 2) the name of the employee filling each position; and 3) the written description of introductory and continuing training provided to hazardous waste management personnel; and
- b. Within ninety (90) days of the effective date of the Final Order, Respondent shall provide a copy of the detailed written assessment performed by an independent, qualified, professional engineer for the 12,850 gallon intermediate waste water tank.
- Respondent shall submit all documentation generated to comply with the requirements as set forth in Paragraph 10(a), above, of the Final Order to the following address:

Stacie Tucker, AWMD Environmental Protection Agency Region 7 901 North 5th Street Kansas City, Kansas 66101.

For the Complainant:

The United States Environmental Protection Agency

4/6/11

Date

Rebecca Weber

Director

Air and Waste Management Division U.S. Environmental Protection Agency

Region 7

4/4/11 Data Kelley Catlin

Assistant Regional Counsel

U.S. Environmental Protection Agency

Region 7

For Respondent:
Arnette Limited, Inc.

Printed Name

IT IS SO ORDERED. This Final Order is effective upon its final entry by the Regional Judicial Officer.

Apr. 7, 20//
Date

Robert Patrick

Regional Judicial Office

IN THE MATTER OF Arnette Limited, Inc., Respondent Docket Nos. RCRA-07-2010-0008 and EPCRA-07-2010-0001

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Consent Agreement and Final Order was sent this day in the following manner to the addressees:

Copy hand delivered to Attorney for Complainant:

Kelley Catlin
Assistant Regional Counsel
Region 7
United States Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101

Copy by Certified Mail Return Receipt to:

James S. Arnette, President 1002 Main Street Richmond, Missouri 64085

Dated: 4811

Kathy Robinson

Hearing Clerk, Region 7