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One Citizens Drive
Riverside, RI 02915-3000

2002942937

057-0012/0115

\$ 1,650.00

COPY

Message: INTERNAL CHK RQST

PAY ONE THOUSAND SIX HUNDRED FIFTY AND 00/100

Drawer: Citizens Bank, N.A.

TO THE ORDER OF THE OIL SPILL LIABILITY TRUST FUND
U.S. ENVIRONMENTAL PROTECTION
P.O. BOX 979077
ST. LOUIS, MO 63197

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If you have any questions, please contact our Customer Service area anytime at 1-800-922-9999.

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HOLD DOCUMENT UP TO THE LIGHT TO VIEW TRUE WATERMARK

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Citizens Bank

One Citizens Drive
Riverside, RI 02915-3000

2002942937
Dec 20, 2018

\$ 1 , 6 5 0 . 0 0
DOLLAR ONE COIN SIX FIVE ZERO PER ZERO ZERO

PAY ONE THOUSAND SIX HUNDRED FIFTY AND 00/100

TO THE ORDER OF THE OIL SPILL LIABILITY TRUST FUND
U.S. ENVIRONMENTAL PROTECTION
P.O. BOX 979077
ST. LOUIS, MO 63197

Drawer: Citizens Bank, N.A.

MEMO: EPA DOCKET NUMBER CWA-10-2019-0042

Issued by Citizens Bank, N.A.

Karen J. [Signature]

⑈ 200 294 293 7⑈ ⑆ 0 1 6 5 0 0 1 2 0 1 ⑆ 20752113⑈

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19 FEB 13 PM 3:12

HEARINGS CLERK
EPA -- REGION 10

COPY



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 10, 1200 6th Avenue, Suite 900, Seattle, Washington, 98101

EXPEDITED SPCC SETTLEMENT AGREEMENT

DOCKET NO. CWA-10-2019-0042

On: September 12, 2017
At: Port Townsend Paper Corporation Pulp & Paper Mill
Owned or operated: Port Townsend Paper Corporation (Respondent)

An authorized representative of the United States Environmental Protection Agency (EPA) conducted a Spill Prevention, Control, and Countermeasures (SPCC) inspection on the above referenced date. Later, an EPA authorized representative used the inspection report to determine compliance with the Oil Pollution Prevention regulations promulgated at 40 CFR Part 112 under Section 311(j) of the Clean Water Act (33 U.S.C. § 1321(j)) (the Act), and found that Respondent had violated regulations implementing Section 311(j) of the Act by failing to comply with the regulations as noted on the attached SPCC INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY FORM (Form), which is hereby incorporated by reference.

The parties are authorized to enter into this Expedited Settlement under the authority vested in the Administrator of EPA by Section 311(b) (6) (B) (i) of the Act, 33 U.S.C. § 1321(b) (6) (B) (i), as amended by the Oil Pollution Act of 1990, and by 40 CFR § 22.13(b). The parties enter into this Expedited Settlement in order to settle the civil violations described in the Form for a penalty of \$1,650.

This settlement is subject to the following terms and conditions:

EPA finds the Respondent is subject to the SPCC regulations, which are published at 40 CFR Part 112, and has violated the regulations as further described in the Form. The Respondent admits he/she is subject to 40 CFR Part 112 and that EPA has jurisdiction over the Respondent and the Respondent's conduct as described in the Form. Respondent does not contest the Inspection Findings, and waives any objections it may have to EPA's jurisdiction. The Respondent consents to the assessment of the penalty stated above. Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the violations have been corrected and Respondent has sent a certified check in the amount of \$1,650, payable to the "Oil Spill Liability Trust Fund" to: "U.S. Environmental Protection Agency, Fines and Penalties, Cincinnati Finance Center, P.O. Box 979077, St. Louis, MO 63197-9000". Respondent has noted on the penalty payment check "EPA" and the docket number of this case, "CWA-10-2019-0042."

Upon signing and returning this Expedited Settlement to EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to EPA's approval of the Expedited Settlement without further notice.

If the Respondent does not sign and return this Expedited Settlement as presented within 30 days of the date of its receipt, the proposed Expedited Settlement is withdrawn

without prejudice to EPA's ability to file any other enforcement action for the violations identified in the Form.

After this Expedited Settlement becomes effective, EPA will take no further action against the Respondent for the violations of the SPCC regulations described in the Form. However, EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by the Respondent of the SPCC regulations or of any other federal statute or regulations. By its first signature, EPA ratifies the Inspection Findings and Alleged Violations set forth in the Form.

This Expedited Settlement is binding on the parties signing below, and is effective upon EPA's filing of the document with the Regional Hearing Clerk.

APPROVED BY EPA:

[Signature] Date: 2/6/2019
Edward J. Kowalski, Director
Office of Compliance and Enforcement

APPROVED BY RESPONDENT:

Name (print): KEVIN SCOTT
Title (print): GENERAL MANAGER
[Signature] Date 1/4/19
Signature

Estimated cost for correcting the violation(s) is \$

IT IS SO ORDERED:

[Signature] Date 2/12/19
Richard Mednick
Regional Judicial Officer
EPA Region 10

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HEARINGS CLERK
EPA - REGION 10

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

4/1/73

[Handwritten signature]

Very truly yours,
Special Agent in Charge
V. J. [unclear]

Certificate of Service

The undersigned certifies that the original of the attached **CONSENT AGREEMENT AND FINAL ORDER, In the Matter of: Port Townsend Paper Corporation; Docket No.: CWA-10-2019-0042**, was filed with the Regional Hearing Clerk and served on the addressees in the following manner on the date specified below:

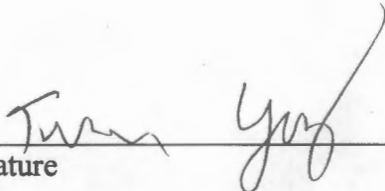
The undersigned certifies that a true and correct copy of the document was delivered to:

Christian F. Gebhardt, Compliance Officer
U.S. Environmental Protection Agency
1200 Sixth Avenue, OCE-201
Suite 155
Seattle, Washington 98101

Further, the undersigned certifies that a true and correct copy of the aforementioned document was placed in the United States mail certified/return receipt to:

Kevin Scott, General manager
Port Townsend Paper Corporation
100 Mill Road
Port Townsend, Washington 98368

DATED this 13 day of February, 2019



Signature

Teresa Young
Regional Hearing Clerk
EPA Region 10

General Notes

The following notes are taken from the report of the committee on the subject of the proposed changes in the constitution of the Society. It is the duty of the members to read and consider these notes carefully and to express their views thereon at the next meeting of the Society.

The committee has considered the proposals and has found them to be of a nature which would be beneficial to the Society.

The proposals are as follows:—
1. To increase the number of members of the Society from 100 to 150.
2. To increase the number of members of the Executive Committee from 5 to 7.
3. To increase the number of members of the Finance Committee from 3 to 5.
4. To increase the number of members of the Council from 10 to 15.

The committee has also considered the proposals for the election of members of the Executive Committee and Finance Committee and has found them to be of a nature which would be beneficial to the Society.

The proposals are as follows:—
1. To increase the number of members of the Executive Committee from 5 to 7.
2. To increase the number of members of the Finance Committee from 3 to 5.

Yours faithfully,
The Secretary

13/11/1910

The Secretary
The Society
The Secretary



Port Townsend Paper Corporation
100 Mill Road, Port Townsend, WA 98368
www.PTPC.com

January 7, 2019

RECEIVED

Chris Gebhardt, Compliance Officer
U.S. Environmental Protection Agency
1200 Sixth Ave, Suite 155 (M/S OCE-201)
Seattle, WA 98101

FEB - 1 2019

EPA - REGION 10
Office of Compliance and Enforcement

Re: Expedited SPCC Settlement Agreement – Docket No. CWA-10-2019-0042

Dear Mr. Gebhardt:

On December 18, 2018 Port Townsend Paper Corporation (PTPC) received U.S. EPA settlement agreement Docket No. CWA-10-2019-0042 in regards to compliance with 40 C.F.R. Part 112. This letter summarizes corrective actions completed by PTPC to address the violations cited in the docket.

In response to verbal comments from the inspectors during the September 12, 2017 SPCC inspection, PTPC submitted documentation of completed corrective actions to Kate Spaulding on November 10, 2017. These corrective actions address the items listed on the *Inspection Deficiency Description* attached to the settlement agreement. Current copies of these documents have been enclosed with this letter.

We feel the prior correspondence and documentation provided with this letter sufficiently demonstrate compliance with the deficiencies identified in the inspection. If you have any questions concerning the response to this agreement, please contact me at darren.wilson@ptpc.com or 360-379-2079.

Sincerely,

A handwritten signature in black ink, appearing to read "DW".

Darren Wilson
Environmental Manager
Port Townsend Paper Corporation

Enclosures:

1. Response to EPA Inspection Review
2. Current PTPC SPCC Plan
3. November 10, 2017 Letter to Kate Spaulding
4. Signed Expedited SPCC Settlement Agreement with Check



Port Townsend Paper Corporation
100 Mill Road, Port Townsend, WA 98368
www.PTPC.com

January 7, 2019

RECEIVED

Chris Gebhardt, Compliance Officer
U.S. Environmental Protection Agency
1200 Sixth Ave, Suite 155 (M/S OCE-201)
Seattle, WA 98101

FEB - 1 2019

EPA - REGION 10
Office of Compliance and Enforcement

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Sincerely,

Darren Wilson
Environmental Manager
Port Townsend Paper Corporation

Enclosures:

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2. Current PTPC SPCC Plan
3. November 10, 2017 Letter to Kate Spaulding
4. Signed Expedited SPCC Settlement Agreement with Check

RESPONSE TO EPA INSPECTION REVIEW (Received 12/10/2018)

Port Townsend Paper Corporation

Port Townsend, Washington

SPCC RULE REFERENCE	PLAN	FIELD	INSPECTION DEFICIENCY DESCRIPTION (9/12/2017)	CORRECTIVE ACTION
112.3(d) SPCC Plan	X	NA	112.3(d). Plan. Comment. PE needs to certify current draft Plan (2017) being reviewed at this inspection. 2017 Plan currently being updated, but facility is waiting for SPCC inspection results so that they can address deficiencies in, and finalize, new Plan. Previous Plan (2014) was certified by Kemp Curtis, WA License number 26054, on December 2014.	PTPC's SPCC Plan was certified by a professions engineer (PE) on 11/6/2017, and again on 3/2/2018 following a technical amendment. Terry Montoya certified the Plan on both occasions (WA License number 37827). Please see attached SPCC Plan. All Plan revisions since 3/2/2018 have been classified as non-technical amendments and were not recertified by a professional engineer.
112.7 SPCC Plan	X	NA	112.7. Plan. Comment. 2014 Plan does have Management approval, but 2017 version needs signature for management approval, although signature page is present.	PTPC's SPCC Plan was signed by the designated spill response coordinator, Scott Cook, on 11/15/2017 and by former mill manager Michael Craft on 11/15/2017. PTPC's current mill manager, Kevin Scott, and designated spill response coordinator Scott Cook approved and re-signed the Plan on 1/4/2019. Please see the attached SPCC Plan.
112.7 SPCC Plan	X	NA	112.7. Plan. Inadequate format and cross-reference. Several references in cross-reference are incorrect and/or refer to content that is missing in Plan.	The Cross Reference Section of PTPC's SPCC Plan was in draft form at the time of inspection and has been updated to correct page numbers and sections referenced. Updates were verified to meet the requirements of 112.7. Please see attached SPCC Plan.
112.7(b) Integrity Testing	X	NA	112.7(b). Plan. Inadequate description of spill protection: needs rate of flow and more details on direction of flow for spill sources.	Descriptions of potential flow directions were updated in PTPC's SPCC plan dated 11/6/2017 and sent to EPA on 11/10/2017. Potential spill flow rates and historical spill flow rates have been updated, as needed, to the attached SPCC Plan.
112.7(c) Secondary Containment	X	NA	112.7(c). Comment. Plan Appendix A, Table 3, shows secondary containment for each tank, but does not consistently show containment volumes. All areas flow to Wastewater Treatment Plan (WWTP), which has 96 MM gal capacity. More information need[ed] on secondary containment volumes such as containment calculations.	Descriptions of secondary containment volumes were updated in PTPC's SPCC Plan dated 11/6/2017 and sent to EPA on 11/10/2017. See attached SPCC Plan.
112.8(c)(6) Bulk Storage Containers	X	X	112.8(c)(6). API 653 is used for large field-erected tanks, but no industry standards are used for similar shop-built tanks, drums, totes. Plan does not discuss SPO01 inspections for these containers, no records kept.	PTPC's SPCC Plan (dated 11/6/2017 and sent to EPA on 11/10/2017) was updated to include an elaboration of SPO01 inspection requirements. Records of all tank inspections are kept on-site. Please see attached SPCC Plan.

112.8(c)(10) Visible Discharges	NA	X	112.8(c)(10). Field. Inadequate. Two 500-gal waste oil tanks in Drum Storage Area have accumulations of spilled oil.	As mentioned in the corrective action letter addressed to Kate Spaulding at EPA Region 10 on 11/10/2017, all residual liquid within the used oil secondary containments was removed on 9/29/2017 (photos in enclosed 11/10/2017 letter to Kate Spaulding). To prevent this from reoccurring, employees working in the Oil Storage Building routinely inspect secondary containment and remove any free liquids or debris as soon as they are discovered.
112.8(d)(1) & 112.7(a)(1) Buried Piping	X	NA	112.8(d). Plan. Inadequate. More discussion needed on when piping is installed and on piping standards used.	PTPC's SPCC Plan has been updated to elaborate on corrosion protection for buried piping. Updates were verified to confirm the section in the Plan complies with 112.8(d). All existing buried piping installations were completed prior to 6/16/2002. See attached SPCC Plan.
112.8(d)(4) Facility Transfer Operations, Pumping...	NA	X	112.8(d)(4). Field. Inadequate inspections at RFO pump house needed as leaking chronically and needing repair, with large accumulations of oil in pump house sumps needing removal.	As mentioned in the corrective action letter addressed to Kate Spaulding at EPA Region 10 on 11/10/2017, reprocessed fuel oil (RFO) was observed on the floor of the oil pump house and in the containment sump next to the building. On 9/18/2017 all liquid was removed from the sump (photos in enclosed 11/10/2017 letter to Kate Spaulding).



Port Townsend Paper Corporation
100 Mill Road, Port Townsend, WA 98368
www.PTPC.com

November 10, 2017

Kate Spaulding
OCE-101
U.S. EPA Region 10
1200 Sixth Ave., Suite 900
Seattle, WA 98101

Sent via email: spaulding.kate@epa.gov

Subject: Corrective Actions Following September 2017 SPCC Inspection

Dear Ms. Spaulding,

On September 12, 2017 Richard Franklin and Stephen Ball of EPA Region 10 conducted an announced SPCC inspection of Port Townsend Paper Corporation (PTPC) at 100 Mill Road in Port Townsend, WA. The purpose of the inspection was to evaluate compliance with 40 CFR 112 Oil Pollution Prevention regulations.

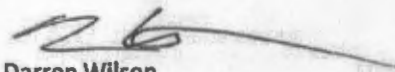
The inspection included a review of the current SPCC plan, facility records, and oil storage equipment. Deficiencies identified during the inspection were communicated to PTPC personnel during the closing conference. This letter summarizes the corrective actions taken following the inspection. The following deficiencies have been addressed by PTPC:

1. Standing oil was observed in the secondary containments of the two 500-gallon used oil tanks. On 9/29/17, all residual liquid within the containment was removed (see photos in enclosure 1). To prevent this from reoccurring, employees working in the Oil Storage Building are required to routinely inspect the secondary containments and remove any free liquids or debris as soon as they are discovered. These inspections and any corrective actions will be documented in a weekly checklist.
2. Reprocessed fuel oil was observed on the floor of the oil pump house and in the containment sump next to the building. A leaking pipe and ongoing maintenance work had contributed to the oil accumulation. On 9/18/17 liquid was pumped out of the sump and transferred to a tote for recycle off-site (see photos in enclosure 2). PTPC is investigating methods to reduce the amount of oil spilled during maintenance work.
3. Training materials showed the SPCC plan was addressed in the annual environmental training, but did not cover the specifics required for oil handling personnel. In response to this observation, SPCC training for PTPC oil handling was completed on 10/10, 10/12, 10/18, 11/3, 11/7, and 11/9. Documentation of the training events is included in enclosure 3. The training curriculum includes a 30-minute SPCC video followed by mill-specific information. This training will be conducted annually each fall for oil handling personnel.

4. At the time of the inspection, the SPCC plan was under revision. The inspectors noted this and recommended the plan be re-certified by a PE as soon as the revisions were completed. PTPC's SPCC plan was certified on 11/6/17. To address observations made by the inspectors, the Table of Contents and Cross Reference Sections were updated and a section was added to address aboveground tank inspections under STI Standard SP001. The final SPCC plan is included in enclosure 4.

As outlined above, PTPC took immediate action to correct deficiencies noted during the September 12, 2017 SPCC inspection. If you have any questions concerning this report and its attachments, please contact me at 360-379-2079 or darren.wilson@ptpc.com.

Sincerely,



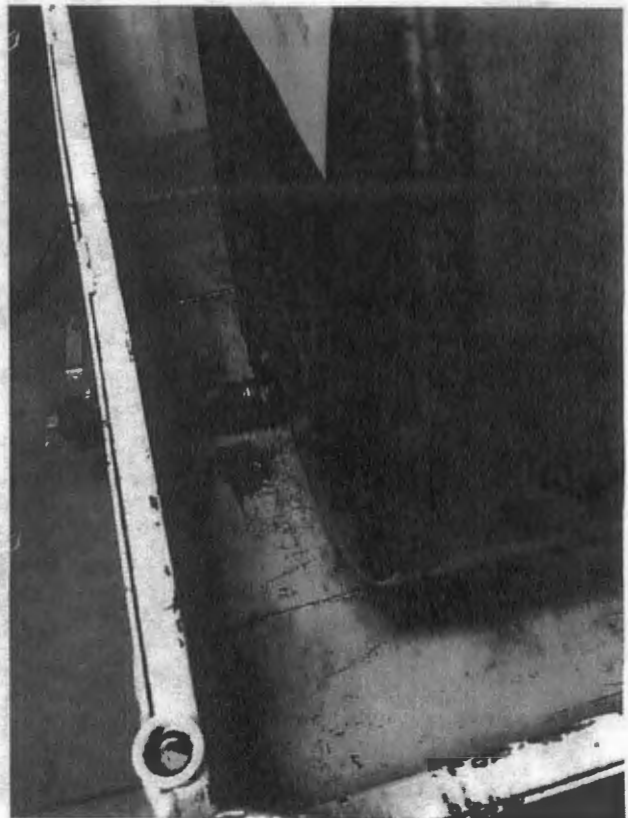
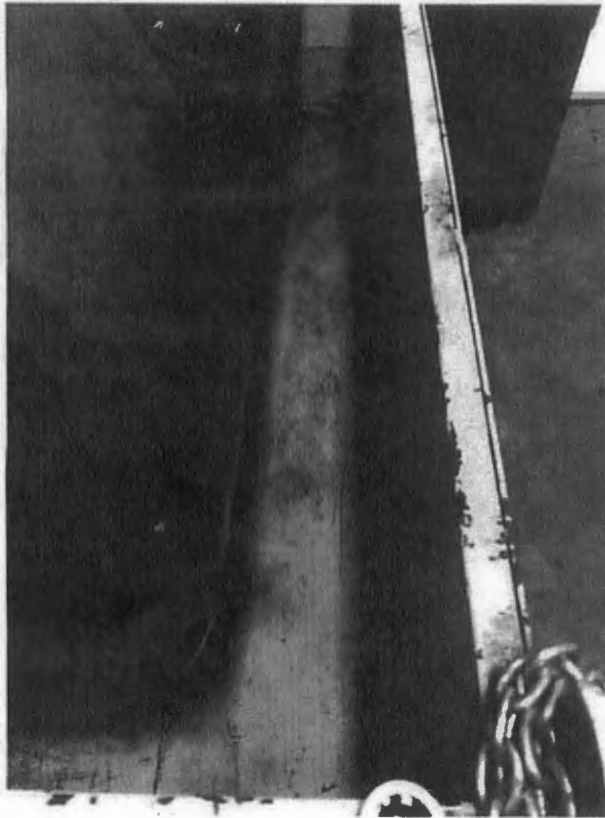
Darren Wilson
Environmental Manager
Port Townsend Paper Corporation

Enclosures:

1. Photos of used oil secondary containment
2. Photos of oil pump house and sump
3. SPCC training records
4. Final SPCC plan

CC: Richard Franklin (franklin.richard@epa.gov) and Stephen Ball (ball.stephen@epa.gov)

1. Photos of clean used oil secondary containment



2. Photos of clean oil pump house and sump

