COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
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STATE WATER CONTROL BOARD
ENFORCEMENT ACTION - ORDER BY CONSENT
ISSUED TO
ROANOKE ELECTRIC STEEL CORPORATION
d/b/a STEEL DYNAMICS ROANOKE BAR DIVISION

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code § 62.1-44.34:20, between the State Water Control Board and Roanoke Electric Steel Corporation d/b/a Steel Dynamics Roanoke Bar Division for the purpose of resolving certain violations of the State Water Control Law and the applicable regulations.

SECTION B: Definitions

Unless the context indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "AST" means aboveground storage tank.

2. "Board" means the State Water Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and 62.1-44.7.

3. "BRRO" means the Blue Ridge Regional Office of DEQ, located in Lynchburg, Virginia.

4. "Containment and Cleanup" means abatement, containment, removal and disposal of oil and, to the extent possible, the restoration of the environment to its existing state prior to an oil discharge.

5. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.

6. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

7. "Discharge" means any spilling, leaking, pumping, pouring, emitting, emptying or dumping.

8. "Facility or Location" means the facility, land, road, storm drain(s) or state water(s) where the oil discharge occurred at 102 Westside Boulevard, Roanoke, Virginia.

9. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 62.1-44.15.

10. "Oil" means oil of any kind and in any form, including, but not limited to, petroleum and petroleum by-products, fuel oil, lubricating oils, sludge, oil refuse, oil mixed with other wastes, crude oils and all other liquid hydrocarbons regardless of specific gravity. *See* Va. Code §62.1-44.34:14.

11. "Operator" means any person who owns, operates, charters rents, or otherwise exercises control over or responsibility for a facility or a vehicle or vessel.

12. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the State Water Control Law.

13. "Person" means any firm, corporation, association or partnership, one or more individuals, or any government unit or agency thereof.

14. "RES" means Roanoke Electric Steel Corporation, d/b/a Steel Dynamics Roanoke Bar Division, a corporation authorized to do business in Virginia and its affiliates, partners, subsidiaries, and parents. RES is a "person" within the meaning of Va. Code § 62.1-44.3.

15. "State Water Control Law" means Chapter 3.1(§ 62.1-44.2 *et seq.*) of Title 62.1 of the Va. Code. Article 11 (Va. Code §§ 62.1-44.34:14 through 62.1-44.34:23) of the State Water Control Law addresses discharge of oil into waters.

16. "State waters" means all water, on the surface and under the ground, wholly or partially within or bordering the Commonwealth or within its jurisdiction, including wetlands. Va. Code § 62.1-44.3.

17. "Va. Code" means the Code of Virginia (1950), as amended.

18. "VAC" means the Virginia Administrative Code.

SECTION C: Findings of Fact and Conclusions of Law

1. On February 15, 2014, DEQ received notification of a discharge of fuel oil at Roanoke Electric Steel Corporation ("RES"), located at 102 Westside Boulevard ("Facility") in Roanoke, Virginia. Fuel oil is a petroleum product, and is included in the definition of "oil" under Va. Code § 62.1-44.34:14.

2. The notification indicated that on February 15, 2014, a RES employee noticed a fuel oil odor, and observed a visible sheen on Peters Creek, which is adjacent to the Facility. Absorbent booms were installed in Peters Creek to capture the sheen and mitigate potential impacts to state waters.

3. RES contacted W.E.L., Incorporated, their environmental services contractor, to begin Containment and Cleanup operations at the Facility.

4. On February 16 and 18, 2014, Department staff were present on-site to assess Containment and Cleanup operations at the Facility.

5. Based on observations by DEQ staff, RES personnel and their environmental contractors, an estimated 10,000 gallons of fuel oil was discharged into the soil, a portion of which subsequently reached Peters Creek.

6. RES estimates that Containment and Cleanup operations performed at the Facility recovered a total of 9,200 gallons of fuel oil; 5,800 gallons from the recovery trenches utilizing a vacuum truck and liquid separation, and an additional 3,400 gallons of fuel oil utilizing absorbent materials.

7. Va. Code § 62.1-44.34:18 prohibits the discharge of oil into or upon state waters, lands, or storm drain systems.

8. On February 28, 2014, the Department issued Notice of Violation No. NOV-14-02-BRRO-001 to RES for a discharge of oil to the land and state waters.

9. On March 4, 2014, RES responded to the NOV via a telephone call to Department enforcement staff. In the response, RES requested a meeting to discuss the issues.

10. On March 20, 2014, Department staff met with representatives of RES to discuss the incident, emergency response, Containment and Cleanup, and future remediation required. RES indicated that two ASTs are connected to a common manifold with a pressurized feed line to provide a backup fuel source for the Facility's billet reheat furnace. Most of the feed line was above grade, but a short section ran under the building slab near the furnace area and a defect in this section is suspected as being the source of the discharge.

11. On April 17, 2014, the Department received an Initial Abatement Measures Report ("IAMR") from Apex Industries, LLC ("Apex") on behalf of RES. The report documented Containment and Cleanup operations at the Facility through March 31, 2014.

12. On September 9, 2014, the Department received an AST Closure Report from Apex documenting the removal and proper disposal of the diesel ASTs and all appurtenances from the Facility.

13. Based on the results of the February 16 and 18, 2014 Department staff site inspections at the Facility, the March 20, 2014 meeting with RES personnel and the review of the IAMR received on April 17, 2014, the State Water Control Board concludes that RES has violated Va. Code § 62.1-44.34:18, which prohibits the discharge of oil into or upon state waters, lands, or storm drain systems, as described in paragraphs C(1) through C(6), above.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code § 62.1-44.34:20, the Board orders RES, and RES agrees to pay a civil charge of $71,450 within 30 days of the effective date of the Order in settlement of the violations cited in this Order.

Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

RES shall include its Federal Employer Identification Number (FEIN) [**(xx-xxxxxxx)**] with the payments and shall indicate that the payment of the civil charge is being made in accordance with the requirements of this Order for deposit into the Virginia Petroleum Storage Tank Fund (VPSTF).

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of RES for good cause shown by RES, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.

2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.

3. For purposes of this Order and subsequent actions with respect to this Order only, RES admits the jurisdictional allegations, findings of fact, and conclusions of law contained herein.

4. RES consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.

5. RES declares it has received fair and due process under the Administrative Process Act and the State Water Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.

6. Failure by RES to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.

7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.

8. RES shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. RES shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. RES shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

   a. the reasons for the delay or noncompliance;

   b. the projected duration of any such delay or noncompliance;

c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and

d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which RES intends to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.

10. This Order shall become effective upon execution by both the Director or his designee and RES. Nevertheless, RES agrees to be bound by any compliance date which precedes the effective date of this Order.

11. This Order shall continue in effect until:

    a. RES petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or

    b. the Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to RES.

    Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve RES from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. Any plans, reports, schedules or specifications attached hereto or submitted by RES and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.

13. The undersigned representative of RES certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind RES to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of RES.

14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.

15. By its signature below, RES voluntarily agrees to the issuance of this Order.

And it is so ORDERED this _____ day of _____, 2016.

_____

Robert J. Weld, Regional Director
Blue Ridge Regional Office
Department of Environmental Quality

----------(Remainder of this page intentionally blank)----------

Roanoke Electric Steel Corporation voluntarily agrees to the issuance of this Order.

Date: 11/5/15 By: T. Joe Crawford Vice President & General Manag

T. Joe Crawford
Roanoke Electric Steel Corporation

Commonwealth of Virginia
City/County of Roanoke

The foregoing document was signed and acknowledged before me this 5th day of November, 2015 by T. Joe Crawford, who is Vice President and General Manager of Roanoke Electric Steel Corporation, on behalf of the corporation.

Judy S. Breeze
Notary Public

226028
Registration No.

My commission expires: 4/30/18

Notary seal:

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