

**STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER RESOURCES DIVISION**

ADMINISTRATIVE CONSENT ORDER

In the matter of:

ACO-000211

Date Entered: 1-24-2014

SECTION I

FACILITY OWNER/OPERATOR

NAME Lapeer Industries, Inc.		OWNER <input checked="" type="checkbox"/>	OPERATOR <input type="checkbox"/>
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS IDENTIFICATION NUMBER 112707			
ADDRESS 400 McCormick Drive			
CITY Lapeer	STATE Michigan	ZIP 48446	
CONTACT NAME/TITLE Daniel Schrieber		PHONE # 810-664-1816	

FACILITY NAME AND LOCATION

FACILITY NAME Lapeer Industries, Inc.		
FACILITY OWNER IF NOT IDENTIFIED ABOVE		
ADDRESS 400 McCormick Drive		
CITY Lapeer	STATE Michigan	ZIP 48446
COUNTY Lapeer		
CONTACT NAME Barry Shelton	PHONE # 810-664-1816	

This document results from allegations by the Department of Environmental Quality (DEQ), Water Resources Division (WRD). The DEQ alleges that the above-referenced Facility Owner/Operator (Owner/Operator), is in violation of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), the administrative rules promulgated under this statute, and applicable permits issued to the Owner/Operator, as identified below.

STATUTE	PERMIT(S)
Part 31, Water Resources Protection, <input checked="" type="checkbox"/> MCL 324.3101 et seq.	National Pollutant Discharge Elimination System (NPDES) Permit No. <u>MIS51000</u> , Certificate of Coverage (COC) No. MIS510357

Specific violations are referenced in DEQ letters attached to this Administrative Consent Order (Consent Order) as Exhibit A. The Owner/Operator and the DEQ agree to resolve the violations set forth herein through entry of this Consent Order. The Owner /Operator further agrees to resolve all compliance issues set forth in Exhibit A in accordance with the requirements contained in this Consent Order. This Consent Order, in its entirety, shall consist of Section I, the attached Sections II, III, and IV, Exhibit A, and any other referenced attachments, exhibits, or appendices. This Consent Order shall be

In the matter of:

ACO-000211

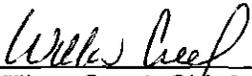
Page 2 of 9

considered null and void if it does not include, at a minimum, Sections I, II, III, and IV, and Exhibit A.

The Owner/Operator agrees to pay a civil fine of **\$1,500.00 DOLLARS** for the violations specified in Exhibit A of this Consent Order. Payment shall be made within 30 days of the effective date of this Consent Order. Payment of avoided permit fees shall be made in accordance with the compliance schedule in Section II of this Consent Order. A permit fee invoice will be sent to the Owner from the WRD after this ACO is fully executed by the WRD Chief. Failure to make timely payment of the civil fine and annual permit fees constitutes a violation of this Consent Order. The Owner/Operator agrees to pay all funds due pursuant to this agreement by check made payable to the State of Michigan and delivered to the Accounting Services Division, Cashier's Office for DEQ, P.O. Box 30657, Lansing, MI 48909-8157; or hand delivered to the Accounting Services Division, Cashier's Office for DEQ, 425 W. Ottawa Street, Lansing, MI 48933. To ensure proper credit, all payments made pursuant to this Consent Order must include the **Settlement Identification No. WRD40056**. The Owner/Operator agrees not to contest the legality of the civil fine or the avoided permit fees.

Signatories

DEPARTMENT OF ENVIRONMENTAL QUALITY

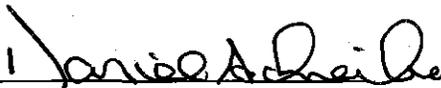


William Creal, Chief
Water Resources Division

1/29/2014

Date

I undersigned CERTIFY that I am fully authorized by the party identified above to enter into this Consent Order to comply by consent and to EXECUTE and LEGALLY BIND that party to it. I further attest that all information provided herein is accurate and true.



By: Daniel Schrieber

CEO

Title: Owner of Lapeer Industries, Inc.

12/20/13

Date

SECTION II - COMPLIANCE SCHEDULE

IT IS THEREFORE AGREED AND ORDERED THAT Owner/Operator shall take the following actions to prevent further violations of Part 31 of the NREPA:

1. On or before 60 days after the effective date of this Consent Order, the Owner/Operator shall employ a Certified Industrial Storm Water Operator for all of the facilities it owns, as described in paragraph 2 of this Section.
2. On or before 60 days after the effective date of this Consent Order, the Owner/Operator shall submit for review and comment to the DEQ, WRD, Lansing District Supervisor, Storm Water Pollution Prevention Plans (SWPPP) which describe the structural and nonstructural controls that were developed to maintain compliance with the terms and conditions of the National Pollutant Discharge Elimination System (NPDES) Storm Water Permit No. MIS510000. The SWPPPs shall cover operations on the following properties:
 - Plants 1 and 2, 400 and 290 McCormick Drive, Lapeer
 - Plant 4, 3140 John Conley Drive, Lapeer
 - Plant 5, 3255 John Conley Drive, Lapeer
3. On or before 30 days of receiving comments from the DEQ on the SWPPP(s), the Owner/Operator shall:
 - a) Incorporate the DEQ's comments into the SWPPP(s) and resubmit the revised SWPPPs to the DEQ;
 - b) Implement the non-structural and structural control measures identified in the SWPPP(s); and
 - c) Submit a Notice of Intent (NOI) for coverage under the NPDES Storm Water Permit No. MIS510000 for each facility identified above. One NOI may be submitted for industrial operations conducted by the Owner/Operator at the contiguous properties of Plants 1 and 2 (400 and 290 McCormick Drive, Lapeer). The NOI and revised SWPPP shall be submitted to the DEQ, WRD, Lansing District Supervisor.
4. The Owner agrees to pay the applicable annual permit fee of \$260 for the 2008, 2009, 2010, 2011, 2012, and 2013 fiscal years, for the contiguous Plants 1 and 2, and \$260 for the 2013 fiscal years for Plants 4 and 5 totaling **\$2,080** to the State of Michigan in accordance with Section 3118 of Part 31, of the NREPA. Payment shall be made not later than 30 days after receiving a permit fee invoice from the WRD annual discharge permit fees.
5. For billing period January 1, 2014 through December 31, 2014 and each billing period thereafter until the DEQ issues a final decision on the Owner's Notice of Intent, Owner shall pay the annual permit fee in accordance with Part 31 of the NREPA.
6. If the DEQ requires additional information or action by the Owner/Operator at any point during the permitting process to correct deficiencies in the Notice of Intent, the DEQ will notify the Owner/Operator in writing of the deficiencies. The Owner/Operator shall correct all deficiencies and report all requested information not later than 30 days from receipt of notice from the DEQ, unless another date is specified in the notification.

5. Upon issuance of the Certificate of Coverages under NPDES Storm Water Permit No. MIS510000 by the DEQ, the Owner/Operator shall pay the annual permit fee of \$260.00 associated with discharging storm water for the 2014 billing period and each billing period thereafter in accordance with Section 3118 of Part 31 of the NREPA and the invoice that will be mailed to the Owner/Operator each year.
6. The Owner/Operator shall submit all reports, work plans, specifications, schedules, or any other writing required by this section to the Lansing District Supervisor, WRD, DEQ at Constitution Hall, 525 West Allegan, P.O. Box 30242, Lansing, MI 48909-7742. The cover letter with each submittal shall identify the specific paragraph and requirement of this Consent Order that the submittal is intended to satisfy.

Sections III and IV of this Consent Order shall not be altered in any way, including adding or eliminating any language, striking terms or parts of terms, retyping in whole or in part, or using a different format. Any changes to this document without written approval from the DEQ renders the Consent Order null and void.

SECTION III - STIPULATIONS

The Owner/Operator and the DEQ stipulate as follows:

1. The DEQ is authorized to enter this Consent Order requiring the Owner/Operator to comply with state law under one or more of the following provisions:
 - a. Section 3112(4) of Part 31 of the NREPA.
 - b. Section 4111 of Part 41 of the NREPA.
 - c. Section 15 of the SDWA.
2. The Owner/Operator consents to the issuance and entry of this Consent Order and stipulates that the entry of this Consent Order constitutes a final order of the DEQ and is enforceable as such under the appropriate provisions of state law identified in this Consent Order. The Owner/Operator agrees not to contest the issuance of this Consent Order, and that the resolution of this matter by the entry of this Consent Order is appropriate and acceptable. It is also agreed that this Consent Order shall become effective on the date it is signed by the chief of the WRD, delegate of the director.
3. The Owner/Operator and the DEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Owner/Operator that the law has been violated.
4. The Signatory to this Consent Order on behalf of the Owner/Operator agrees and attests that he is fully authorized to assure that the Owner/Operator will comply with all requirements under this Consent Order.
5. The Owner/Operator shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in Section II of this Consent Order.

SECTION IV - GENERAL PROVISIONS

1. With respect to any violations not specifically addressed and resolved by this Consent Order, the DEQ reserves the right to pursue any other remedies to which it is entitled for any failure on the part of the Owner to comply with the requirements of the NREPA and its rules. Entry of this Consent Order does not relieve the Owner from future liability for the potential need to conduct remedial actions if contaminants originating from the discharge are discovered at limits that exceed the criteria under applicable law. The DEQ further expressly reserves the right to pursue the Owner for injunctive relief and costs associated with overseeing or conducting these remedial actions.
2. The DEQ and the Owner/Operator consent to enforcement of this Consent Order in the same manner and by the same procedures for all final orders entered pursuant to the provisions of the SDWA and/or the NREPA, as applicable.
3. This Consent Order in no way affects the Owner/Operator's responsibility to comply with any other applicable state, federal, or local laws or regulations.
4. The WRD reserves its right to pursue appropriate action, including injunctive relief to enforce the provisions of this Consent Order, and applicable statutory fines for any violation of this Consent Order.
5. Nothing in this Consent Order is or shall be considered to affect any liability the Owner/Operator may have for natural resource damages caused by the Owner/Operator's acts or omissions at the facility. The State of Michigan does not waive any rights to bring an appropriate action to recover such damages to the natural resources.
6. In the event the Owner/Operator sells or transfers the facility, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within 30 calendar days, the Owner/Operator shall also notify the WRD District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. The purchaser and/or transferee of this Consent Order must agree, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be forwarded to the WRD District Supervisor within 30 days of assuming the obligations of this Consent Order.
7. The provisions of this Consent Order shall apply to and be binding upon the parties to this action, and their successors and assigns.
8. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.
9. REPORTING

The Owner/Operator shall verbally report any violation(s) of the terms and conditions of this Consent Order to the District Supervisor by no later than the close of the next

business day following detection of such violation(s) and shall follow such notification with a written report within five business days following detection of such violation(s). The written report shall include a detailed description of the violation(s), as well as a description of any actions proposed or taken to correct the violation(s). The Owner/Operator shall report any anticipated violation(s) of this Consent Order to the above-referenced individual in advance of the relevant deadlines whenever possible.

10. RETENTION OF RECORDS

Upon request by an authorized representative of the DEQ, the Owner/Operator shall make available to the DEQ all records, plans, logs, and other documents required to be maintained under this Consent Order or pursuant to applicable laws or rules. All such documents shall be retained by the Owner/Operator for at least a period of three years from the date of generation of the record unless a longer period of record retention is required by the applicable law or its rules.

11. RIGHT OF ENTRY

The Owner/Operator shall allow any authorized representative or contractor of the DEQ, upon presentation of proper credentials, to enter upon the premises of the facility at all reasonable times for the purpose of monitoring compliance with the provisions of this Consent Order. This paragraph in no way limits the authority of the DEQ to conduct tests and inspections pursuant to the NREPA and the rules promulgated thereunder, or any other applicable statutory provision.

12. DEQ APPROVAL OF SUBMITTALS

- a. For any work plan, proposal, or other document, excluding applications for permits or licenses, that are required by this Consent Order to be submitted to the DEQ by the Owner/Operator, the following process and terms of approval shall apply.
- b. All work plans, proposals, and other documents required to be submitted by this Consent Order shall include all of the information required by the applicable statute and/or rule, and all of the information required by the applicable paragraph(s) of this Consent Order.
- c. In the event the DEQ disapproves a work plan, proposal, or other document, it will notify the Owner/Operator, in writing, specifying the reasons for such disapproval. The Owner/Operator shall submit, within 30 days of receipt of such disapproval, a revised work plan, proposal, or other document which adequately addresses the reasons for the DEQ's disapproval. If the revised work plan, proposal, or other document is still not acceptable to the DEQ, the DEQ will notify the Owner/Operator of this disapproval.
- d. In the event the DEQ approves with specific modifications, a work plan, proposal, or other document, it will notify the Owner/Operator, in writing, specifying the modifications required to be made to such work plan, proposal, or other document prior to its implementation and the specific reasons for such modifications. The DEQ may require the Owner/Operator to submit, prior to

implementation and within 30 days of receipt of such approval with specific modifications, a revised work plan, proposal, or other document which adequately addresses such modifications. If the revised work plan, proposal, or other document is still not acceptable to the DEQ, the DEQ will notify the Owner/Operator of this disapproval.

- e. Upon DEQ approval, or approval with modifications, of a work plan, proposal, or other document, such work plan, proposal, or other document shall be incorporated by reference into this Consent Order and shall be enforceable in accordance with the provisions of this Consent Order.
- f. Failure by the Owner/Operator to submit an approvable work plan, proposal, or other document, within the applicable time periods specified above, constitutes a violation of this Consent Order and shall subject the Owner/Operator to the enforcement provisions of this Consent Order.
- g. Any delays caused by the Owner/Operator's failure to submit an approvable work plan, proposal, or other document when due shall in no way affect or alter the Owner/Operator's responsibility to comply with any other deadline(s) specified in this Consent Order.
- h. No informal advice, guidance, suggestions, or comments by the DEQ regarding reports, work plans, plans, specifications, schedules or any other writing submitted by the Owner/Operator will be construed as relieving the Owner/Operator of its obligation to obtain written approval, if and when required by this Consent Order.

13. EXTENSIONS

The Owner/Operator and the DEQ agree that the DEQ may grant the Owner/Operator a reasonable extension of the specified deadlines set forth in this Consent Order. Any extension shall be preceded by a written request to the District Supervisor no later than ten business days prior to the pertinent deadline, and shall include:

- a. Identification of the specific deadline(s) of this Consent Order that will not be met.
- b. A detailed description of the circumstances that will prevent the Owner/Operator from meeting the deadline(s).
- c. A description of the measures the Owner/Operator has taken and/or intends to take to meet the required deadline.
- d. The length of the extension requested and the specific date on which the obligation will be met.

No change or modification to this Consent Order shall be valid unless in writing from the DEQ, and if applicable, signed by both parties.

14. TERMINATION

In the matter of:

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This Consent Order shall remain in full force and effect until terminated by a written Termination Notice (TN) issued by the DEQ. Prior to issuance of a written TN, the Owner/Operator shall submit a request consisting of a written certification that the Owner/Operator has fully complied with the requirements of this Consent Order and has made payment of any fines, including stipulated penalties, required in this Consent Order. Specifically, this certification shall include:

- a. The date of compliance with each provision of the compliance program in Section II, and the date any fines or penalties were paid.
- b. A statement that all required information has been reported to the district supervisor.
- c. Confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility.

The DEQ may also request additional relevant information. The DEQ shall not unreasonably withhold issuance of a TN.

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Exhibit A
Administrative Consent Order

<u>Enforcement Type</u>	<u>Enforcement Number</u>	<u>Issued Date</u>
Violation Notice	VN No. VN-005653	October 11, 2013
Enforcement Notice	NOTICE No. EN-000211	December 5, 2013



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING DISTRICT OFFICE



DAN WYANT
DIRECTOR

October 11, 2013

CERTIFIED MAIL

Mr. Barry Shelton
Health, Safety, and Facilities Manager
Lapeer Industries, Inc.
400 McCormick Drive
Lapeer, Michigan 48446

VN No. VN-005653

Dear Mr. Shelton:

SUBJECT: Violation Notice

On June 20, 2013, staff of the Department of Environmental Quality (DEQ), Water Resources Division (WRD) inspected the following Lapeer Industries, Inc. facilities:

- Plant 1 – 400 McCormick Drive, Lapeer
- Plant 2 – 290 McCormick Drive, Lapeer (contiguous with Plant 1)
- Plant 3 – 83 S. Elm, Lapeer
- Plant 4 – 3140 John Conley Drive, Lapeer
- Plant 5 – 3255 John Conley Drive, Lapeer

The purpose of these inspections was to determine compliance with Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (NREPA), MCL 324.3101 *et seq.*, the Administrative Rules promulgated there under being 2006 ACS R 323.2101 *et seq.*, as amended, and the Industrial Storm Water requirements.

National Pollutant Discharge Elimination System (NPDES) Industrial Storm Water permit coverage is required for industrial facilities if the following three conditions apply: 1) the facility's standard industrial classification is regulated under 40 CFR, Section 122.2; 26(b)(14); 2) the facility has exposure of industrial related materials; and 3) the facility has a point-source discharge to surface waters of the state.

Based on the site inspections and discussions with facility personnel, the WRD has determined that Lapeer Industries, Inc. meets all of the conditions outlined above for Plants 1, 2, 4, 5, and 6. As such, Lapeer Industries, Inc. is required to obtain coverage under the Industrial Storm Water Permit for storm water discharges from these facilities.

Please be advised that Lapeer Industries, Inc. is currently in non-compliance with NREPA, due to the following violations:

- V.1. Lapeer Industries failed to make a timely application for reissuance of the Certificate of Coverage (COC) No. MIS510357 which expired on April 1, 2005. The COC authorized the discharge of storm water associated with industrial activity from Plants 1 and 2. Upon expiration of the COC, these facilities were no longer authorized to discharge storm water under the General Industrial Storm Water Permit.
- V.2. Plants 4, 5, and Plant 6 (located in Auburn Hills) have unpermitted discharges of storm water from areas associated with regulated industrial activities to surface waters of the State.
- V.3. Lapeer Industries has failed to comply with the requirements of the Industrial Stormwater General Permit as identified below:
- a. Lapeer Industries has failed to develop and implement Storm Water Pollution Prevention Plans (SWPPPs) for Plants 1, 2, 4, 5 and 6.
 - b. Plants 2 and 5 appear to have unauthorized discharges of wastewater (other than stormwater) to the facilities' storm sewer system.
 - i. An oil sheen was observed discharging into a catch basin of the facilities storm sewer system located between Plants 1 and 2. The pipe appeared to originate from Plant 2 but the source of the oil sheen or purpose of the pipe was unknown.
 - ii. During the inspection, it was noted that a utility sink located on the east side of Plant 2 is believed to be connected to the storm sewer system. The sink had been taped off and a sign posted indicating it should not be used. Mop buckets containing oily wastewater were observed sitting next to the utility sink. The connection of the utility sink to the storm sewer system is considered an illicit connection.
 - iii. A sump pump from inside the building at Plant 5 discharges wastewater from a well that is immediately adjacent to a dust collection system. The well was observed to have an accumulation of waste residuals and deposits. The discharge is directed to the yard and drive area at Plant 5.
 - c. Additional implementation of non-structural and structural controls is necessary to prevent the discharge of contaminated stormwater at Plants 1, 2, 4, and 5. Routine and comprehensive inspections; improved storage practices such as tarping/covering of roll-off boxes and storage bins/containers; implementation of good housekeeping practices such as spill clean-up; and routine sweeping and cleaning of pavement to remove oily deposits, residues, and particulates are necessary to prevent/minimize the discharge of contaminated stormwater from the properties to surface waters of the state.
 - d. Lapeer Industries did have one employee that was certified as a stormwater operator at the time of the inspection. However, it was indicated that this employee was not truly functioning in the role of certified operator as he did not have supervision over the facilities stormwater structural controls and was not conducting the required inspections. Lapeer Industries must ensure that there is a certified

industrial stormwater operator that has supervision over the stormwater treatment and control measures at the regulated facilities and performs the comprehensive and routine inspections as required under the General Permit.

Specific details and areas of concern observed during the site inspection have been included in enclosed post inspection reports for your information.

The violations identified in this Violation Notice are continuing. The violations identified in this notice are violations of Part 31 of the NREPA.

Lapeer Industries should take immediate action to achieve and maintain compliance with the terms and conditions of Part 31 of NREPA and the Industrial Stormwater General Permit No. MIS510000.

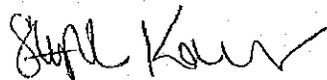
Please submit a written report to this office by **November 11, 2013**. The report should identify any actions to date that Lapeer Industries has taken in follow-up to the site inspection to comply with Part 31 of NREPA and the Industrial Stormwater General Permit. If you have any factual information you would like us to consider regarding the violations identified in this Notice, please provide them with your written response.

The DEQ reserves its right to take all necessary and appropriate enforcement actions for all violations observed to date and any violations that occur in the future. This may include civil action seeking fines, enforcement costs and injunctive relief, and potential criminal prosecution.

Due to the severity of the noncompliance, the matter has been evaluated for escalated enforcement. A separate enforcement notice will be sent to resolve the violations noted above.

We anticipate and appreciate your cooperation in resolving this matter. Should you require further information regarding this Notice or if you would like to arrange a meeting to discuss it, please contact me at 517-897-1597; kammers@michigan.gov; or Department of Environmental Quality, Constitution Hall, 525 West Allegan, Lansing District Office, P.O. Box 30242, Lansing, Michigan 48909-7742.

Sincerely,



Stephanie Kammer
Lansing District Office
Water Resources Division
517-897-1597

sk/sb

Enclosures

cc: Ms. Cheryl Bartley, DEQ
Mr. Ryan Schwarb, DEQ

DEQ-WATER RESOURCES DIVISION
POST INSPECTION REPORT

Lapeer Industries Inc
Storm Water Industrial/Commercial Inspection
Inspection ID: 54633

FACILITY INFORMATION

Facility Name: Lapeer Industries Inc
Facility Address:
400 McCormick Drive
Lapeer, Michigan 48446

Permit Reviewed Permit No.: MIS510357
Issued: 3/15/2000
Effective: 4/1/2000
Expires: 4/1/2005
App. Due: 10/1/2004

INSPECTION INFORMATION

Insp Start Date Insp End Date Transmittal Date
06/20/13 06/20/13

DEQ Inspector(s) Workgroup
Stephanie Kammer Lansing

Inspection Contact(s)
Name Working Title Phone Number
Barry Shelton, Health, Safety, and Facilities Manager

Inspection Summary/Notes

Facility has an expired certificate of coverage under the General Industrial Storm Water Permit No. MIS51000. Pre-announced inspection conducted to evaluate on-site conditions and compliance status with the General Permit.

AREAS EVALUATED Comment

SWPPP Un-Satisfactory
A Storm Water Pollution Prevention Plan (SWPPP) has not been developed for this facility as is required by the General Permit.

CERTIFIED OPERATOR Un-Satisfactory
Facility had a certified operator at Plants 1 and 2, but acknowledged that he was not doing any inspections or work in regards to the industrial storm water permit.

David Zwiez is currently certified for Lapeer Industries. Lapeer Industries should confirm whether he is performing the duties of certified operator for all of their regulated facilities.

Illicit Connection/Unauthorized Discharges Un-Satisfactory
A utility sink and basin were observed within Plant 2. It was indicated during the inspection that these were believed to be connected to the storm sewer system. The sink and basin had been taped off and a sign was posted indicating that nothing should be dumped in the sink. However, mop buckets full of dirty and oily wastewater were being stored next to the basin and there was a layer of grime in the basin and surrounding area indicating that they had been used in the past.

The sink and utility basin drains must be permanently terminated or re-routed to the sanitary sewer system (with permission from the WWTP operator).

One basin in the parking lot near Plant 2 had a white pvc pipe discharging a small amount of water with an oil sheen into the catch basin. Origin of the pipe was unknown at the time of the inspection. The pipe should be investigated and any unauthorized discharges/illicit connections to the storm sewer system eliminated.

**DEQ-WATER RESOURCES DIVISION
POST INSPECTION REPORT**

CATCH BASINS Marginal

Control measures should be implemented to protect catch basins in the storage yard for Plant 1. One catch basin was observed immediately adjacent to several open roll-off boxes. Other catch basins located in gravel/dirt areas of the storage yard were observed to have an accumulation of dirt and sediment in and around the basins.

TRUCK BAYS/SUMPS Satisfactory

SCRAP METAL BINS Marginal

Scrap metal bins and roll off boxes are stored open and exposed to storm water. Control measures such as ensuring the containers are sealed and tarping, covering, and or storing under storm resistance shelters must be implemented. Storm water which is allowed to accumulate and mix with industrial wastes stored within the containers is typically considered a liquid industrial waste and cannot be discharged to the storm sewer system.

BARREL STORAGE AREA Satisfactory

Barrels waiting to be crushed and disposed are stored upside down and on pallets. No issues observed.

OUTSIDE STORAGE Marginal

Residue and particulates were observed on the pavement near a dust collection area for Plant 1. The area is exposed to storm water and there is a potential for contaminated storm water to discharge from this area to the storm sewer system. Additional control measures should be implemented in this area.

GRAVEL/DIRT AREAS Un-Satisfactory

Storm sewer catch basins are not adequately protected in the gravel/dirt areas of the storage yard for Plant 1. Additional control measures such as silt sacks or stabilization of erodible areas are necessary.

VIOLATIONS

Vio. ID	Detection Date	Violation Category	Violation Type	Violation Status
154628,	06/20/13,	Inspection - SW Industrial,	Illicit Connection, No SWPPP, Unpermitted Discharge	Active, Active, Active
154627,	06/20/13,	Inspection - SW Industrial,		
154250	04/01/13	Inspection - SW Industrial		

ENFORCEMENT

Enf. ID	Enf. No.	Enforcement Type	Action Type	Issued Date	Issued By	Enf. Status
9984	VN-005653	Violation Notice	Informal		Stephanie Kanmer	

Stephanie Kanmer

Completed by:

Date: October 9, 2013

DEQ-WATER RESOURCES DIVISION
POST INSPECTION REPORT

Lapeer Industries - Plt 4
Storm Water Industrial/Commercial Inspection
Inspection ID: 54636

FACILITY INFORMATION

Facility Name: Lapeer Industries - Plt 4
Facility Address:
3140 John Conley Drive
Lapeer, Michigan 48446

Facility Phone: (810) 245-0753

Permit Reviewed Permit No.: <No Permit Selected>
Issued:
Effective:
Expires:
App. Due:

INSPECTION INFORMATION

Insp Start Date Insp End Date Transmittal Date
06/20/13 06/20/13

DEQ Inspector(s) Workgroup
Stephanie Kammer Lansing

Inspection Contact(s)
Name Working Title Phone Number
Barry Shelton, Health, Safety and Facilities Manager

Inspection Summary/Notes

The facility has regulated unpermitted discharges of storm water to surface waters of the state. Pre-announced site inspection conducted to evaluate site conditions.

VN-005653 issued to address noncompliance with state and federal storm water regulations.

AREAS EVALUATED

Comment

SWPPP Un-Satisfactory

A Storm Water Pollution Prevention Plan (SWPPP) has not been developed for this facility as is required by the General Permit.

CERTIFIED OPERATOR Un-Satisfactory

Facility had a certified operator at Plants 1 and 2, but acknowledged that he was not doing any inspections or work in regards to the industrial storm water permit.

David Zwiesz is currently certified for Lapeer Industries. Lapeer Industries should confirm whether his is performing the duties of certified operator for all of their regulated facilities.

CATCH BASINS Un-Satisfactory

A roll-off box containing shale waste is located on top of a storm sewer catch basin on the southern end of the storage yard for the facility. The roll-off box was rusted and appeared to be older. Based on the angle of the roll-off box, any leaks from the box would discharge directly into the catch basin. The pavement surrounding the catch basin was stained with rust, full of loose stone and dirt, and was in need of sweeping/repair.

DEQ-WATER RESOURCES DIVISION
POST INSPECTION REPORT

TRUCK BAYS/SUMPS Marginal

The southernmost truck bay at the facility is used to store dust collection equipment, empty barrels, and two roll-off boxes. The pavement in this bay was stained with rust and was in need of sweeping.

SCRAP METAL BINS/ STORAGE BINS Un-satisfactory

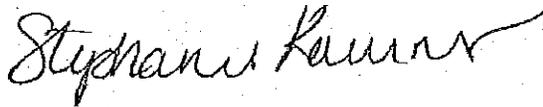
There were three roll-off boxes observed exposed to storm water at the facility. Two of the boxes were covered by sheets of wood and one was stored uncovered.

Roll off boxes, bins, barrels and any other containers in use at the facility to store significant materials must be stored under storm resistant shelters, indoors, tarped or otherwise covered when not in use and during rain events to prevent storm water from mixing with the contents of the containers. Inspection of these containers should be conducted on a routine basis and any signs of leaks must be addressed immediately. Storm water or other fluids which accunulates within these containers is usually considered a liquid industrial waste and cannot be discharged to the storm sewer system.

OUTSIDE STORAGE Marginal

There was a dust collection system in the southern truck bay of the facility exposed to storm water. Dust is collected in plastic lined open barrels. Pavement around the dust collection system was stained and had loose particulates. Additional controls such as good housekeeping activities including routine inspection and clean-up of the area should be implemented.

Completed by:



Date: October 10, 2013

DEQ-WATER RESOURCES DIVISION
POST INSPECTION REPORT

Lapeer Industries - Pit 5
Storm Water Industrial/Commercial Inspection
Inspection ID: 55147

FACILITY INFORMATION

Facility Name: Lapeer Industries - Pit 5
Facility Address:
3255 John Conley Drive
Lapeer, Michigan 48446

Facility Phone: (810) 782-4533

Permit Reviewed Permit No.: <No Permit Selected>
Issued:
Effective:
Expires:
App. Due:

INSPECTION INFORMATION

Insp Start Date Insp End Date Transmittal Date
06/20/13 06/20/13

DEQ Inspector(s) Workgroup
Stephanie Kammer Lansing

Inspection Contact(s)
Name Working Title Phone Number
Barry Shelton, Health, Safety, and Facilities Manager

Inspection Summary/Notes

Facility has regulated unpermitted discharges of storm water to surface waters of the state. Pre-announced site inspection conducted to evaluate site conditions.

VN-005653 issued to address noncompliance with state and federal storm water regulations.

AREAS EVALUATED Comment

SWPPP Un-Satisfactory

A Storm Water Pollution Prevention Plan (SWPPP) has not been developed for this facility as is required by the General Permit.

CERTIFIED OPERATOR Un-Satisfactory

Facility had a certified operator at Plants 1 and 2, but acknowledged that he was not doing any inspections or work in regards to the industrial storm water permit.

David Zwiez is currently certified for Lapeer Industries. Lapeer Industries should confirm whether his is performing the duties of certified operator for all of their regulated facilities.

FLOOR DRAINS Un-satisfactory

There is an interior well on the west side of the facility which is exposed to industrial processes and materials within the facility. Wastewater within the well is discharged to the ground on the west side of the facility. The discharge of the wastewater is considered an illicit discharge and must be addressed accordingly.

DEQ-WATER RESOURCES DIVISION POST INSPECTION REPORT

Interior floor drains found to be connected to the storm sewer system must be permanently terminated or rerouted to prevent the illicit discharge of unauthorized non-storm water discharges through the storm water sewer system to waters of the state. If it is determined that the floor drains discharge to the storm sewer system, First Class Tire Shredders must discontinue use of the drains until one or more of the following actions are completed as appropriate:

1. Use of the drains is discontinued and the drains are plugged and sealed.

OR

2. The drains are re-routed to the sanitary sewer system if available (with permission from the waste-water treatment plant operator) or to an appropriate containment system which allows for the appropriate collection and disposal of the wastes generated by facility operations in the buildings.

3. An application is made to cover any wastewater discharged from the floor drainage system to waters of the state under a NPDES permit (Susan Ashcraft, 517-241-1346).

4. If the discharge is separated from sanitary wastes at the site and is discharged to the ground or groundwaters of the state, authorization must be obtained from the WRD, Groundwater Discharge Program (Rick Ruzs, 517-335-4709).

CATCH BASINS Un-Satisfactory

Two catch basins are located on the eastern side of the property near the outside storage area for the facility. The pavement in this area was stained red with rust, had evidence of spills from grease and oils, and was covered in loose dirt and grime and was in need of sweeping/repair. Additional control measures such as good housekeeping and inspection measures, regular sweeping and clean up of spills and improved storage practices are necessary in this area. Catch basins inserts for storm water treatment may be a beneficial option in this area.

TRUCK BAYS/SUMPS Marginal

Truck bays at the facility were stained red with rust and was in need of sweeping.

SCRAP METAL BINS/ STORAGE BINS Un-satisfactory

There was one roll-off box observed at the facility stored open and exposed to storm water.

Roll off boxes, bins, barrels and any other containers in use at the facility to store significant materials must be stored under storm resistant shelters, indoors, tarped or otherwise covered when not in use and during rain events to prevent storm water from mixing with the contents of the containers. Inspection of these containers should be conducted on a routine basis and any signs of leaks must be addressed immediately. Storm water or other fluids which accumulates within these containers is usually considered a liquid industrial waste and cannot be discharged to the storm sewer system.

BARREL STORAGE AREA Marginal

There were a large number of barrels stored outside on pallets in the storage area. The ground in this area was stained and covered in dirt and grime from past leaks and spills. Good housekeeping measures, routine inspections, and better storage practices should be implemented to prevent the discharge of contaminated storm water from this area.

DEQ-WATER RESOURCES DIVISION
POST INSPECTION REPORT

OUTSIDE STORAGE Un-satisfactory

Significant staining, evidence of leaks and spills, and improper storage practices (open, deteriorated waste containers exposed to storm water) were observed in the outside storage area of the facility. Improvements to storage practices and additional structural and non-structural controls must be implemented to prevent/minimize/treat the contaminated storm water which contacts materials, wastes, and equipment stored outside.

Completed by:

Stephan Kaur

Date: October 10, 2013



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING DISTRICT OFFICE



DAN WYANT
DIRECTOR

NOTICE No. EN-000211

CERTIFIED MAIL 7009 2820 0001 9803 8854

Mr. Daniel Schrieber, President
Lapeer Industries, Inc.
400 McCormick Drive
Lapeer, Michigan 48446

ENFORCEMENT NOTICE

Dear Mr. Schrieber:

SUBJECT: Lapeer Industries, Inc.
 Plants 1, 2, 4, and 5

The Department of Environmental Quality (DEQ), Water Resources Division (WRD), Lansing District Office, is pursuing an escalated enforcement action for violations of law by Lapeer Industries, Inc. (hereinafter "facility") as set forth herein.

Please be advised that the facility has failed to comply with Part 31, Water Resources Protection, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Part 31 of the NREPA), MCL 324.3101, et seq. and the Administrative Rules promulgated there under being 2006 AACR 323.2101 et seq., as amended.

Specifically, pursuant to Section 3112(1) of Part 31 of the NREPA:

"A person shall not discharge any waste or waste effluent into the waters of this state unless the person is in possession of a valid permit from the department".

Further, the facility was authorized to discharge wastewater to the waters of the state in accordance with National Pollutant Discharge Elimination System (NPDES) Certificate of Coverage No. MIS510357, under General Permit, NPDES No. MIS510000 at Plants 1 and 2, located at 400 and 290 McCormick Drive, Lapeer, Lapeer County. The Certificate of Coverage (COC) expired on April 1, 2005. The facility has failed to reapply.

Further, the facility owns and/or operates the following additional plants which discharge storm water from areas of industrial activities to surface waters of the state:

- Lapeer Industries, Inc. – Plant 4, 3140 John Conley Drive, Lapeer, Lapeer County
- Lapeer Industries, Inc. – Plant 5, 3255 John Conley Drive, Lapeer, Lapeer County

Please be advised that the DEQ-WRD has identified the following violations at these facilities:

1. Lapeer Industries failed to make a timely application for reissuance of the Certificate of Coverage (COC) No. MIS510357 which expired on April 1, 2005. The COC authorized the discharge of storm water associated with industrial activity from Plants 1 and 2. Upon expiration of the COC, these facilities were no longer authorized to discharge storm water under the General Industrial Storm Water Permit.
2. Plants 4 and 5 have unpermitted discharges of storm water from areas associated with regulated industrial activities to surface waters of the State.
3. Based on site inspections conducted on June 20, 2013 at Lapeer Industries, Plants 1, 2, 4, and 5, Lapeer Industries has failed to comply with the requirements of the Industrial Stormwater General Permit No. MIS510000 as identified below:
 - a. Lapeer Industries has failed to develop and implement Storm Water Pollution Prevention Plans (SWPPPs) for Plants 1, 2, 4, and 5.
 - b. Plants 2 and 5 appear to have unauthorized (illicit) discharges of wastewater (other than stormwater) to the facilities' storm sewer system.
 - c. Additional implementation of non-structural and structural controls is necessary to prevent the discharge of contaminated stormwater at Plants 1, 2, 4, and 5.
 - d. The facility has failed to ensure that there is a certified industrial storm water operator that has supervision over the storm water treatment and control measures at the regulated facilities and performs the comprehensive and routine inspections and other functions as required under the General Permit No. MIS5100000.

The facility is hereby notified that the violations identified in this Enforcement Notice are violations of Part 31 of the NREPA.

The facility is requested to immediately undertake all actions necessary to resolve all violations identified in Violation Notice VN-005653, issued October 11, 2013 and this Enforcement Notice.

The violations identified herein, as well as any additional violations discovered hereafter must be formally resolved through entry of an administrative consent order (ACO). The ACO will include an agreed-upon compliance program to resolve the WRD's allegations, any additional requirements, and a civil fine. Negotiations to resolve this matter through an ACO shall not exceed 90 days.

In light of the nature of the violations, the DEQ proposes entry of the enclosed ACO as an appropriate and expeditious means of resolving these issues. If this ACO is acceptable to the facility, please sign and return both (two) original documents to me, not later than ten (10) days after receipt of this letter. Upon receipt of the signed documents, I will secure the other signatures and return one fully executed original document to you for your records. The ACO becomes effective on the date that it is signed by the WRD, Chief, and the civil fine must be paid not later than 30 days after that date.

Enclosed please find, a copy of the Violation Notice (VN-005653) issued by the DEQ-WRD, Lansing District Office, on October 11, 2013, and a proposed ACO that specifies the requirements necessary to resolve violations of Part 31 of the NREPA, MCL 324.3101 *et seq.*

The DEQ reserves its right to take all necessary and appropriate enforcement actions for all violations of Part 31 of the NREPA that have occurred to date and any violations of Part 31 of the NREPA that may occur in the future. These actions may include, but are not limited to, seeking civil fines, injunctive relief, natural resources damages, all costs associated with this enforcement action, including attorney costs and any other relief available to the DEQ.

The facility's continuing failure to comply with the terms of the Part 31 of the NREPA, any other requirements set forth in this Notice, or failure to resolve these violations through entry of an ACO within the 90 day time frame may result in additional fines, penalties or other actions.

Pursuant to Section 1511 of the NREPA, Lapeer Industries, Inc., may request a preliminary meeting with DEQ-WRD staff to discuss the issues detailed in this ENFORCEMENT NOTICE and their potential resolution. If you would like to participate in such a meeting, please contact Ms. Stephanie Kammer, 517-897-1597, NOT LATER than 10 days from your receipt of this ENFORCEMENT NOTICE.

**STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER RESOURCES DIVISION**

Date Issued: 12/5/2013



Mary Vanderlaan
Lansing District Office
Water Resources Division

ADDRESS FOR FURTHER CORRESPONDENCE:

Stephanie Kammer
Lansing District Office
Water Resources Division
Constitution Hall, 525 West Allegan
Lansing, Michigan 48909-7742

cc: Mr. Barry Shelton, Lapeer Industries, Inc.
Mr. Peter Ostlund, DEQ
Ms. Stephanie Kammer, DEQ

