

## PENALTY COMPUTATION WORKSHEET

Violator's Name: Diversified Environmental Services

Identify Violator's Facility: FLD984183566 1201 N 22nd St., Tampa

Name of Department Staff Responsible for the Penalty Computations: Elizabeth Knauss

Warning Letter #: \_\_\_\_\_ Date: 4/14/2016

Violation Type		Manual Guide	ELRA Citation	ELRA Amount	Total
1.	62-710.800(2) - No used oil processing permit. Oil stored more than 35 days at two transfer facilities	UO 87	ELRA 403.121(3)(e)	\$3,000	\$3,000
2.	279.45(d) -Used oil stored in frac tanks without secondary containment	UO 102	ELRA 403.121(4)(b)	\$4,000	\$4,000
3.	279.45(g)(1) - failure to label frac tanks and a barge with the words "used oil"	UO 147	ELRA 403.121(5)	\$500	\$500
4.	279.46(a)(2), 279.46(a)(5)(i)	UO 41	ELRA 403.121(4)(f)	\$500	\$500
SUB-TOTAL					\$8,000
ECONOMIC BENEFIT					\$396
DEPARTMENT COSTS					\$500

If ELRA is selected as an enforcement mechanism, two separate orders would be appropriate, one for each corporation and site.

Total Penalties Including Department Costs:

DES & DMT \$8,896.00

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Mary E. Yeargan, P.G.  
Southwest District Director  
Florida Department of Environmental Protection

\_\_\_\_\_  
Date

## ECONOMIC BENEFIT WORKSHEET

FACILITY NAME: Diversified Environmental Services Date: April 14, 2016

EPA ID No.: FLD984183566 Case #: \_\_\_\_\_

Violation: Storing used oil more than 35 days without a permit

Diversified Environmental Services relies upon passive settling to separate used oil from waste water that it manages. The company does not have any active heating, de-emulsification or distillation equipment capable of quickly reducing the water content in the recovered oil generated from passive separation. Since oil prices decreases sharply last year, the permitted recycling companies have reduced the price paid for oil, increases the charges for treating oil with high water content, and have become more selective in the oil accepted.

The estimated inventory of oily waste stored in six frac tanks at DES is 120,000 gallons. Typical charges for disposal of oil containing a higher water content is currently \$0.22/gallon when transported in bulk.

Diversified has stored oil for 6 months longer than allowable under transfer facility regulations. Shipment in bulk is less expensive than the \$82.00/55 gallon drum cost basis for state contracts. At a minimal disposal cost of \$0.22 per gallon, the delayed disposal cost would be \$26,400.00. No additional economic benefit was calculated for failure to provide secondary containment for frac tanks holding the oil, as this storage would not be permissible for either used oil transfer facilities or processors, and would not be needed if oil was shipped promptly for disposal. The barge is double hulled.

$EB = \text{Avoided Costs} (1-C) + \text{Delayed Costs} (T)$

C = Current Corporate Tax Rate = .38

T = IRS Interest Rate = 3% per year

Avoided Costs = \$0

Delayed Costs =  $\$26,400 \times .03 \times 1/2 \text{ year} = \$396.00$

EB = \$396.00