

FLORIDA DEPARTMENT OF Environmental Protection

CENTRAL DISTRICT 3319 MAGUIRE BOULEVARD, SUITE 232 ORLANDO, FLORIDA 32803 RICK SCOTT GOVERNOR

HERSCHEL T. VINYARD JR. SECRETARY

April 09, 2013

Certified Mail: 91 7199 9991 7030 9057 9431

Mr. Author Timothy Hagan, President HOWCO Environmental Services 3701 Central Avenue St. Petersburg, FL 33713

Re: Notice of Violation HOWCO Environmental Services HW FLD101828689 Lake County CAP HW 13-0659

Dear Mr. Hagan:

Hazardous waste and used oil compliance inspections were conducted at HOWCO Environmental Service – Astor Facility, on March 21, 2012 and January 23, 2013. The inspections were conducted under the authority of Section 403.091, Florida Statues, and Chapter 403, Part IV, Florida Statues, and designed to determine the compliance status of your facility with Title 40 Code of Federal Regulations Parts 260 through 268 as adopted in Florida Administrative Code (F.A.C.) Chapter 62-730.

Attached is a Notice of Violation (NOV) describing the findings from the Department's inspection. Please read the document and respond accordingly.

Please address any questions to Aaron Watkins of the Central District Office at (407) 897-2963 or via email at <u>aaron.watkins@dep.state.fl.us</u>.

Sincerely,

Lath

Jeff Prather Director, Central District Florida Department of Environmental Protection

JP/DDO

Enclosures: Notice of Violation

cc: Lea Crandall, OGC Linda Williams, OGC

BEFORE THE STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION,

IN THE OFFICE OF THE CENTRAL DISTRICT

Petitioner,

v.

OGC File No. 12-1412

HAGAN HOLDING COMPANY, a Florida corporation doing business as HOWCO ENVIRONMENTAL SERVICES and ARTHUR TIMOTHY HAGAN, Individually,

Respondents.

_____/

NOTICE OF VIOLATION, ORDERS FOR CORRECTIVE ACTION AND ADMINISTRATIVE PENALTY ASSESSMENT

Certified Receipt Return No.: 91 7199 9991 7030 9057 9431

To:

Mr. Arthur T. Hagan, President Hagan Holding Company d/b/a HOWCO Environmental Services 3701 Central Avenue St. Petersburg, Florida 33713

Mr. Arthur Timothy Hagan, Individually Operator, HOWCO Environmental Services 24133 State Road 40 Astor, FL 32102-3031

Pursuant to the authority of Section 403.121(2), Florida Statutes ("Fla. Stat."), the

State of Florida Department of Environmental Protection ("Department") gives notice to

Hagan Holding Company, a Florida corporation, doing business as HOWCO

Environmental Services, and Arthur Timothy Hagan, individually ("Respondents"), of the following findings of fact and conclusions of law with respect to violations of Chapter 376 and 403, Fla. Stat., and Florida Administrative Code ("Fla. Admin. Code") Chapter 62-710.

FINDINGS OF FACT PARAGRAPHS APPLICABLE TO ALL COUNTS

1. The State of Florida Department of Environmental Protection ("Department") is the administrative agency having the power and duty to protect Florida's air and water resources, and to administer and enforce the provisions of Chapter 376 and 403, Fla. Stat., and the rules promulgated thereunder in the Florida Administrative Code ("Fla. Admin. Code"), and pursuant to authority granted by the United States Environmental Protection Agency as an approved State program to carry out federal laws and regulations of Title 40 Code of Federal Regulations ("C.F.R.") Parts 260-268 and 279, when adopted in Fla. Admin. Code Title 62.

2. Respondent Hagan Holding Company is an active profit corporation organized under the laws of the State of Florida, and Arthur T. Hagan is its President. Hagan Holding Company is doing business as HOWCO Environmental Services ("HOWCO") pursuant to a fictitious name registration.

3. HOWCO operates as a Used Oil Processor under a combined permit consisting of two numbers: Permit 27221-HO-004 (used oil) and Permit 27221-HO-005 (solid waste), issued on July 8, 2011, and expiring August 25, 2015, and is registered as a Used Oil Handler Facility, EPA ID No. FLD101828689 ("Astor Facility"). 4. Astor Facility operates on a parcel of real property located at 24133 State Road 40, Astor, Lake County, Florida 32102, Lake County Property Appraiser Parcel Number 07-15-27-010000003002 ("Property") owned by Timco Real Estate, Inc., an active Florida profit corporation ("Timco") with Arthur T. Hagan as its President.

5. Respondent Arthur Timothy Hagan is the "operator" of the Astor Facility; is also known as Arthur T. Hagan, A. Timothy Hagan, and Tim Hagan ("Respondent Hagan"); is registered with the Department as HOWCO's "owner;" and is preparer of the HOWCO Annual Report by Used Oil and Used Oil Filter Handlers. Respondent Hagan is responsible for managing the Astor Facility's overall operations, including environmental compliance issues.

6. The Department conducted an inspection of the Astor Facility on March 21, 2012, and documented numerous violations. The Department's inspector verbally notified Respondents on March 21, 2012, that violations existed, and encouraged resolution of violations in order to avoid enforcement. Violations included: failure to maintain a copy of the contingency plan at the facility; failure to have at least one employee on the premises or on call to respond to an emergency; failure to keep a copy of the written analysis plan at the facility; failure to keep the current year's record at the facility of each used oil shipment accepted for processing/re-refining; failure to comply with the requirements of its permit; and failure to display the validated registration form and identification number in a prominent place at the facility.

On June 12, 2012, the Department issued Warning Letter OWL-HW-12 011, advising Respondents of possible violations of law for which Respondent may be

responsible, and seeking Respondents' cooperation in resolving the matter. The letter requested Respondents to contact Danielle Owens at (407) 897-4307, within 10 days of receipt of the Warning Letter, to arrange a meeting to discuss this matter. In lieu of meeting, Respondents provided a written response, but did not resolve the violations as requested.

8. On August 29, 2012, the Department issued a draft Short Form Consent Order ("SFCO") with a proposed penalty to Respondents. Thereafter, HOWCO requested that it be allowed to submit an improvement plan for the Astor Facility in lieu of entering into the consent order and paying penalties.

9. The Department offered Compliance Assistance to Respondents in lieu of the SFCO, outlining a required corrective action. Specifically, the Compliance Assistance Offer was a verbal offer made to Respondents by the District Director, allowing HOWCO to submit an "improvement plan" outlining Respondents' own plans for corrective action along with procedures and/or processes for assuring that it maintained compliance. Thereafter, Department personnel, inspectors and managerial staff, made multiple further contacts with the Respondents to encourage a successful outcome. However, the Respondents failed to complete the requested corrective action, to submit an improvement plan and to achieve compliance.

10. On October 25, 2012, after the Respondents failed to respond with the "improvement plan," the Department issued a revised SFCO (OCD-HW-12-399) that reduced the penalty. Although there is evidence that the correspondence was received by the Respondents, the SFCO was not executed by the Respondents.

11. On January 23, 2013, inspectors made a follow-up inspection and identified violations that had still not been resolved. Specifically, Respondents' records documenting the current year acceptance of used oil shipments were not available for review; analytical results were not available for the processed oil that was shipped offsite to burners; and staff at the Astor Facility was unable to access records stored electronically that should have been available for immediate review at the time of inspection.

12. These multiple instances of noncompliance must be resolved so that the Respondents are operating within the Department rules and the permit conditions to which the Respondents expressly and impliedly agreed.

COUNT I

13. On March 21, 2012, Respondents failed to have a contingency plan located at the Astor Facility.

<u>COUNT II</u>

14. On March 21, 2012, Respondents failed to keep written analysis plans describing procedures used at the Astor Facility for determining whether used oil is a hazardous waste based upon its total halogen content.

COUNT III

15. On March 21, 2012 and January 31, 2013, Respondents failed to keep the current years records of acceptance of used oil shipments at the Astor Facility.

COUNT IV

16. On March 21, 2102 and January 31, 2013, Respondents failed to provide

analytical results for processed oil shipped off-site to burners.

COUNT V

17. On March 21, 2012, Respondents failed to display the validated registration form and identification number in a prominent place at the Astor Facility.

COUNT VI

18. On March 21, 2012 and January 31, 2013, Respondents failed to comply with Permit 27221-HO-004.

COUNT VII

19. To date, the Department has incurred expenses of not less than \$1,000.00 while investigating this matter.

CONCLUSIONS OF LAW

The Department has evaluated the Findings of Fact with regard to the requirements of Chapter 376 and 403, Fla. Stat., and Fla. Admin. Code Title 62. Based on the foregoing facts, the Department concludes as a matter of law that:

20. Used Oil Management is regulated under Fla. Admin. Code Rule 62-710, which specifically adopted by reference the federal standards for the management of used oil pursuant to Title 40 C.F.R. Part 279.

21. Each Respondent is a "person" within the meaning of Sections 376.301(28), 403.031(5), and 403.75(3), Fla. Stat.

22. Each Respondent is a "responsible party" as defined in Fla. Admin. Code Rule 62-770.200(50).

23. "Used oil" is defined in Fla. Admin. Code Rule 62-710.201(5) as "any oil

which has been refined from crude oil or synthetic oil and, as a result of use, storage, or handling, has become contaminated and unsuitable for its original purpose due to the presence of physical or chemical impurities or loss of original properties."

24. Used oil is considered a "pollutant" within the meaning of Section376.301(36), Fla. Stat.

25. Respondents are "processors" of used oil within the meaning of Fla. Admin. Code Rule 62-710.201(3).

26. Respondents are "used oil transporters" within the meaning of Fla. Admin. Code Rule 62.710.201(6).

27. The Department is imposing an administrative penalty of less than or equal to \$10,000.00 in this Notice of Violation as calculated in accordance with Section 403.121, Fla. Stat.

28. The facts in Count I constitute a violation of 40 C.F.R. §279.52(b), adopted by reference in Fla. Admin. Code Rule 62-710.210(2), and Permit 27221-HO-004, Part I – General and Standard Conditions, Condition 41, which requires owners and operators of used oil processing and re-refining facilities to prepare a contingency plan and maintain a copy of the contingency plan at the Astor Facility. The facts also constitute a violation of Section 403.161, Fla. Stat., which makes it a violation to fail to comply with Department rules.

29. The violation in Count I requires the assessment of an administrative penalty of \$1,000.00 under Section 403.121(4)(e), Fla. Stat., for failure to maintain a copy of the contingency plan at the Astor Facility.

30. The facts in Count II constitute a violation of 40 C.F.R. 279.55, adopted by reference in Fla. Admin. Code Rule 62-710.210(2), and Permit 27221-HO-004, Part I – General and Standard Conditions, Condition 45, which requires owners and operators of used oil processing and re-refining facilities to develop and follow a written analysis plan describing procedures that will be used to comply with the analysis requirements of 40 C.F.R. §279.53, and if applicable, 40 C.F.R. §279.72, as adopted by reference in Fla. Admin. Code Rule 62-710.210(2). The owner or operator must keep the plan at the Astor Facility. The facts also constitute a violation of Section 403.161, Fla. Stat., which makes it a violation to fail to comply with Department rules.

31. The violation in Count II requires the assessment of an administrative penalty of \$2,000.00 under Section 403.121(4)(d), Fla. Stat., for failure to keep the written analysis plan at the Astor Facility.

32. The facts in Count III constitute a violation of 40 C.F.R. §279.56(a), adopted by reference in Fla. Admin. Code Rule 62-710.210(2), and Permit 27221-HO-004, Part II – Used Oil Processing Conditions, Condition 1.(a), which requires used oil processors/re-refiners to keep a record of each used oil shipment accepted for processing/re-refining. The facts also constitute a violation of Section 403.161, Fla. Stat., which makes it a violation to fail to comply with Department rules.

33. The violation in Count III requires the assessment of an administrative penalty of \$500.00 under Section 403.121(4)(f), Fla. Stat., for failure to keep records of acceptance of used oil shipments.

34. The facts in Count IV constitute a violation of 40 C.F.R. §279.72(a) and (b),

adopted by reference in Fla. Admin. Code Rule 62-710.210(2), which requires a generator, transporter, processor/re-refiners, or burner who first claims that used oil that is to be burned for energy recovery meets the specifications for used oil fuel under 40 C.F.R. §279.11, must keep copies of analyses of the used for three years. Additionally, Permit 27221-HO-004, Part I – General and Standard Conditions, Condition 45.(d), requires such analysis, prior to shipping, pursuant to parameters set forth in the permit. The facts also constitute a violation of Section 403.161, Fla. Stat., which makes it a violation to fail to comply with Department rules.

35. The violation in Count IV requires the assessment of an administrative penalty of \$500.00 under Section 403.121(4)(f), Fla. Stat., for failure to provide analytical results for processed used oil shipped off-site to burners.

36. The facts in Count V constitute a violation of Fla. Admin. Code Rule 62-710.500(4) and Permit 27221-HO-004 Part I – General and Standard Conditions, Condition 19, which requires each registered person to display the validated registration form and identification number in a prominent place at each facility location. The facts also constitute a violation of Section 403.161, Fla. Stat., which makes it a violation to fail to comply with Department rules.

37. The violation in Count V requires the assessment of an administrative penalty of \$500.00 under Section 403.121(4)(f), Fla. Stat., for failure to display the validated registration form and identification number in a prominent place at the Astor Facility.

38. The facts in Count VI constitute a violation of Fla. Admin. Code Rule 62-

710.800(2), which requires a facility to comply with any rule, regulation, order, permit, or certification adopted or issued by the department pursuant to its lawful authority. The facts also constitute a violation of Section 403.161, Fla. Stat., which makes it a violation to fail to comply with Department rules.

39. The violation in Count VI requires the assessment of an administrative penalty of \$2,000.00 under Section 403.121(3)(e), Fla. Stat., for failure to comply with Permit 27221-HO-004.

40. The administrative penalties assessed for Counts I through VI total \$6,500.00.

41. The costs and expenses stated in Count VII are reasonable costs and expenses incurred by the Department while investigating this matter, which are recoverable pursuant to Section 403.141(1) Fla. Stat.

ORDERS FOR CORRECTIVE ACTION

The Department has alleged that the activities related in the Findings of Fact constitute violations of Florida law. The Orders for Corrective Action state what you, Respondents, must do in order to correct and redress the violations alleged in this Notice.

The Department will adopt the Orders for Corrective Action as part of its Final Order in this case unless Respondents either file a timely request for a formal hearing or informal proceeding, pursuant to Section 403.121(2)(c), Fla. Stat., or file written notice with the Department opting out of this administrative process, pursuant to 403.121(2)(c), Fla. Stat. (See Notice of Rights). If Respondents fail to comply with the corrective actions ordered by the Final Order, the Department is authorized to file suit seeking judicial enforcement of the Department's Order pursuant to Sections 120.69, 403.121, and 403.131, Fla. Stat.

Pursuant to the authority of Sections 403.061(8) and 403.121, Fla. Stat., the Department proposes to adopt in its Final Order in this case the following specific corrective actions that will redress the alleged violations:

42. Respondents shall forthwith comply with all Department rules regarding used oil management, used oil processing, and used oil transporting. Respondents shall correct and redress all violations in the time periods required below and shall comply with all applicable rules in Fla. Admin. Code Chapters 62-710.

43. Prior to the effective date of the Order, Respondents did not demonstrate that a current version of the contingency plan was at the Astor Facility in accordance with all the requirements of 40 C.F.R. §279.52(b), adopted by reference in Fla. Admin Code Rule 62-710.210(2). Respondents have indicated that there is no further documentation to submit in reference to these requirements. Commencing immediately and henceforth, Respondents shall maintain a copy of the contingency plan at the Astor Facility.

44. Prior to the effective date of the Order, Respondents did not demonstrate that a current written analysis plan was at the Astor Facility in accordance with all the requirements of 40 C.F.R. §279.55, adopted by reference in Fla. Admin Code Rule 62-710.210(2). Respondents have indicated that there is no further documentation to submit in reference to these requirements. Commencing immediately and henceforth, Respondents shall maintain a copy of the written analysis plan at the Astor Facility.

45. Within 30 days of the effective date of this Order, Respondent shall take all appropriate steps to ensure the current year's records of acceptance of used oil shipments are at the Astor Facility and are accessible for review at the time of any inspection in accordance with all the requirements of 40 C.F.R. §279.56(a), adopted by reference in Fla. Admin. Code Rules 62-710.210(2).

46. Within 10 days of completion of the steps necessary to ensure the current years used oil shipment records are at the Astor Facility, Respondents shall submit to the Department the current year's records of used oil shipments and documentation showing the steps taken to ensure the current year's used oil shipment records are at the Astor Facility and are accessible at the time of any inspection, pursuant to 40 C.F.R. §279.56 and §279.57, adopted by reference in Fla. Admin. Code Rules 62-710.210(2) and 62-710.510.

47. Within 30 days of the effective date of this Order, Respondents shall take all appropriate steps to ensure copies of analyses of the used oil are kept at the Astor Facility for three years and are accessible for review at the time of any inspection in accordance with all the requirements of 40 C.F.R. §279.72(a) and (b), adopted by reference in Fla. Admin. Code Rule 62-710.210(2).

48. Within 10 days of completion of the steps necessary to ensure copies of the analyses of the used oil are kept at the Astor Facility for three years, Respondents shall submit to the Department the analyses of used oil shipped off-site to burners for three

years and documentation showing the steps taken to ensure copies of analyses of used oil are at the Astor Facility and are accessible for review during any inspection.

49. Prior to the effective date of the Order, Respondents demonstrated that a valid registration form and identification number were not displayed in a prominent place at the Astor Facility in accordance with all the requirements of Fla. Admin Code Rule 62-710.500(4). Respondents have indicated that there is no further documentation to submit in reference to this requirement. Commencing immediately and henceforth, Respondents shall display a validated registration form and identification number in a prominent place at the Astor Facility.

50. Commencing immediately upon the effective date of this Order, Respondents shall comply with all requirements of Permit 27221-HO-004 and all requirements of Fla. Admin. Code Rule 62-710.800(2).

51. Within 30 days of the effective date of this Order, Respondents shall pay \$6,500.00 to the Department for the administrative penalties imposed above. Payment shall be made by cashier's check or money order payable to the "State of Florida Department of Environmental Protection" and shall include thereon the notations "OGC Case No. 12-1412" and "Ecosystem Management and Restoration Trust Fund." The payment shall be sent to the State of Florida Department of Environmental Protection, 3319 Maguire Blvd, Suite 232, Orlando, Florida 32803.

52. In addition to the administrative penalties, within 30 days of the effective date of this Order, Respondent shall pay \$1,000.00 to the Department for costs and expenses. Payment shall be made by cashier's check or money order payable to the

"State of Florida Department of Environmental Protection" and shall include thereon the notations "OGC Case No. 12-1412" and "Ecosystem Management and Restoration Trust Fund." The payment shall be sent to the State of Florida Department of Environmental Protection, 3319 Maguire Blvd, Suite 232, Orlando, Florida 32803.

NOTICE OF RIGHTS

Respondent's rights to negotiate, litigate or transfer this action are set forth below.

Right to Negotiate

53. This matter may be resolved if the Department and Respondent enter into a Consent Order, in accordance with Section 120.57(4), Fla. Stat., upon such terms and conditions as may be mutually agreeable.

Right to Request a Hearing

54. Respondent has the right to a formal administrative hearing pursuant to Sections 120.569, 120.57(1), and 403.121(2), Fla. Stat., if Respondent disputes issues of material fact raised by this Notice of Violation, Orders for Corrective Action, and Administrative Penalty Assessment ("Notice"). At a formal hearing, Respondent will have the opportunity to be represented by counsel or qualified representative, to present evidence and argument on all issues involved, and to conduct crossexamination and submit rebuttal evidence.

55. Respondent has the right to an informal administrative proceeding pursuant to Sections 120.569 and 120.57(2), Fla. Stat., if Respondent does not dispute issues of material fact raised by this Notice. If an informal proceeding is held, Respondent will have the opportunity to be represented by counsel or qualified representative, to present to the agency written or oral evidence in opposition to the Department's proposed action, or to present a written statement challenging the grounds upon which the Department is justifying its proposed action.

56. If Respondent desires a formal hearing or an informal proceeding, Respondent must file a written responsive pleading entitled "Request for Administrative Proceeding" within 20 days of receipt of this Notice. The request must be in the form required by Fla. Admin. Code Rule 28-106.2015 and include the following:

- A. The Department's Notice identification number and the county in which the subject matter or activity is located;
- B. The name, address, and telephone number, and facsimile number (if any) of each respondent;
- C. The name, address, telephone number, and facsimile number of the attorney or qualified representative of respondent, if any, upon whom service of pleadings and other papers shall be made;
- D. A statement of when respondent received the Notice; and
- E. A statement requesting an administrative hearing identifying those material facts that are in dispute. If there are none, the request for hearing must so indicate.
- F. The notation "OGC Case No. 12-1412 shall be included in the request.

A request for hearing is filed when it is <u>received</u> by the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS-35, Tallahassee, Florida 32399-3000.

Right to Mediation

57. If Respondent timely files a request challenging the Notice, the Respondent has the right to mediate the issues raised in the Notice. If requested, a mediator will be appointed to assist the Department and Respondent to reach a resolution of some or all of the issues. The mediator is chosen from a list of mediators provided by the FCRC Consensus Center ("FCRC"). The FCRC will provide up to 8 hours of free mediation services to the Respondent. A mediator cannot require the parties to settle the case. If mediation is unsuccessful, both parties retain their full rights to litigate the issues before an administrative law judge. The Respondent must select the mediator and notify the FCRC within 15 days of receipt of the list of mediators. The mediation process does not interrupt the time frames of the administrative proceedings and the mediation must be completed at least 15 days before the date of the final hearing.

58. The written request to appoint a mediator must be made within 10 days after receipt of the Initial Order from the administrative law judge appointed to hear the case. The request must be received by the FCRC Consensus Center, Attn. Chris Pedersen, 2035 East Paul Dirac Drive, Room 236 HMB, Tallahassee, Florida, 32310, (850) 644-6320, <u>cpedersen@fsu.edu</u>. Once the request is timely received, the FCRC will provide the parties with a list of mediators and the necessary information.

Right to Opt Out of the Administrative Proceeding

59. If Respondent does not wish to contest the issues before an administrative law judge, Respondent may file a notice with the Department opting out of the

administrative process. Respondent must file its written opt out notice within 20 days after service of the Notice. The written notice to opt out is filed when it is <u>received</u> by the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS-35, Tallahassee, Florida 32399-3000.

60. Once the Respondent opts out of the administrative process, the Department may sue the Respondent for injunctive relief, damages, costs and expenses and civil penalties. If the Respondent opts out of the administrative process, the Department may ask the judge to assess civil penalties in excess of the amounts in this Notice up to \$10,000.00 per day per violation. The election to opt out of the administrative process is permanent and once the election is made the administrative process cannot be restarted.

Waivers

61. Respondent will waive the right to a formal hearing or an informal proceeding if either

- A. a request for a formal hearing or informal proceeding is not filed with the
 Department within 20 days of receipt of this Notice, or
- B. a notice opting out of the administrative proceeding is not filed with the Department within 20 days of receipt of this Notice.

These time limits may be varied only by written consent of the Department.

General Provisions

62. The findings of fact and conclusions of law of this Notice together with the Orders for Corrective Action will be adopted by the Department in a Final Order if

Respondent fails to timely file a request for a formal hearing or informal proceeding, pursuant to Section 403.121, Fla. Stat. A Final Order will constitute a full and final adjudication of the matters alleged in this Notice.

63. If Respondent fails to comply with the Final Order, the Department is authorized to file suit in circuit court seeking a mandatory injunction to compel compliance with the Order, pursuant to Sections 120.69, 403.121, and 403.131, Fla. Stat. The Department may also seek to recover damages, all costs of litigation including reasonable attorney's fees and expert witness fees, and civil penalties of not more than \$10,000.00 per day for each day that Respondent has failed to comply with the Final Order.

64. Copies of Department rules referenced in this Notice may be examined at any Department Office or may be obtained by written request to the District Office.

DATED this <u>8th</u> day of <u>April</u>, <u>2013.</u>

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

Holath

Jeff Prather Director, Central District

Copies furnished to: Larry Morgan, OGC Enforcement Section Mail Station 35