



**STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Underground Storage Tanks
711 R.S. Gass Boulevard
Nashville, Tennessee 37243**

December 14, 2016

Sweetwater Valley Oil Co.
c/o Shirley S Woodcock, Registered Agent
1236 Highway 68
Sweetwater, Tennessee 37874-5154

Certified Mail No. 7196 9111 3809 1672

Re: Sloan Center
4500 Highway 411
Madisonville, Tennessee 37354
Facility ID # 2-620214
Case # UST16-0113

Dear Ms. Woodcock:

Enclosed is an Order and Assessment issued by the Tennessee Department of Environment and Conservation, Division of Underground Storage Tanks. The violations were discovered during a facility inspection conducted on December 8, 2015. Specifically, Division personnel discovered:

Violation #1: Failure to conduct annual line tightness test or do monthly monitoring on pressurized underground piping in accordance with Rule 0400-18-01-.04(2)(b)1(ii).

<u>Individual Civil Penalty Amount for Violation</u>	<u>Multiplication Factor</u>	<u>Total Penalty Civil Penalty</u>
\$2,000.00	4	\$8,000.00

Total Amount of your Civil Penalty: \$8,000.00

The record reflects that, upon being notified, you performed the necessary actions to address the violations and returned to compliance. The Division is appreciative of your effort to return to compliance. For this reason, please note that the enclosed Order provides that you may resolve this matter without appeal for a **reduction of up to one hundred percent** in the above civil penalty.

Please review the enclosed Order, including the Options set out in Section XVIII. and Notice of Rights, carefully. If you elect Option A or Option B, then you must submit payment, on or before the 31st day after receipt of this Order. Payment shall be submitted to the following address:

Department of Environment & Conservation
Division of Fiscal Services - Fee Section
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, 10th Floor
Nashville, Tennessee 37243

Payment of the civil penalty shall be made to the "Treasurer, State of Tennessee". The case number shown on the first page of the enclosed Order should be written on said payment(s).

If you accept the Division's offer to resolve this matter by attending Underground Storage Tank Training, then you must return the enclosed REQUEST TO ATTEND UNDERGROUND STORAGE TANK TRAINING form on or before the 31st day after receipt of this Order. Return the request form to the following address:

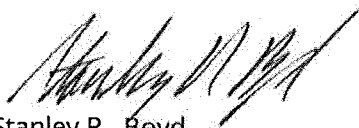
Jessica O. DeHope
Knoxville Environmental Field Office
3711 Middlebrook Pike
Knoxville, Tennessee 37921

If you decline all options set out in Section XVIII., then you may choose to exercise your right to appeal by the deadline stated in the Notice of Rights.

If you neither accept the Division's offer nor timely appeal, then the entire civil penalty amount of \$8,000.00 will become due and subject to collection.

If you have any questions about this matter, please call Jessica DeHope at (865) 594-5454.

Sincerely,



Stanley R. Boyd
Director

cc: Enforcement file
Knoxville Environmental Field Office

Violation	State Cite	Rule Section
Failure of tanks installed after July 27, 2007 to be secondarily contained.	0400-18-01-.02(2)(a)1	UST Systems: Installation & Operation (Secondary Containment)
Failure to provide interstitial monitoring on tanks installed after July 24, 2007.	0400-18-01-.02(2)(a)5	UST Systems: Installation & Operation (Secondary Containment)
Failure of piping installed after July 27, 2007 to be secondarily contained.	0400-18-01-.02(2)(b)1	UST Systems: Installation & Operation (Secondary Containment)
Failure of piping installed after July 25, 2007 to be monitored for a release at least every thirty (30) days	0400-18-01-.02(2)(b)5	UST Systems: Installation & Operation (Secondary Containment)
Failure to install any spill prevention system.	0400-18-01-.02(3)(a)1(i)	UST Systems: Installation & Operation
Failure to install any overflow prevention system.	0400-18-01-.02(3)(a)1(ii)	UST Systems: Installation & Operation
Failure to provide any cathodic protection for metal tanks.	0400-18-01-.02(4)(a)	UST Systems: Installation & Operation
Failure to permanently close a lined tank where CP was not added by the December 22, 2012 deadline.	0400-18-01-.02(4)(a)3(v)	UST Systems: Installation & Operation
Failure to provide any cathodic protection for metal piping.	0400-18-01-.02(4)(b)	UST Systems: Installation & Operation
Failure to provide release detection method capable of detecting a release from tank or piping that routinely contains product.	0400-18-01-.04(1)(a)1	Release Detection (General)
Failure to install, calibrate, operate, or maintain release detection method in accordance with manufacturer's instructions.	0400-18-01-.04(1)(a)2	Release Detection (General)
Failure to provide a release detection method that meets the performance requirements for tanks or piping.	0400-18-01-.04(1)(a)3	Release Detection (General)
Failure to monitor tanks at least every 30 days, if appropriate.	0400-18-01-.04(2)(a)	Release Detection (General)
Failure to provide any release detection for underground piping.	0400-18-01-.04(2)(b)	Release Detection (Piping)
Failure to install line leak detector for pressurized underground piping.	0400-18-01-.04(2)(b)1(i)	Release Detection (Pressurized Piping)
Failure to conduct annual line tightness test or do monthly monitoring on pressurized underground piping.	0400-18-01-.04(2)(b)1(ii)	Release Detection (Pressurized Piping)
Failure to comply with general remedial requirements	0400-18-01-.06	Petroleum Release Response, Remediation, and Risk Management
Division not notified of tank closure.	0400-18-01-.07(4)(a)1-2	Out-of-Service UST Systems and Closure
Failure to conduct system closure sampling.	0400-18-01-.07(5)(a)-(b)	Out-of-Service UST Systems and Closure
Failure to register an underground storage tank in accordance with the statute.	Tenn. Code Ann. 68-215-106(a)	Tennessee Code Annotated
Placing petroleum into an underground storage tank system(s) where the Division has attached a tag or notice to the dispensers or fill ports or that has been placed on the Delivery Prohibition list on the website.	Tenn. Code Ann. 68-215-106(c) and (e) 0400-18-01-.10(6)(a)	Fee Collection
Illegal Red Tag Removal	Tenn. Code Ann. 68-215-106(c)-(d)	Tennessee Code Annotated

STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

IN THE MATTER OF:)	DIVISION OF UNDERGROUND
)	STORAGE TANKS
SWEETWATER VALLEY Oil Co.)	
)	CASE NO. UST16-0113
RESPONDENT)	FACILITY: SLOAN CENTER

ORDER AND ASSESSMENT

NOW COMES Robert J. Martineau, Jr., Commissioner of the Tennessee Department of Environment and Conservation (the "Commissioner"), and states:

PARTIES

I.

Robert J. Martineau, Jr. is the duly appointed Commissioner of the Tennessee Department of Environment and Conservation (the "Department"), and among other duties and responsibilities, he is charged with the responsibility for administering and enforcing the **Tennessee Petroleum Underground Storage Tank Act** (the "Act"), Tennessee Code Annotated (Tenn. Code Ann.) § 68-215-101 *et seq.* Stanley R. Boyd is the duly appointed Director of the Underground Storage Tank Division (the "Division"). He has received written delegation from the Commissioner to administer and enforce particular aspects of the Act.

II.

Sweetwater Valley Oil Co. (the "Respondent") is a corporation created in the State of Tennessee and is properly registered to conduct business in this state. The Respondent is the registered owner of four (4) underground storage tank systems located at Sloan Center, 4500 Highway 411, Madisonville, Tennessee 37354. Service of process may be made on the Respondent's registered agent c/o Shirley S Woodcock, Registered Agent 1236 Highway 68, Sweetwater, Tennessee 37874-5154.

JURISDICTION

III.

When the Director finds upon investigation that any provision of the Tenn. Code Ann., § 68-215-101 *et seq.*, is not being carried out, and that effective measures are not being taken to comply with the provisions of the Act, pursuant to Tenn. Code Ann. § 68-215-114, he may issue an Order for correction to the responsible party, and this Order shall be complied with within the time limit specified in the Order. Pursuant to Tenn. Code Ann. § 68-215-106(c), the Director may red tag the fill ports and/or dispensers and give notice on the department website of any owner or operator who violates any provisions of the Act or the regulations promulgated thereunder. Further, the Director has the Authority to assess civil penalties against any person who violates or fails to comply with the Act, pursuant to Tenn. Code Ann. § 68-215-121 of the Act. Pursuant to Tenn. Code Ann. §§ 68-215-107 and 113, rules of the Department governing underground storage tanks have been promulgated and are effective as the Official Compilation of the Rules and Regulations of the State of Tennessee, Chapter 0400-18-01.

IV.

The Respondent is a person as defined at Tenn. Code Ann. § 68-215-103(11) and has violated the Act as hereinafter stated.

FACTS

V.

On or about October 9, 2015, the Division received a Notification for Underground Storage Tanks form listing the Respondent as the owner of the four (4) underground storage tank (UST) systems located at Sloan Center, 4500 Highway 411, Madisonville, Tennessee 37354. The Division assigned the facility ID # 2-620214.

VI.

On or about November 5, 2015, Division personnel contacted the Respondent's Authorized Representative, Ms. Beth Palazzola, with USTanx, LLC by electronic mail and scheduled a compliance inspection on December 8, 2015. On the same day, Division personnel sent a Confirmation of Compliance Inspection Appointment letter confirming a compliance inspection to be conducted at the subject facility on December 8, 2015.

VII.

On or about December 8, 2015, Division personnel performed a compliance inspection at the subject facility. The inspector discovered the following violations:

- Violation #1: Failure to conduct annual line tightness test or do monthly monitoring on pressurized underground piping in accordance with Rule 0400-18-01-.04(2)(b)1(ii). Specifically, an annual line tightness test was not available at the time of inspection.
- Violation #2: Failure to test line leak detectors annually in accordance with Rule 0400-18-01-.04(4)(a). Specifically, an annual line leak detector function test was not available at the time of inspection.
- Violation #3: Failure to install any overfill prevention system in accordance with Rule 0400-18-01-.02(3)(a)1(ii). Specifically, verification of an overfill prevention system could not be documented at the time of inspection.

VIII.

On or about December 14, 2015, Division personnel sent a Results of Compliance Inspection – Action Required letter, certified, to the Respondent. The letter cited the findings discovered during the inspection and required the Respondent to submit to the Division by January 14, 2016, documentation to demonstrate compliance. The letter was signed for as received by Matt Woodcock on December 16, 2015. Division personnel also sent a copy of the letter to Ms. Beth Palazzola with USTanx, LLC via electronic mail to beth@ustanxllc.com.

IX.

On January 11, 2016, Division personnel received electronic mail from Beth Palazzola with USTanx, LLC requesting an extension for the deadline of January 14, 2016.

X.

On January 19, 2016, Division personnel sent a Compliance Inspection Documentation Extension Request – Granted letter to the Respondent. The letter granted an extension on the January 14, 2016 deadline and established a new deadline of February 16, 2016. A copy of this letter was also sent to Beth Palazzola with USTanx, LLC via electronic mail.

XI.

On February 9, 2016, Division personnel received electronic mail from Beth Palazzola with USTanx, LLC requesting an extension for the deadline of February 16, 2016.

XII.

On February 26, 2016, Division personnel sent a Compliance Inspection Documentation Extension Request – Granted letter to the Respondent. The letter granted an extension on the February 16, 2016 deadline and established a new deadline of March 28, 2016. A copy of this letter was also sent to Beth Palazzola with USTanx, LLC via electronic mail.

XIII.

On or about March 22, 2016, the Division received documentation from Beth Palazzola with USTanx, LLC verifying an overflow prevention system at the facility. This document addressed Violation #3 and returned the facility to operational compliance with regards to this violation.

XIV.

On or about April 11, 2016, the Division received compliance documentation from Beth Palazzola with USTanx, LLC addressing Violation #1 and Violation #2 discovered at the time of inspection. The Division received the following: an annual line tightness test report and an annual line leak detector function test report. These documents addressed Violation #1 and Violation #2 discovered during the inspection, and this response returned the facility to operational compliance with regards to these violations.

XV.

On or about April 21, 2016, Division personnel sent a Follow-up Letter and Enforcement Action Notice to the Respondent. The letter cited the findings discovered during the inspection and the response received by the Division to address the outstanding violations. This letter also notified the Respondent of referral to enforcement due to the severity of violations discovered during the inspection. The letter was signed for as received by Matt Woodcock on April 25, 2016.

VIOLATIONS

XVI.

By operating a petroleum underground storage tank system without complying with the Act, the Respondent has violated Tenn. Code Ann. § 68-215-104(2), which states:

It is unlawful to: Construct, alter or operate a petroleum underground storage tank in violation of this chapter or the rules or regulations established pursuant thereto;

XVII.

By failing to conduct an annual line tightness test or do monthly monitoring on pressurized underground piping, the Respondent has violated Rule 0400-18-01-.04(2)(b)1(ii), which states:

0400-18-01-.04 RELEASE DETECTION.

(2) Requirements for petroleum UST systems.

Owners and/or operators of petroleum UST systems shall provide release detection for tanks and piping as follows:

(b) Manual tank gauging.

Underground piping that routinely contains petroleum shall be monitored for releases in a manner that meets one of the following requirements:

1. Pressurized piping.

Underground piping that conveys petroleum under pressure shall:

- (i) Be equipped with an automatic line leak detector conducted in accordance with subparagraph (4)(a) of this rule; and

ORDER

XVIII.

WHEREFORE, pursuant to the authority vested by Tenn. Code Ann. §§ 68-215-107, 68-215-114, and 68-215-121;

I, Stanley R. Boyd, acting as the authorized representative of the Commissioner, hereby issue the following ASSESSMENTS and ORDERS to the Respondent:

1. The Respondent is assessed a CIVIL PENALTY of EIGHT THOUSAND DOLLARS (\$8,000.00) and must complete one of the following options:

Option A. Full Penalty Payment Option:

On or before the thirty-first (31st) day after receiving this Order, the Respondent shall pay the **FULL CIVIL PENALTY** in the amount of EIGHT THOUSAND DOLLARS (\$8,000.00).

Option B. Twenty Percent Penalty Payment Option:

- i. On or before the thirty-first (31st) day after receiving this Order, the Respondent shall pay twenty percent (20%) of the civil penalty. Twenty percent of the civil penalty is ONE THOUSAND SIX HUNDRED DOLLARS (\$1,600.00).
- ii. If the Respondent **does not** pay twenty percent (20%) of the civil penalty on or before the thirty-first (31st) day after receiving this order, then the **FULL CIVIL PENALTY** in the amount of EIGHT THOUSAND DOLLARS (\$8,000.00) will be immediately due and owing.
- iii. The Respondent shall pay the remaining eighty percent (80%) of the civil penalty, SIX THOUSAND FOUR HUNDRED DOLLARS (\$6,400.00), if and only if, the Division determines that a significant operational compliance violation has occurred at the facility during a one-year period to commence on the date of receipt of this Order. In the event that the Division discovers any violation, including non-significant operational compliance violations, it reserves the right to assess additional civil penalties and to take any and all other enforcement actions that it deems necessary.

Option C. Underground Storage Tank Training Option:

- i. On or before the thirty-first (31st) day after receiving this Order, the Respondent shall return a signed Request to Attend Underground Storage Tank Training form, found below. The Respondent must attend Underground Storage Tank Training within **one year** of receiving this Order.
- ii. If the Respondent **does not** attend Underground Storage Tank Training within one year of receiving this Order, then the **FULL CIVIL PENALTY** in the amount of EIGHT THOUSAND DOLLARS (\$8,000.00) will be immediately due and owing.
- iii. The Respondent shall pay the **FULL CIVIL PENALTY**, if and only if, the Respondent fails to successfully complete attendance at Underground Storage Tank Training, or the Division determines that a significant operational compliance violation has occurred at the facility during a one-year period to commence on the date of receipt of this Order. In the event that the Division discovers any violation, including non-significant operational compliance violations, it reserves the right to assess additional civil penalties and to take any and all other enforcement actions that it deems necessary.

NOTICE OF RIGHTS

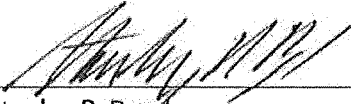
Tennessee Code Annotated ("Tenn. Code Ann.") § 68-215-119 allows the Respondent to appeal this Order and Assessment. To do so, a written petition setting forth the grounds (reasons) for requesting a hearing must be RECEIVED by the Commissioner within THIRTY (30) DAYS of the date the Respondent received this Order and Assessment or this Order and Assessment become final (not subject to review).

If an appeal is filed, an initial hearing of this will be conducted by an Administrative Law Judge ("ALJ") as a contested case hearing pursuant to the provisions of Tenn. Code Ann. § 68-211-119(b), Tenn. Code Ann. § 4-5-301 *et seq.* (the Uniform Administrative Procedures Act), and Rule 1360-04-01 *et seq.* (the Department of State's Uniform Rules of Procedure for Hearing Contested Cases Before State Administrative Agencies). Such hearings are legal proceedings in the nature of a trial. Individual Respondents may represent themselves or be represented by an attorney licensed to practice law in Tennessee. **Artificial Respondents (corporations, limited partnerships, limited liability companies, etc.) cannot engage in the practice of law and therefore may only pursue an appeal through an attorney licensed to practice law in Tennessee.** Low income individuals may be eligible for representation at reduced or no cost through a local bar association or legal aid organization.

At the conclusion of any initial hearing the ALJ has the authority to affirm, modify, or deny the Order and Assessment. This includes the authority to modify (decrease or increase) the penalty within the statutory limits of Tenn. Code Ann. § 68-215-121 (from \$1 to \$10,000 per day per violation). Furthermore, the ALJ on behalf of the Board has the authority to assess additional damages incurred by the Department including, but not limited to, all docketing expenses associated with the setting of the matter for a hearing and the hourly fees incurred due to the presence of the ALJ and a court reporter.

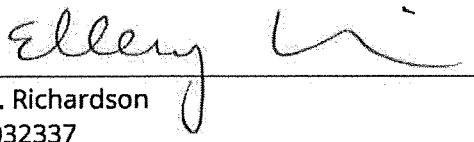
Any petition for review (appeal) must be directed to the Commissioner of the Tennessee Department of Environment and Conservation, c/o Jenny L. Howard, General Counsel, Department of Environment and Conservation, William R. Snodgrass Tennessee Tower., 312 Rosa L. Parks Avenue, 2nd Floor, Nashville, TN 37243-1548. Payments of the civil penalty and/or damages shall be made payable to the "Treasurer, State of Tennessee" and sent to the Division of Fiscal Services - Consolidated Fees Section, Tennessee Department of Environment and Conservation, William R. Snodgrass Tennessee Tower, 312 Rosa L. Parks Avenue, 10th Floor, Nashville, TN 37243. Technical questions and other correspondence involving compliance issues should be sent to Jessica DeHope, State of Tennessee, Division of Underground Storage Tanks, 3711 Middlebrook Pike, Knoxville, TN 37921. Attorneys should contact the undersigned counsel of record. **The case number, UST16-0113, should be written on all correspondence regarding this matter.**

Issued by the Director of the Division of Underground Storage Tanks, Tennessee Department of Environment and Conservation, on this 14th day of December, 2016.



Stanley R. Boyd
Director, Division of Underground Storage Tanks
TN Department of Environment and Conservation

Reviewed by:



Ellery R. Richardson
BPR # 032337
Assistant General Counsel
Department of Environment & Conservation
312 Rosa L. Parks Avenue, 2nd Floor
Nashville, Tennessee 37243
(615) 532-0128
Ellery.R.Richardson@tn.gov

Director's Order # UST16-0113
Facility ID # 2-620214

REQUEST TO ATTEND UNDERGROUND STORAGE TANK TRAINING

In order to receive consideration for the reduction of civil penalties for violations addressed in this Order, the Respondent has been given the opportunity to attend training on the proper operation of underground storage tanks in accordance with rules established by the state of Tennessee. To do so, the Respondent must sign the request below and return it to the Division on or before the 31st day after receipt of this Order.

I, _____ (Please Print Name) request to attend training on the proper operation of underground storage tanks.

Signature: _____ Date: _____

My contact information is: Telephone: _____
Address: _____

Return this Request to:

Jessica DeHope
Knoxville Environmental Field Office
3711 Middlebrook Pike
Knoxville, Tennessee 37921