



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Underground Storage Tanks
Davy Crockett Tower
500 James Robertson Parkway, 7th Floor
Nashville, Tennessee 37243

July 1, 2026

Memphis Healthcare Memphis Hospitals
c/o CT Corporation System
300 Montvue Road
Knoxville, Tennessee 37919

Served via Private Process Server

Re: Director's Order UST26-0057
Le Bonheur Children's Medical Center
848 Adams Avenue
Memphis, Tennessee 38103
Facility ID # 9-790919

Dear CT Corporation System:

Enclosed is a Director's Order and Assessment ("Order") for violations of the Tennessee Petroleum Underground Storage Tank Act and relevant rules. This Order is issued by the State of Tennessee, Department of Environment and Conservation, Division of Underground Storage Tanks. A civil penalty of \$16,560.00 has been assessed against Le Bonheur Children's Medical Center based on the stated violations.

Please read the Order carefully and pay special attention to the **Notice of Rights** section. Please note that the required due dates in the Order are based on the date the Respondent receives the Order, not the date that it was signed by the Director. Any appeal must be made in writing and be received by the Department within thirty days after your receipt of the Order.

Documentation establishing the facility's return to compliance shall be submitted to the Department by the due date established in the Order. Because there is outstanding noncompliance from the December 11, 2025, inspection, if the Respondent fails to fully comply with the Order, or if the Order becomes final due to the Respondent's failure to file a timely appeal, the facility will be placed on (or remain on) the petroleum **Delivery Prohibition List**. Red tags will be installed at the facility's fill ports and dispensers.

If you have any questions about this matter, please contact Lauran Haynie at (615) 598-0736 or lauran.haynie@tn.gov.

Sincerely,

Stanley R. Boyd
Director

cc: Enforcement File
Memphis Environmental Field Office

STATE OF TENNESSEE

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

IN THE MATTER OF:	)	
	)	DIVISION OF UNDERGROUND
	)	STORAGE TANKS
	)	
	)	
METHODIST HEALTHCARE	)	CASE NO. UST26-0057
MEMPHIS HOSPITALS,	)	
	)	
	)	
RESPONDENT.	)	FACILITY: LE BONHEUR
	)	CHILDREN'S MEDICAL CENTER

ORDER AND ASSESSMENT

Stanley R. Boyd, Director of the Division of Underground Storage Tanks, states:

PARTIES

I.

David W. Salyers, P.E., is the duly appointed Commissioner of the Department of Environment and Conservation ("Department") and is charged with administering and enforcing the Tennessee Petroleum Underground Storage Tank Act ("Act"), Tenn. Code Ann. §§ 68-215-101 to -204. Stanley R. Boyd is the duly appointed Director of the Division of Underground Storage Tanks ("Division") and has received written delegation from the Commissioner to administer and enforce the Act.

II.

Memphis Healthcare Memphis Hospitals ("Respondent") is an active nonprofit corporation created in Tennessee and registered to do business in Tennessee, with a previous assumed name of LeBonheur Children's Medical Center, Inc. Respondent is the registered owner of one underground storage tank ("UST") system located in Shelby County at 848 Adams Avenue, Memphis, Tennessee 38103. Service of process may be made on the Respondent's Registered Agent, CT Corporation System, at 300 Montvue Road, Knoxville, Tennessee 37919.

JURISDICTION

III.

When the Commissioner finds that the Act is being violated or that effective measures are not in place to comply with the Act, the Commissioner may issue an order for correction to the responsible party

and assess civil penalties of up to \$10,000.00 for each day a violation exists. Tenn. Code Ann. §§ 68-215-114 and -121. If this Order becomes final, the Commissioner may affix a notice of petroleum delivery prohibition (also known as a “red tag”) to the facility fill ports or dispensers or give notice on the Department’s website of petroleum delivery prohibition. Tenn. Code Ann. § 68-215-106(c). Rules governing USTs have been promulgated and are effective as Tenn. Comp. R. & Regs. 0400-18-01-.01 to -.17 (“Rules”) pursuant to Tennessee Code Annotated section 68-215-107(f).

IV.

The Respondent is a “person,” Tenn. Code Ann. § 68-215-103(11), a “responsible party,” Tenn. Code Ann. § 68-215-103(17)(A), and has violated the Act.

FACTS

V.

On July 25, 1996, the Division received a Notification for Underground Storage Tanks form, signed by Jeffrey Gillipsie, listing Le Bonheur Children’s Medical Center as the owner of the one UST system located at 848 Adams Avenue, Memphis, Tennessee 38103 (the “Facility”). The Facility ID number is 9-790919.

VI.

On December 11, 2025, Division personnel performed a compliance inspection at the Facility. The inspector discovered several violations. The following violations have not been addressed:

- Failure to keep spill catchment basins free of water, dirt, debris, etc. in accordance with Rule 0400-18-01-.02(3)(b)3. Specifically, at the time of inspection, the spill bucket contained liquid.
- Failure to perform periodic walkthrough inspections in accordance with Rule 0400-18-01-.02(8)(a)1. Specifically, at the time of inspection, no log of monthly or annual walkthrough inspections was provided for review.
- Failure to test electronic and mechanical components of release detection at least annually for proper operation in accordance with Rule 0400-18-01-.04(1)(a)3. Specifically, at the time of inspection, no current automatic tank gauge (ATG) operability test was provided for review.
- Failure to conduct an annual line tightness test on pressurized underground piping in accordance with Rule 0400-18-01-.04(2)(b)1.(ii). Specifically, at the time of inspection, no current line tightness test documentation was provided for review.
- Failure to install ancillary equipment and containment systems in accordance with manufacturer's installation instructions in accordance with Rule 0400-18-01-.02(1)(b).

Specifically, at the time of inspection, the fittings where the cables exit for the tank's Interstitial Monitoring (IM) and ATG sensors were missing, leaving an opening on top of the risers where water could enter the tank.

- Failure to install line leak detection for pressurized underground piping in accordance with Rule 0400-18-01-.04(2)(b)1.(i). Specifically, at the time of inspection, no catastrophic leak detection was being conducted on the fuel lines; no line leak detector or Automated IM setup could be found.

VII.

Division personnel sent a Results of Compliance Inspection – Action Required letter to the Respondent¹ on December 19, 2025. The letter cited the violations discovered during the inspection and required the Respondent to submit documentation to the Division by January 19, 2026, to document correction of the violations.

VIII.

Between December 19, 2025, and April 29, 2026, the Division sent the Respondent multiple letters that cited the violations discovered during the inspection and the Respondent's failure to return to compliance. These letters explained how to address each violation and extended the deadline to return to compliance multiple times. The Division set three deadlines of January 19, 2026, March 20, 2026, and May 29, 2026, for the Respondent to return to compliance and provide the Division with documents proving the facility had returned to compliance.

The Respondent violated Rule 0400-18-01-.03(2) when it failed to meet the deadlines.

IX.

To date, the Respondent has not cooperated and remains in non-compliance with the Division.

VIOLATIONS

As stated herein, the Respondent committed the following violations:

¹ This and the other letters mentioned in paragraph VIII. were addressed to Mark Hammon of Le Bonheur Hospital/Le Bonheur Children's Medical Center.
Order UST26-0057
Facility ID 9-790919

X.

By failing to operate a UST in compliance with the Act, the Respondent violated Tennessee Code Annotated section 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[.]

XI.

The Respondent violated Rule 0400-18-01-.02(3)(b)3., which states:

0400-18-01-.02 UST SYSTEMS: INSTALLATION AND OPERATION.

- (3) Spill and overfill prevention.
 - (b) Operating requirements.
 - 3. Owners and/or operators shall keep spill catchment basins free of water, dirt, debris, and/or other substances that could interfere with the ability of the catchment basin to prevent spills.

XII.

The Respondent violated Rule 0400-18-01-.02(8)(a)1., which states:

0400-18-01-.02 UST SYSTEMS: INSTALLATION AND OPERATION.

- (8) Periodic operation and maintenance walkthrough inspections.
 - (a) To properly operate and maintain UST systems, no later than three years after the effective date of this rule, owners and/or operators must meet one of the following:
 - 1. Conduct a walkthrough inspection that, at a minimum, checks the following equipment as specified below: [. . .]

XIII.

The Respondent violated Rule 0400-18-01-.04(1)(a)3., which states:

0400-18-01-.04 RELEASE DETECTION.

- (1) General requirements for release detection.
 - (a) Owners and/or operators of UST systems shall provide a method, or combination of methods, of release detection that:
 - 3. Ensures that electronic and mechanical components are tested for proper operation in accordance with subparts 2.(i) through (iii) of this subparagraph.

The test must be performed at least annually, and at a minimum, as applicable to the facility, cover the following components and criteria: [. . .]

XIV.

The Respondent 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) Piping.

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:

- (ii) Have an annual line tightness test conducted in accordance with subparagraph (4)(b) of this rule or have monthly monitoring conducted in accordance with subparagraph (4)(c) of this rule.

XV.

The Respondent violated Rule 0400-18-01-.02(1)(b), which states:

0400-18-01-.02 UST SYSTEMS: INSTALLATION AND OPERATION.

- (1) Installation.

- (b) All underground storage tank systems shall be installed in accordance with the manufacturer's installation instructions.

XVI.

The Respondent violated Rule 0400-18-01-.04(2)(b)1.(i), which states:

0400-18-01-.04 RELEASE DETECTION.

- (3) Requirements for petroleum UST systems.

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

- (c) Piping.

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[.]

XVII.

The Respondent violated Rule 0400-18-01-.03(2), which states:

0400-18-01-.03 NOTIFICATION, REPORTING, AND RECORD KEEPING.

- (2) Reporting and record keeping.

Owners, operators, and/or other responsible parties of UST systems shall cooperate fully with inspections, monitoring and testing conducted by the Division, as well as requests for document submission, testing, and monitoring by the owner, operator, and/or other responsible parties in accordance with the Tennessee Petroleum Underground Storage Tank Act T.C.A. §§ 68-215-101 et seq.

ORDER AND ASSESSMENT

XVIII.

Pursuant to sections 68-215-107, -114, and -121 of the Act, the Respondent is issued the following Order and Assessment ("Order"):

1. If the Respondent fails to comply with this Order or file an appeal within the timeframes stated below, **the above referenced facility will be placed on the Delivery Prohibition List and the fill ports or dispensers will be red tagged until compliance is achieved.** Tenn. Code Ann. § 68-215-106(c).
2. **Civil Penalty:** The Respondent shall pay a total civil penalty of \$16,560.00 on or before the thirty-first day after receipt of this Order. This amount consists of:
 - i. One violation assessed at \$200.00 per tank compartment for a total of \$200.00 for failing to keep spill catchment basins free of water, dirt, debris, etc.
 - ii. One violation assessed at \$3,200.00 per UST system for a total of \$3,200.00 for failing to perform walkthrough inspections.

- iii. One violation assessed at \$3,200.00 per tank compartment for a total of \$3,200.00 for failing to ensure that electronic and mechanical components of release detection are tested annually for proper operation.
- iv. One violation assessed at \$2,000.00 per piping system for a total of \$2,000.00 for failing to conduct an annual line tightness test.
- v. One violation assessed at \$2,000.00 per other system parts for a total of \$2,000.00 for failing to install ancillary equipment and containment systems in accordance with manufacturer's installation instructions.
- vi. One violation assessed at \$3,200.00 per piping system for a total of \$3,200.00 for failing to equip pressurized underground piping with automatic line leak detection.
- vii. One violation assessed at 20% of the civil penalty for all outstanding violations for a total of \$2,760.00 for failing to provide documents, testing, or monitoring records to the Division.
- viii. All payments should be sent to the following address:

Treasurer, State of Tennessee
Division of Fiscal Services – Consolidated Fees Section
Davy Crockett Tower
500 James Robertson Parkway, 6th Floor
Nashville, Tennessee 37243

3. **Remedial Action:** The Respondent shall perform all actions necessary to correct the outstanding violations and to bring the facility into full compliance with regulatory requirements. The Respondent shall provide the Division with documentation of the remedial action performed; the documentation shall be sufficient to establish a return to full compliance.
- i. On or before the thirty-first day after receipt of this Order, the Respondent shall
 - a. Remove liquid/debris from the spill bucket and submit documentation of the removal to the Division for review.
 - b. Begin conducting monthly and annual walkthrough inspections and submit documentation on the Monthly/Annual Facility Walkthrough Inspection Form (CN-2544) to the Division for review.
 - c. Submit documentation of a proper electronic release detection equipment setup and ATG Operability test to the Division for review.
 - d. Conduct a line tightness test and submit the results to the Division for review.

- e. Repair/replace the ATG and IM riser caps and submit documentation to the Division following these repairs.
 - f. Either:
 - I. Install the correct Electronic Line Leak Detector (ELLD) and document the ELLD setup. Please ensure that positive shutdown to the STP is not enabled and instead an alarm alerting the owner/operator of a possible line leak is programmed properly; OR
 - II. Begin conducting Automated IM. Automatic IM guidance may be found in EPA Documents EPA-510-K-22-001 and EPA-510-K-22-002. Automated IM requires calculations on interstice volume and sump sensor levels to determine its viability. Additional equipment set-up may be necessary to appropriately implement Automated IM.
4. Failure to comply with any of the requirements of this Order could lead to further enforcement actions which may include additional civil penalties, assessment of damages, and recovery of costs.
5. With the exception of the deadline for filing the appeal of this Order, the Department may extend the compliance dates contained within this Order for a fixed time period for good cause shown by the Respondent. To be eligible for this time extension, the Respondent shall submit a written request to be received in advance of the compliance date. The written request must include sufficient detail to justify such an extension and include at a minimum the anticipated length of the delay. The Department will reply to the Respondent's request in writing, establishing a new deadline for compliance with this Order. Should the Respondent fail to meet the requirements of this Order by the new deadline, then any associated civil penalty shall be due within thirty days after that deadline. The request for an extension of time does not change the deadline to submit an appeal. See Notice of Rights.

RESERVATION OF RIGHTS

In issuing this Order, the Department does not implicitly or expressly waive any provision of the Act or the regulations promulgated thereunder or the authority to assess costs, civil penalties, or damages incurred by the State against the Respondent. The Department expressly reserves all rights it has at law and in equity to order further corrective action, assess civil penalties or damages, and to pursue further enforcement action including, but not limited to, monetary and injunctive relief. Compliance with this Order will be considered as a mitigating factor in determining the need for future enforcement action(s).

NOTICE OF RIGHTS

The Respondent may appeal this Order. Tenn. Code Ann. § 68-215-119. To do so, a written petition setting forth the reasons for requesting a hearing must be received by the Commissioner within thirty days of the date the Respondent received this Order or this Order will become final.

If an appeal is filed, an initial hearing of this matter will be conducted by an Administrative Judge as a contested case hearing. Tenn. Code Ann. § 68-215-119; Tenn. Code Ann. §§ 4-5-301 to -326 (the Uniform Administrative Procedures Act); and Tenn. Comp. R. & Regs. Chapter 1360-04-01 (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 a contested case 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 Administrative Judge has the authority to affirm, modify, or deny the Order. Furthermore, the Administrative Judge 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 Administrative Judge 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, Davy Crockett Tower, 500 James Robertson Parkway, 5th Floor, Nashville, Tennessee 37243. The petition may be mailed or delivered to this address, or it may be sent to TDEC.Appeals@tn.gov. 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, Department of Environment and

Conservation, Davy Crockett Tower, 500 James Robertson Parkway, 6th Floor, Nashville, Tennessee 37243. Questions about this Order and other correspondence involving compliance issues should be sent to Lauran Haynie at the address below. Attorneys may be directed to TDEC's Office of General Counsel. **The case number, UST26-0057, 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 1st day of July, 2026.



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

Reviewed by:



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Department of Environment and Conservation
Division of Underground Storage Tanks
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