

RECEIVED CLERK'S OFFICE

JUL 0 1 2005

OFFICE OF THE ATTORNEY GENERAL Pollution Control Board STATE OF ILLINOIS

Lisa Madigan

June 30, 2005

The Honorable Dorothy Gunn
Illinois Pollution Control Board
James R. Thompson Center, Ste. 11-500
100 West Randolph
Chicago, Illinois 60601

Re:

People v. All States Painting, Inc.

PCB No. 04-205

Dear Clerk Gunn:

Enclosed for filing please find the original and ten copies of a NOTICE OF FILING, MOTION FOR RELIEF FROM HEARING REQUIREMENT and STIPULATION AND PROPOSAL FOR SETTLEMENT in regard to the above-captioned matter. Please file the originals and return file-stamped copies of the documents to our office in the enclosed self-addressed, stamped envelope.

Thank you for your cooperation and consideration.

Very truly yours,

Jennifer Bonkowski

Environmental Bureau
500 South Second Street

Springfield, Illinois 62706

(217) 782-9031

JB/pp Enclosures



BEFORE THE ILLINOIS POLLUTION CONTROL BOARD JUL 0 1 2005

STATE OF ILLINOIS Pollution Control Board
) PCB NO. 04-205) (Enforcement)
) .
)

NOTICE OF FILING

To:

Jeryl Olson, Esq. Seyfarth Shaw LLP

55 East Monroe Street, Suite 4200

Chicago, IL 60603-5803

PLEASE TAKE NOTICE that on this date I mailed for filing with the Clerk of the Pollution Control Board of the State of Illinois, a MOTION FOR RELIEF FROM HEARING REQUIREMENT and STIPULATION AND PROPOSAL FOR SETTLEMENT, a copy of which is attached hereto and herewith served upon you.

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN, Attorney General of the State of Illinois

MATTHEW J. DUNN, Chief

Environmental Enforcement/Asbestos

Litigation Division

JENNIFER BONKOWSKI

Assistant Attorney General Environmental Bureau

500 South Second Street Springfield, Illinois 62706 217/782-9031 Dated: June 30, 2005



CERTIFICATE OF SERVICE

JUL 0 1 2005

STATE OF ILLINOIS Pollution Control Board

I hereby certify that I did on June 30, 2005, send by First Class Mail, with postage thereon fully prepaid, by depositing in a United States Post Office Box a true and correct copy of the following instruments entitled NOTICE OF FILING, MOTION FOR RELIEF FROM HEARING REQUIREMENT and STIPULATION AND PROPOSAL FOR SETTLEMENT:

To: Jeryl Olson, Esq.

Seyfarth Shaw LLP

55 East Monroe Street, Suite 4200

Chicago, IL 60603-5803

and the original and ten copies by First Class Mail with postage thereon fully prepaid of the same foregoing instrument(s):

To: Dorothy Gunn, Clerk

Illinois Pollution Control Board James R. Thompson Center

Suite 11-500

100 West Randolph

Chicago, Illinois 60601

A copy was also sent by First Class Mail with postage thereon fully prepaid to:

Carol Webb Hearing Officer Illinois Pollution Control Board 1021 North Grand Avenue East Springfield, IL 62794

> JENNIFER BONKOWSKI Assistant Attorney General

This filing is submitted on recycled paper.

RECEIVED CLERK'S OFFICE

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

JUL 0 1 2005

PEOPLE OF THE STATE OF ILLINOIS,	STATE OF ILLINOIS) Pollution Control Board
Complainant,	
v.) PCB NO. 04-205) (Enforcement)
ALL STATES PAINTING, INC.,	
Respondent.)

MOTION FOR RELIEF FROM HEARING REQUIREMENT

NOW COMES Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, and pursuant to Section 31(c)(2) of the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/31(c)(2) (2002), moves that the Illinois Pollution Control Board grant the parties in the above-captioned matter relief from the hearing requirement imposed by Section 31(c)(1) of the Act, 415 ILCS 5/31(c)(1) (2002). In support of this motion, Complainant states as follows:

- On May 21, 2004, Complainant filed a Complaint with the Board, alleging violations by the Respondent of the Illinois Environmental Protection Act and Board Regulations.
 - 2. The parties have reached agreement on all outstanding issues in this matter.
- 3. This agreement is presented to the Board in a Stipulation and Proposal for Settlement, filed contemporaneously with this motion.
- 4. All parties agree that a hearing on the Stipulation and Proposal for Settlement is not necessary, and respectfully request relief from such a hearing as allowed by Section 31(c)(2) of the Act, 415 ILCS 5/31(c)(2) (2002).

WHEREFORE, Complainant, PEOPLE OF THE STATE OF ILLINOIS, hereby requests that the Board grant this motion for relief from the hearing requirement set forth in Section 31(c)(1) of the Act, 415 ILCS 5/31(c)(1) (2002).

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS LISA MADIGAN ATTORNEY GENERAL

MATTHEW J. DUNN, Chief Environmental Enforcement/Asbestos Litigation Division

BY:

JENNIFER BONKOWSKI Environmental Bureau Assistant Attorney General

500 South Second Street Springfield, Illinois 62706 217/782-9031

Dated: June 30,2005

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD		RECEIVED
PEOPLE OF THE STATE OF ILLINOIS,)		RECEIVED CLERK'S OFFICE
Complainant,) -vs-))))) PCB No. 04-205) (Enforcement)	JUL 0 1 2005 STATE OF ILLINOIS Pollution Control Board
- vs -)		onation Control Doald
ALL STATES PAINTING, INC.,		
Respondent.)	•	

STIPULATION AND PROPOSAL FOR SETTLEMENT

Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney

General of the State of Illinois, the Illinois Environmental Protection Agency ("Illinois EPA"), and

ALL STATES PAINTING, INC. ("Respondent" or "All States"), have agreed to the making of this

Stipulation and Proposal for Settlement ("Stipulation") and submit it to the Illinois Pollution

Control Board ("Board") for approval. The parties agree that the statement of facts contained

herein represents a fair summary of the evidence and testimony which would be introduced by

the parties if a hearing were held. The parties further stipulate that this statement of facts is

made and agreed upon for purposes of settlement only and that neither the fact that a party has

entered into this Stipulation, nor any of the facts stipulated herein, shall be introduced into

evidence in any other proceeding regarding the claims asserted in the Complaint except as

otherwise provided herein. If the Board approves and enters this Stipulation, Respondent

agrees to be bound by the Stipulation and Board Order and not to contest their validity in any

subsequent proceeding to implement or enforce their terms.

I. JURISDICTION

The Board has jurisdiction of the subject matter herein and of the parties consenting hereto pursuant to the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/1 et seq. (2002).

II. AUTHORIZATION

The undersigned representatives for each party certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this Stipulation and to legally bind them to it.

III. STATEMENT OF FACTS

A. Parties

- 1. On May 21, 2004, a Complaint was filed on behalf of the People of the State of Illinois by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Section 31 of the Act, 415 ILCS 5/31(2002), against the Respondent.
- 2. The Illinois EPA is an administrative agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2002).
- 3. At all times relevant to the Complaint, Respondent was and is an Illinois corporation that is authorized to transact business in the State of Illinois.

B. Site Description

- 1. At all times relevant to the Complaint, Respondent owned and operated a corporation located in Alexander, Morgan County, Illinois. Respondent has been a contractor hired by the Illinois Department of Transportation ("IDOT") for bridge painting.
 - 2. From the interviews of IDOT personnel and All States, the Illinois EPA learned

that a bridge painting project of All States began in the summer of 2002 at the Route 104 Bridge over the Illinois River. The project began with the initial wet blasting of approximately 430,000 square feet of steel and the subsequent applications of a gray zinc-based rust proof primer, a white epoxy intermediate primer, and a blue oil-based, polyurethane finish coat. Airless spray guns and pump delivery system were used to apply the coatings.

- 3. On June 19, 2003, the Illinois EPA received a complaint of paint over-spray from the Route 104 Bridge over the Illinois River, near Meredosia, Illinois. The complainant stated that on June 18, 2003, he observed a blue film in the water after placing his boat into the Illinois River at the Meredosia boat ramp, and that the blue paint left marks on his boat.
- 4. Later that day on June 19, 2003, Illinois EPA inspectors visited the site, and observed blue paint in the water and paint residue along the river bank. The inspectors observed four painters using airless spray guns to spray blue paint on the east half of the bridge. The inspectors further noted that there were no tarps near the areas being sprayed, and estimated that half of the paint being sprayed was emitted to the air rather than adhering to the surface of the bridge.
- 5. While on site on June 19, 2003, the Illinois EPA inspectors spoke with a representative of All States, who stated that the company had received complaints regarding the over-spray on vehicles.
- 6. On June 20, 2003, a representative of IDOT informed the Illinois EPA that a ruptured paint line caused the spill of blue paint into the river.
- 7. On June 23, 2003, the Illinois EPA received another complaint regarding overspray from the Route 104 Bridge. The complainant stated that on June 20, 2003, he observed over-spray falling into the river, and that the paint in the river left marks on his boat. The complainant also noted that All States was not using tarps to control the over-spray.
 - 8. On June 24, 2003, Illinois EPA inspectors again visited the site, observing over-

spray from the bridge falling into the Illinois River. Illinois EPA inspectors noted containment with drift screening in place on the underside of the bridge decking on the eastern span, and tarp rigging on the side of the bridge adjacent to the Village of Meredosia. However, no tarping or containment was in place near the center span where the workers were painting. Over-spray was visible to the Illinois EPA inspectors. The inspectors again noted the presence of blue paint in the river and blue foam at the public boat ramp south of Route 104.

- 9. On June 24, 2003, a representative of All States admitted that a fitting on a pressurized airline broke, causing the spill of approximately one gallon of blue paint. While on site, the Illinois EPA inspector noted the contents of the paint buckets at the site. Subsequent to the site visit, the Illinois EPA inspector attained the data sheets and MSDS for the Sherwin Williams paint that was used to paint the bridge. A white epoxy was first sprayed onto the bridge, followed by a blue oil-based polyurethane finish coat. Part A of the white epoxy contained 2.09 lbs/gal of VOC, and Part B of the white epoxy contained 1.67 lbs/gal of VOC. The blue paint was composed of ACROLON 218 HS Acrylic Polyurethane Gloss, with a VOC content of 2.82 lbs/gal.
- 10. On June 25, 2003, the Illinois EPA inspectors met with representatives of All States and IDOT to discuss future actions to prevent the over-spray from the bridge.
- 11. The Illinois River is a "water" of the State as that term is defined in Section 3.550 of the Act, 415 ILCS 5/3.550 (2002).
- 12. The Respondent caused or allowed a blue foam or residue to remain on the river bank for a period of several days.
- 13. The above-referenced discharges of paint from the Respondent's bridge painting caused the waters to be of a blue cast, color or turbidity of other than natural origin.

C. Allegations of Non-Compliance

Complainant contends that the Respondent has violated the following provisions of the Act and Board regulations:

Count I: Air pollution, in violation of Section 9(a) of the Act, 415 ILCS 5/9(a)

(2002), and Section 201.141 of the Board's Air Pollution Regulations, 35

III. Admin. Code 201.141.

Count II: Water pollution, in violation of Section 12(a) of the Act, 415 ILCS 5/12(a)

(2002).

Count III: Water pollution hazard, in violation of Section 12(d) of the Act, 415 ILCS

5/12(d) (2002).

Count IV: Offensive conditions, in violation of Section 302.203 of the Board's

Water Pollution Regulations, 35 Ill. Admin. Code 302.203, and Section

12(a) of the Act, 415 ILCS 5/12(a) (2002).

D. Admission of Violations

The Respondent represents that it has entered into this Stipulation for the purpose of settling and compromising disputed claims without having to incur the expense of contested litigation. By entering into this Stipulation and complying with its terms, the Respondent does not affirmatively admit the allegations of violation within the Complaint and referenced within Section III.C herein, and this Stipulation shall not be interpreted as including such admission.

IV. APPLICABILITY

This Stipulation shall apply to and be binding upon the Complainant and the Respondent, and any officer, director, agent, or employee of the Respondent, as well as any successors or assigns of the Respondent. The Respondent shall not raise as a defense to any enforcement action taken pursuant to this Stipulation the failure of any of its officers, directors, agents, employees or successors or assigns to take such action as shall be required to comply with the provisions of this Stipulation.

V. COMPLIANCE WITH OTHER LAWS AND REGULATIONS

This Stipulation in no way affects the responsibilities of the Respondent to comply with any other federal, state or local laws or regulations including, but not limited to, the Act and the Board regulations, 35 III. Adm. Code, Subtitles A through H.

VI. IMPACT ON THE PUBLIC RESULTING FROM ALLEGED NON-COMPLIANCE

Section 33(c) of the Act, 415 ILCS 5/33(c)(2002), provides as follows:

In making its orders and determinations, the Board shall take into consideration all the facts and circumstances bearing upon the reasonableness of the emissions, discharges, or deposits involved including, but not limited to:

- 1. the character and degree of injury to, or interference with the protection of the health, general welfare and physical property of the people;
- 2. the social and economic value of the pollution source;
- 3. the suitability or unsuitability of the pollution source to the area in which it is located, including the question of priority of location in the area involved;
- 4. the technical practicability and economic reasonableness of reducing or eliminating the emissions, discharges or deposits resulting from such pollution source; and
- 5. any subsequent compliance.

In response to these factors, the parties state the following:

- 1. Complainant contends that the injury to, or interference with, the protection of the health, general welfare, and physical property of the People would be characterized as air pollution, water pollution, water pollution hazard, and offensive conditions; and the degree of injury would be dependent upon the amount of pollution or threat of pollution and the degree of exposure to that pollution;
- 2. The parties agree that Respondent's corporation is of social and economic benefit:

- 3. Respondent's corporation is suitably located in Alexander, Morgan County, Illinois.
- 4. The parties agree that complying with the Act and regulations is technically practicable and economically reasonable; and
- 5. Respondent implemented measures subsequent to the alleged violations that are the subject of the Complaint in this matter in order to operate in compliance with the Act and the associated regulations.

VII. CONSIDERATION OF SECTION 42(h) FACTORS

Section 42(h) of the Act, 415 ILCS 5/42(h)(2002), provides as follows:

In determining the appropriate civil penalty to be imposed under . . . this Section, the Board is authorized to consider any matters of record in mitigation or aggravation of penalty, including but not limited to the following factors:

- 1. the duration and gravity of the violation;
- 2. the presence or absence of due diligence on the part of the respondent in attempting to comply with requirements of this Act and regulations thereunder or to secure relief therefrom as provided by this Act;
- 3. any economic benefits accrued by the respondent because of delay in compliance with requirements, in which case the economic benefits shall be determined by the lowest cost alternative for achieving compliance;
- 4. the amount of monetary penalty which will serve to deter further violations by the respondent and to otherwise aid in enhancing voluntary compliance with this Act by the respondent and other persons similarly subject to the Act;
- 5. the number, proximity in time, and gravity of previously adjudicated violations of this Act by the respondent;
- 6. whether the respondent voluntarily self-disclosed, in accordance with subsection i of this Section, the non-compliance to the Agency; and
- 7. whether the respondent has agreed to undertake a "supplemental environmental project," which means an environmentally beneficial project that a respondent agrees to undertake in settlement of an

enforcement action brought under this Act, but which the respondent is not otherwise legally required to perform.

In response to these factors, the parties state as follows:

- 1. The Respondent discharged or emitted enough paint into the environment to cause a blue foam or residue to remain on the river bank for a period of several days.
- 2. After completion of the Meredosia bridge painting project, the Respondent inspected the river banks and river to ensure that no paint residue remained, and has proposed to make similar inspections during and after the completion of other projects. The Respondent has stated that it has used the hand application of paint on other projects due to Illinois EPA concerns regarding overspray. In addition, the Respondent has prepared a written protocol for overspray control, which is to include the use of tarpaulins and drop cloths.
- 3. It is difficult to determine the economic benefits accrued by the Respondent, but the hand application of paint on other projects has allegedly increased the Respondent's costs.
- 4. Complainant has determined that a penalty of nineteen thousand dollars (\$19,000.00) will serve to deter further violations and aid in future voluntary enforcement of the Act and applicable regulations.
- 5. To Complainant's knowledge, Respondent has no previously adjudicated violations of the Act.
- 6. The Respondent did not voluntarily self-disclose the non-compliance to the Agency; and
- 7. The settlement of this matter does not include a supplemental environmental project.

VIII. TERMS OF SETTLEMENT

A. Penalty Payment

1. The Respondent shall pay a civil penalty in the sum of nineteen thousand dollars (\$19,000.00) within thirty (30) days from the date the Board adopts and accepts this Stipulation. The Respondent stipulates that payment has been tendered to Respondent's attorney of record in this matter in a form acceptable to that attorney. Further, Respondent stipulates that said attorney has been directed to make the penalty payment on behalf of Respondent, within thirty (30) days from the date the Board adopts and accepts this Stipulation, in a manner prescribed below. The penalty described in this Stipulation shall be paid by certified check, money order or electronic funds transfer payable to the Illinois EPA, designated to the Illinois Environmental Protection Trust Fund and submitted to:

Illinois Environmental Protection Agency Fiscal Services Section 1021 North Grand Avenue East P.O. Box 19276 Springfield, IL 62794-9276

The name and number of the case and Respondent's Federal Employer Identification Number (FEIN), 37-0954200, shall appear on the check. A copy of the certified check, money order or record of electronic funds transfer and any transmittal letter shall be sent to:

Jennifer Bonkowski Assistant Attorney General Environmental Bureau 500 South Second Street Springfield, IL 62702

2. Pursuant to Section 42(g) of the Act, 415 ILCS 5/42(g) (2002), interest shall accrue on any payment not paid within the time period prescribed above at the maximum rate allowable under Section 1003(a) of the Illinois Income Tax Act, 35 ILCS 5/1003 (2002). Interest on any unpaid payment shall begin to accrue from the date the payment is due and continue to accrue until the date payment is received. When partial payment(s) are made, such partial

payment shall be first applied to any interest on unpaid payment then due and owing. All interest on payment owed shall be paid by certified check, money order or electronic funds transfer, payable to the Illinois EPA, designated to the Illinois Environmental Protection Trust Fund and delivered to the address and in the manner described above.

3. For purposes of payment and collection, Respondent may be reached at the following address:

Ronald Desyllas All States Painting, Inc. P.O. Box 110 Alexander, Illinois 62601

4. In the event of default of this Section VIII.A, the Complainant shall be entitled to all available relief including, but not limited to, reasonable costs of collection and reasonable attorney's fees.

B. Future Use

Notwithstanding any other language in this Stipulation to the contrary, and in consideration of the mutual promises and conditions contained in this Stipulation, including the Release from Liability contained in Section VIII.D, below, the Respondent hereby agrees that this Stipulation may be used against the Respondent in any subsequent enforcement action or permit proceeding as proof of a past adjudication of violation of the Act and the Board Regulations promulgated thereunder for all violations alleged in the Complaint in this matter, for purposes of Section 39(a) and (i) and/or 42(h) of the Act, 415 ILCS 5/39(a) and (i) and/or 5/42(h)(2002). Further, Respondent agrees to waive any rights to contest, in any subsequent enforcement action or permit proceeding, any allegations that these alleged violations were adjudicated.

C. Cease and Desist

The Respondent shall cease and desist from future violations of the Act and Board Regulations that were the subject matter of the Complaint as outlined in Section III.C ("Allegations of Non-Compliance") of this Stipulation.

D. Release from Liability

In consideration of the Respondent's payment of the \$19,000.00 penalty and any specified costs and accrued interest, completion of all activities required hereunder, to Cease and Desist as contained in Section VIII.C and upon the Pollution Control Board's acceptance and approval of the terms of this Stipulation and Proposal for Settlement, the Complainant releases, waives and discharges the Respondent from any further liability or penalties for violations of the Act and Board Regulations that were the subject matter of the Complaint herein. The release set forth above does not extend to any matters other than those expressly specified in Complainant's Complaint filed on May 21, 2004. The Complainant reserves, and this Stipulation is without prejudice to, all rights of the State of Illinois against the Respondent with respect to all other matters, including but not limited to, the following:

- a. criminal liability;
- b. liability for future violation of state, federal, local, and common laws and/or regulations;
 - c. liability for natural resources damage arising out of the alleged violations; and
- d. liability or claims based on the Respondent's failure to satisfy the requirements of this Stipulation.

Nothing in this Stipulation is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the State of Illinois or the Illinois EPA may have against any person, as defined by Section 3.315 of the Act, 415 ILCS 5/3.315, or entity other than the Respondent.

E. Right of Entry

In addition to any other authority, the Illinois EPA, its employees and representatives, and the Attorney General, her agents and representatives, shall have the right of entry into and upon the Respondent's facility which is the subject of this Stipulation, at all reasonable times for the purposes of carrying out inspections. In conducting such inspections, the Illinois EPA, its employees and representatives, and the Attorney General, her employees and representatives may take photographs, samples, and collect information, as they deem necessary.

F. Correspondence, Reports and Other Documents

Any and all correspondence, reports and any other documents required under this Stipulation, except for payments pursuant to Section VIII.A ("Penalty Payment") of this Stipulation shall be submitted as follows:

As to the Complainant

Jennifer Bonkowski Assistant Attorney General Environmental Bureau 500 South Second Street Springfield, Illinois 62706

Joey Logan-Wilkey Assistant Counsel 1021 North Grand Avenue East P.O. Box 19276 Springfield, Illinois 62794-9276

As to the Respondent

Ronald Desyllas All States Painting, Inc. P.O. Box 110 Alexander, Illinois 62601

Jeryl Olson, Esq. Seyfarth Shaw LLP 55 East Monroe Street, Suite 4200 Chicago, Illinois 60603-5803

G. Modification of Stipulation

The parties may, by mutual written consent, agree to extend any compliance dates or modify the terms of this Stipulation. A request for any modification shall be made in writing and submitted to the contact persons identified in Section VIII.F. Any such request shall be made by separate document, and shall not be submitted within any other report or submittal required by this Stipulation. Any such agreed modification shall be in writing, signed by authorized representatives of each party, and then accompany a joint motion to the Illinois Pollution Control Board seeking a modification of the prior order approving and accepting the Stipulation to approve and accept the Stipulation as amended.

H. Enforcement of Board Order

- Upon the entry of the Board's Order approving and accepting this Stipulation and Proposal for Settlement, that Order is a binding and enforceable order of the Illinois Pollution
 Control Board and may be enforced as such through any and all available means.
- Respondent agrees that notice of any subsequent proceeding to enforce the
 Board Order approving and accepting this Stipulation and Proposal for Settlement may be made
 by mail and waives any requirement of service of process.
- 3. The parties agree that, if the Board does not approve and accept this Stipulation and Proposal for Settlement, then neither party is bound by the terms herein.
- 4. It is the intent of the Complainant and Respondent that the provisions of this Stipulation and Proposal for Settlement and any Board Order accepting and approving such shall be severable, and should any provision be declared by a court of competent jurisdiction to be inconsistent with state or federal law, and therefore unenforceable, the remaining clauses shall remain in full force and effect.

WHEREFORE, Complainant and Respondent request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

PEOPLE OF THE STATE OF ILLINOIS,

LISA MADIGAN, Attorney General State of Illinois,

MATTHEW J. DUNN, Chief Environmental Enforcement/ Asbestos Litigation Division

BY:

THOMAS DAVIS, Chief Environmental Bureau Assistant Attorney General

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1.11

Acting Chief Legal Counsel Division of Legal Counsel

ALL STATES PAINTING, INC.

Respondent

BV.

14

Dated: 6/16/05

Dated: 6/27/05

Dated: 6/16/05