

ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

AFIN: 60-01801

LIS No. 24-157

LEXICON, INC.
8900 FOURCHE DAM PIKE
LITTLE ROCK, ARKANSAS 72206

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 *et seq.*, Arkansas Pollution Control and Ecology Commission (APC&EC) Rule 7, APC&EC Rule 8, APC&EC Rule 18, and APC&EC Rule 19.

The issues herein having been settled by agreement of Lexicon, Inc. (Respondent) and the Director of the Division of Environmental Quality (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

FINDINGS OF FACT

1. Respondent owns and operates a structural steel fabrication shop located at 8900 Fourche Dam Pike in Little Rock, Pulaski County, Arkansas.
2. The Air Permit referenced in this CAO is 2022-AR-8 (the Permit). The Permit was issued on January 11, 2023, and voided on January 23, 2024.

3. Ark. Code Ann. § 8-4-217(a)(3) provides:
 - (a) It shall be unlawful for any person to:
 - ...
 - (3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by DEQ;
4. Ark. Code Ann. § 8-4-103(c)(1)(A) provides, “Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation.”
5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B) as referenced by Ark. Code Ann. § 8-4-304, “Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”
6. On August 31, 2023, DEQ personnel conducted a full compliance inspection of Respondent’s facility. The inspection covered the reporting period of July 2020 through July 2023.
7. Specific Condition 11 of the Permit states that Respondent shall not use more than 14,215 pounds per day and 4,786,875 pounds per consecutive twelve-month period of abrasive material for surface preparation activities at SN-01E and the Custom Metals Building (SN-02B), combined, and shall continue to comply with Specific Condition 14 of the Permit.
8. During the inspection, it was discovered that Respondent exceeded the daily permit limit of abrasive material for surface preparation at SN-01E on ninety (90) occasions between April 17, 2023, and July 31, 2023. Such acts violate Specific Condition 11 of the Permit and therefore violate Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.
9. Specific Condition 14 of the Permit states that Respondent shall not exceed the limit of 10,375 lbs/day of sand at SN-01E.

10. During the inspection, a review of records confirmed that Respondent exceeded the daily sand usage limit at SN-01E on five (5) occasions during the inspection period. Records indicated that Respondent had a daily sand usage of 12,000 lbs/day between April 17, 2023, and April 21, 2023. Such acts violate Specific Condition 14 of the Permit and therefore violate Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

11. In a letter dated September 11, 2023, DEQ informed Respondent of the compliance issues identified during the inspection conducted on August 31, 2023. This letter was intended to give Respondent an opportunity to review the issues identified and submit any additional information Respondent deemed appropriate.

12. On September 22, 2023, Respondent submitted a response to the September 11, 2023 letter. The response stated that, in a May 10, 2023 letter, Respondent notified DEQ that the facility exceeded the daily sand usage rate at the Prospect Steel Building – Outside Sand Blasting (SN-01E). To resolve the compliance issues, Respondent stated they would develop a minor air permit modification application to increase the abrasive material usage limit at SN-01E.

13. On June 6, 2023, Respondent submitted a permit modification application to remove the daily limit from SN-01E and combine the daily limits of SN-01E and SN-02B with a new daily limit of 36,000 lbs/day.

14. DEQ issued Respondent Air Operating Permit 2022-AR-9 on January 23, 2024.

15. In correspondence dated October 18, 2023, DEQ informed Respondent that formal enforcement action was proceeding regarding this matter.

16. On January 22, 2024, DEQ sent Respondent a proposed CAO for the violations listed above.

17. In a letter dated February 12, 2024, Respondent submitted a response to the proposed CAO and proposed a Supplemental Environmental Project (SEP) to DEQ to be included in the CAO.

After a review, it was determined that the proposed SEP did not meet DEQ guidelines.

18. On April 19, 2024, DEQ sent Respondent a letter denying the proposed SEP.

19. On May 30, 2024, Respondent submitted to DEQ a proposed Environmental Improvement Project (EIP). Respondent requested implementing the EIP and in return DEQ would forego formal enforcement for the violations listed in the FINDINGS OF FACT section of this CAO.

20. On June 21, 2024, DEQ sent Respondent a letter denying the proposed EIP and informing Respondent that DEQ would continue to pursue formal enforcement for the violations listed in the FINDINGS OF FACT section of this CAO.

ORDER AND AGREEMENT

WHEREFORE, Respondent, neither admitting nor denying the factual and legal allegations contained in this CAO, and DEQ do hereby agree and stipulate as follows:

1. This CAO addresses all violations contained in the FINDINGS OF FACT.
2. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay a civil penalty of **FOUR THOUSAND SIX HUNDRED EIGHTY DOLLARS (\$4,680.00)**. Payment is due within thirty (30) calendar days after the effective date of this CAO. Such payment shall be made payable to:

DEQ, Fiscal Services
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317.

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be

entitled to attorneys' fees and costs associated with collection.

3. All applicable submissions required by this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within fifteen (15) calendar days of notification by DEQ, submit any additional information requested. Failure to respond adequately to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is subject to the civil penalties established in the following Paragraph.

4. Failure to meet the limits, requirements, or deadlines of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any limits, requirements, or deadlines, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

(a) First day through the fourteenth day:	\$100 per day
(b) Fifteenth day through the thirtieth day:	\$500 per day
(c) More than thirty days:	\$1000 per day

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the requirements of this CAO. DEQ reserves its rights to collect other penalties and fines pursuant to its enforcement authority in lieu of the stipulated penalties set forth above.

5. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe

in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

6. DEQ may grant an extension of any provision of this CAO, provided that Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous Paragraph of the ORDER AND AGREEMENT, shall be grounds for a denial of an extension.

7. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d), and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period.

8. As provided by APC&EC Rule 8, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this CAO is granted by the Commission.

9. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

10. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the responsibilities for obtaining any necessary permits.

11. By virtue of the signature appearing below, the individual represents that he or she is an Officer of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than an Officer of Respondent shall be accompanied by a resolution granting signature authority to that individual as duly ratified by the governing body of the entity.

SO ORDERED THIS 19 DAY OF November, 2024.

Bailey Taylor
BAILEY TAYLOR
CHIEF ADMINISTRATOR OF ENVIRONMENT AND DEQ DIRECTOR
ARKANSAS DEPARTMENT OF ENERGY & ENVIRONMENT

APPROVED AS TO FORM AND CONTENT:

LEXICON, INC.

BY: [Signature] (Signature)

Steven M. Dincer (Typed or printed name)

TITLE: V.P. of Safety

DATE: 11/14/2024