

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**

OFFICE OF COMPLIANCE & INSPECTION

IN RE: Kisco LLC

FILE NO.: UST 2010-00914

NOTICE OF VIOLATION

A. Introduction

Pursuant to Sections 42-17.1-2(21) and 42-17.6-3 of the Rhode Island General Laws, as amended, ("R.I. Gen. Laws") you are hereby notified that the Director of the Department of Environmental Management (the "Director" of "DEM") has reasonable grounds to believe that the above-named party ("Respondent") has violated certain statutes and/or administrative regulations under DEM's jurisdiction.

B. Administrative History

On 14 April 2010 and 23 November 2010, DEM issued informal written notices to the Respondent for the violations. The notices required the Respondent to take specific actions to correct the violations. The Respondent has failed to comply with the notices.

C. Facts

- (1) The subject property is located at 957 Broad Street in the city of Central Falls, Rhode Island, Assessor's Plat 2, Lot 21 (the "Property").
- (2) The Property includes a gasoline station and five underground storage tanks (the "USTs") (collectively, the "Facility"), which USTs are used for storage of petroleum products and are subject to DEM's Rules and Regulations for Underground Storage Facilities Used for Petroleum Products and Hazardous Materials, as amended (the "UST Regulations")
- (3) Respondent owns the Property.
- (4) Respondent operates the Facility.
- (5) The Facility is registered with DEM in accordance with Section 6.00 of the UST Regulations and is identified as UST Facility No. 00914.
- (6) The USTs are registered with DEM as follows:

UST ID No.	Date Installed	Capacity	Product Stored
005	31 July 1990	1,000 gallons	No. 2 Fuel Oil
007	31 July 1990	1,000 gallons	Used Oil
010	11 July 1990	12,000 gallons	Gasoline
011	09 July 1990	12,000 gallons	Gasoline
012	10 July 1990	12,000 gallons	Gasoline

- (7) The Facility was the source of a release of petroleum to the land on the Property. As part of the investigation of the release (the “Release Investigation”), groundwater monitoring wells were installed on the Property (the “Groundwater Wells”).
- (8) On 7 December 2009 DEM issued a letter to the Respondent concerning the Release Investigation. The letter required the Respondent to close the Groundwater Wells in accordance with DEM’s Rules and Regulations for Groundwater Quality (the “Groundwater Quality Regulations”).
- (9) On 18 March 2010, DEM inspected the Facility. The inspection revealed the following:
- (a) Inventory control records for UST Nos. 010, 011 and 012, consistent with the requirements of the UST Regulations, for the time period of March 2007 through March 2010, were not available.
 - (b) Several Groundwater Wells remain on the Property.
 - (c) UST No. 007 is no longer being utilized for the storage of used oil and has been abandoned.
- (10) On or about 13 January 2011 the DEM mailed a bill to the Respondent for payment of \$2,575.00 in registration and late fees. Said fees were due on or before 7 February 2011. To date, the fees have not been paid.
- (11) As of the date of this Notice of Violation (“NOV”), the Respondent has failed to comply with the DEM’s Groundwater Quality Regulations or DEM’s UST Regulations.

D. Violation

Based on the foregoing facts, the Director has reasonable grounds to believe that you have violated the following statutes and/or regulations:

- (1) **DEM's UST Regulations, Rules 6.10, 6.12 and 6.13** – requiring the payment of registration and late fees.
- (2) **DEM's UST Regulations, Rules 8.08(A)(2), 11.02(B)(4) and 11.03** – requiring the owner/operator to compile and maintain inventory control records for USTs.
- (3) **DEM's UST Regulations, Rule 8.19(E)** – requiring the abandonment of groundwater monitoring wells that are no longer used for their intended purpose.
- (4) **DEM's UST Regulations, Rule 13.02(A)** – prohibiting the abandonment of USTs.

E. Order

Based upon the violations alleged above and pursuant to R.I. Gen. Laws Section 42-17.1-2(21), you are hereby ORDERED to complete the following **within ninety (90) days of receipt of this NOV**:

- (1) Submit a certified check, cashiers check or money order in the amount of Two Thousand Five Hundred and Seventy-Five Dollars (\$2,575.00) made payable to the "Rhode Island General Treasurer" to the following address:

DEM – Office of Management Services
235 Promenade Street, Suite 340
Providence, RI 02908-5767
Attn: UST Registration

- (2) Submit to the DEM Office of Compliance and Inspection written verification that you are now in compliance with the inventory control requirements for UST Nos. 010, 011 and 012, as set forth in Rules 8.08(A)(2), 11.02(B)(4) and 11.03 of the DEM's UST Regulations.
- (3) Abandon all the remaining Groundwater Wells in full compliance with Rule 8.19(E) of the DEM's UST Regulations and Section 8 of Appendix 1 of the DEM's Groundwater Quality Regulations.
- (4) Submit a permanent closure application for UST No. 007 to the DEM – Office of Waste Management and, upon receipt of DEM's approval, complete the permanent closure of UST No. 007 in full compliance with Section 13.00 of the DEM's UST Regulations and Sections 12 and 13 of the DEM's Oil Pollution Control Regulations.

F. Penalty

- (1) Pursuant to R.I. Gen. Laws Section 42-17.6-2, the following administrative penalty, as more specifically described in the attached penalty summary and worksheets, is hereby ASSESSED, jointly and severally, against each named respondent:

Nine Thousand Nine Hundred and Forty-One Dollars (\$9,941.00)

- (2) The proposed administrative penalty is calculated pursuant to the DEM's Rules and Regulations for Assessment of Administrative Penalties, as amended, and must be paid to the DEM within twenty (20) days of your receipt of this NOV. Payment shall be in the form of a check made payable to the "General Treasury - Water & Air Protection Program Account" and shall be forwarded to the DEM Office of Compliance and Inspection, 235 Promenade Street, Suite 220, Providence, Rhode Island 02908-5767.
- (3) Penalties assessed against Respondent in this NOV are penalties payable to and for the benefit of the State of Rhode Island and are not compensation for actual pecuniary loss.
- (4) If any violation alleged herein shall continue, then each day during which the violation occurs or continues shall constitute a separate offense and the penalties and/or costs for that violation shall continue to accrue in the manner set forth in the attached penalty summary and worksheets. The accrual of additional penalties and costs shall be suspended if the Director determines that reasonable efforts have been made to comply promptly with this NOV.

G. Right to Administrative Hearing

- (1) Pursuant to R.I. Gen. Laws Chapters 42-17.1, 42-17.6, 42-17.7 and 42-35, each named respondent is entitled to request a hearing before the DEM Administrative Adjudication Division regarding the allegations, orders and/or penalties set forth in Sections B through F above. All requests for hearing MUST:
 - (a) Be in writing. See R.I. Gen. Laws Sections 42-17.1-2(21)(i) and 42-17.6-4(b),
 - (b) Be **RECEIVED** by DEM's Administrative Adjudication Division, at the following address, within twenty (20) days of your receipt of this NOV. See R.I. Gen. Laws Sections 42-17.1-2(21)(i) and 42-17.7-9:

Administrative Clerk
DEM - Administrative Adjudication Division
One Capitol Hill, 2nd Floor
Providence, RI 02903

- (c) Indicate whether you deny the alleged violations and/or whether you believe that the administrative penalty is excessive. See R.I. Gen. Laws Section 42-17.6-4(b); **AND**
 - (d) State clearly and concisely the specific issues which are in dispute, the facts in support thereof and the relief sought or involved, if any. See Rule 7.00(b) of the DEM Administrative Rules of Practice and Procedure for the Administrative Adjudication Division of Environmental Matters.
- (2) A copy of each request for hearing must also be forwarded to:
- Joseph J. LoBianco, Esquire
DEM - Office of Legal Services
235 Promenade Street, Suite 425
Providence, RI 02908-5767
- (3) Each named respondent has the right to be represented by legal counsel at all administrative proceedings relating to this matter.
 - (4) Each respondent must file a separate and timely request for an administrative hearing before DEM's Administrative Adjudication Division as to each violation alleged in the written NOV. If any respondent fails to request a hearing in the above-described time or manner with regard to any violation set forth herein, then this NOV shall automatically become a Final Compliance Order enforceable in Superior Court as to that respondent and/or violation and any associated administrative penalty proposed in the NOV shall be final as to that respondent. See R.I. Gen. Laws Sections 42-17.1-2(21)(i) and (v) and 42-17.6-4(b) and (c).
 - (5) Failure to comply with this NOV may subject each respondent to additional civil and/or criminal penalties.
 - (6) An original signed copy of this NOV is being forwarded to the city of Central Falls, wherein the Property is located, to be recorded in the Office of Land Evidence Records pursuant to R.I. Gen. Laws Chapter 34-13 and Section 42-17.1-2 (31), as amended.
 - (7) This NOV does not preclude the Director from taking any additional enforcement action nor does it preclude any other local, state, or federal governmental entities from initiating enforcement actions based on the acts or omissions described herein.

If you have any legal questions, you may contact Joseph J. LoBianco (or if you are represented by an attorney, please have your attorney contact) at the DEM - Office of Legal Services at (401) 222-6607. All other inquiries should be directed to Tracey

D'Amadio Tyrrell of the DEM - Office of Compliance and Inspection at (401) 222-1360, Ext. 7407.

Please be advised that any such inquiries do not postpone, eliminate, or otherwise extend the need for a timely submittal of a written request for a hearing, as described in Section G above.

FOR THE DIRECTOR

David E. Chopy, Chief
DEM Office of Compliance and Inspection

Date: _____

CERTIFICATION

I hereby certify that on the _____ day of _____
the within Notice of Violation was forwarded to:

Kisco LLC
c/o Joseph Raheb, Esq., Registered Agent
650 George Washington Highway
Lincoln, RI 02865

by Certified Mail.



ADMINISTRATIVE PENALTY SUMMARY

Program: OFFICE OF COMPLIANCE AND INSPECTION, UST

File No.: UST 2010 – 00914

Respondent: Kisco LLC

GRAVITY OF VIOLATION					
SEE ATTACHED "PENALTY MATRIX WORKSHEETS."					
VIOLATION No. & CITATION	APPLICATION OF MATRIX		PENALTY CALCULATION		AMOUNT
	Type	Deviation	Penalty from Matrix	Number or Duration of Violations	
D (2) – Failure to compile and maintain inventory control records	Type II (\$ 12,500 Max. Penalty)*	Moderate	\$6,000	1 violation	\$6,000.00
D (4) – Abandonment of an underground storage tank	Type I (\$ 25,000 Max. Penalty)*	Minor	\$3,000	1 violation	\$3,000.00
SUB-TOTAL					\$9,000.00

*Maximum Penalties represent the maximum penalty amounts per day, per violation.

CITATION: Failure to compile and maintain inventory control records
 VIOLATION NO.: D (2)

TYPE		
<p style="text-align: center;">___ TYPE I</p> <p><u>DIRECTLY</u> related to protecting health, safety, welfare or environment.</p>	<p style="text-align: center;"><u>X</u> TYPE II</p> <p><u>INDIRECTLY</u> related to protecting health, safety, welfare or environment.</p>	<p style="text-align: center;">___ TYPE III</p> <p><u>INCIDENTAL</u> to protecting health, safety, welfare or environment.</p>
DEVIATION FROM THE STANDARD		
THE DEGREE TO WHICH A PARTICULAR VIOLATION IS OUT OF COMPLIANCE WITH THE REQUIREMENT VIOLATED.		
<p><u>FACTORS CONSIDERED:</u></p> <p>Taken from Section 10 (a) (2) of the DEM <i>Rules and Regulations for Assessment of Administrative Penalties</i></p> <p>(A) The extent to which the act or failure to act was out of compliance: Respondent failed to compile inventory control records for UST Nos. 010, 011 and 012, consistent with the requirements of Rules 8.08(A)(2) and 11.03 of the UST Regulations. Inventory control is an important and required component of leak detection programs at UST facilities. Failure to perform inventory control would presumably reduce the likelihood of detecting a release from a UST system.</p> <p>(B) Environmental conditions: The facility is located in a GB groundwater classification zone, which are groundwater resources designated as unsuitable for drinking water use without treatment. The facility is located within the Blackstone River watershed. Upon information and belief, there are no drinking water supply wells proximate to the facility.</p> <p>(C) Amount of the pollutant: Not utilized for this calculation.</p> <p>(D) Toxicity or nature of the pollutant: The volatile nature of gasoline presents both a potential public health hazard (due to potential inhalation of benzene) and a potential public safety hazard (due to the potential for explosion). Gasoline is capable of causing significant soil and groundwater contamination if released to the environment. Certain petroleum constituents are potentially harmful to human health and safety and the environment. Benzene, a component of gasoline, is a known carcinogen.</p> <p>(E) Duration of the violation: Unknown. The noncompliance has been from at least March 2007.</p> <p>(F) Areal extent of the violation: Not utilized for this calculation.</p>		
(continued)		

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- (G) **Whether the person took reasonable and appropriate steps to prevent and/or mitigate the noncompliance:** Respondent failed to prevent the non-compliance by compiling and maintaining inventory control records for UST Nos. 010, 011 and 012. Respondent failed to mitigate the violation despite receiving informal written notices from DEM, which required that it do so. Respondent has utilized continuous, electronic leak monitoring for the double-walled USTs during this time period.
- (H) **Whether the person has previously failed to comply with any regulations, order, statute, license, permit or approval issued or adopted by the Department, or any law which the Department has the authority or responsibility to enforce:** Not utilized for this calculation.
- (I) **The degree of willfulness or negligence, including but not limited to, how much control the violator had over the occurrence of the violation and whether the violation was foreseeable:** Negligence is attributable to Respondent for its failure to comply immediately with the requirements set forth in Regulation Nos. 8.08(A)(2) and 11.03. The inventory control requirements are clearly established in the UST Regulations. Respondent, as owner and operator of the facility, had complete control over the occurrence of the violation.
- (J) **Any other factor(s) that may be relevant in determining the amount of a penalty:** Not utilized for this calculation.

MAJOR	<u> X </u> MODERATE	MINOR
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Penalty Matrix where the applicable statute provides for a civil penalty up to \$ 25,000		TYPE I	TYPE II	TYPE III
DEVIATION FROM STANDARD	MAJOR	\$12,500 to \$25,000	\$6,250 to \$12,500	\$2,500 to \$6,250
	MODERATE	\$6,250 to \$12,500	\$2,500 to \$6,250 \$6,000	\$1,250 to \$2,500
	MINOR	\$2,500 to \$6,250	\$1,250 to \$2,500	\$250 to \$1,250

PENALTY MATRIX WORKSHEET

CITATION: Abandonment of an underground storage tank

VIOLATION NO.: D (4)

TYPE		
<u>X</u> TYPE I DIRECTLY related to protecting health, safety, welfare or environment.	TYPE II INDIRECTLY related to protecting health, safety, welfare or environment.	TYPE III INCIDENTAL to protecting health, safety, welfare or environment.
DEVIATION FROM THE STANDARD		
THE DEGREE TO WHICH A PARTICULAR VIOLATION IS OUT OF COMPLIANCE WITH THE REQUIREMENT VIOLATED.		
FACTORS CONSIDERED: Taken from Section 10 (a) (2) of the DEM <i>Rules and Regulations for Assessment of Administrative Penalties</i>		
(A) The extent to which the act or failure to act was out of compliance: Respondent has maintained UST No. 007 in an abandoned state. Abandonment of USTs is strictly prohibited by the UST Regulations. .		
(B) Environmental conditions: The facility is located in a GB groundwater classification zone, which are groundwater resources designated as unsuitable for drinking water use without treatment. The facility is located within the Blackstone River watershed. Upon information and belief, there are no drinking water supply wells proximate to the facility. UST No. 007 is constructed of double-walled fiberglass-reinforced plastic, which poses less of an environmental threat than an abandoned steel tank.		
(C) Amount of the pollutant: Not utilized for this calculation.		
(D) Toxicity or nature of the pollutant: Used oil is capable of causing significant soil and groundwater contamination if released to the environment. Certain petroleum constituents are potentially harmful to human health and safety and the environment.		
(E) Duration of the violation: Unknown. At least 1 ½ years.		
(F) Areal extent of the violation: Not utilized for this calculation.		
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- (G) **Whether the person took reasonable and appropriate steps to prevent and/or mitigate the noncompliance:** Respondent failed to prevent the non-compliance by removing and permanently closing UST No. 007 within 180 days. Respondent has yet to mitigate the violation despite receiving informal written notices from DEM, which required that it do so.
- (H) **Whether the person has previously failed to comply with any regulations, order, statute, license, permit or approval issued or adopted by the Department, or any law which the Department has the authority or responsibility to enforce:** Not utilized for this calculation.
- (I) **The degree of willfulness or negligence, including but not limited to, how much control the violator had over the occurrence of the violation and whether the violation was foreseeable:** Negligence is attributable to Respondent for its failure to comply with the requirements set forth in Regulation Nos. 13.02 and 13.05 of the UST Regulations. The abandonment prohibition is clearly established in the UST Regulations. Respondent, as owner and operator of the facility, had complete control over the occurrence of the violation.
- (J) **Any other factor(s) that may be relevant in determining the amount of a penalty:** Not relevant.

MAJOR	MODERATE	<u> X </u> MINOR
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Penalty Matrix where the applicable statute provides for a civil penalty up to \$ 25,000		TYPE I	TYPE II	TYPE III
DEVIATION FROM STANDARD	MAJOR	\$12,500 to \$25,000	\$6,250 to \$12,500	\$2,500 to \$6,250
	MODERATE	\$6,250 to \$12,500	\$2,500 to \$6,250	\$1,250 to \$2,500
	MINOR	\$2,500 to \$6,250 \$3,000	\$1,250 to \$2,500	\$250 to \$1,250