

A. Conway

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

OHIO E.P.A.
MAY 29 2008

DIRECTOR'S JOURNAL

In the Matter of:

Quaker Chemical Corporation
3431 Yankee Road
Middletown OH 45044

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Director's Final Findings
and Orders

Respondent

I certify this to be a true and accurate copy of the
official documents as filed in the records of the Ohio
Environmental Protection Agency.

PREAMBLE

It is agreed by the Parties hereto as follows:

By: [Signature] Date: 5-29-08

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Quaker Chemical Corporation ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("R.C.") §§ 6111.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in the composition of Respondent, or the owner or operator of the site (as defined herein), shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in R.C. Chapter 6111, and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has made the following findings:

1. Respondent, headquartered in Conshohocken, Pennsylvania, is a worldwide developer, producer, and marketer of custom-formulated chemical specialty products and a provider of chemical management services for manufacturers in the steel and automotive industries.
2. Respondent is foreign corporation in good standing with the Ohio Secretary of State's Office.

3. Respondent's Middletown facility, located on the former United Lubricants, Corporation site, 3431 Yankee Road, Middletown Ohio, ("site"), is a key manufacturing hub and its US Steel Group has based its operations at the facility.
4. Ohio National Pollution Discharge Elimination System ("NPDES") Permit No. 11G00019*CD ("Permit") was issued on August 17, 2000 to United Lubricants Corporation authorizing a discharge at outflow 001, from an oil / water separator to an unnamed tributary of Dicks Creek, a waters of the state.
5. The NPDES Permit required the development of a storm water pollutant prevention plan ("SWP3") to address each outfall that discharged to waters of the state, which discharge contained storm water associated with industrial activity.
6. The NPDES Permit expired on September 30, 2005. No renewal or transfer of the NPDES Permit was applied for, nor issued.
7. The oil / water separator, now owned and operated by Respondent, discharges into a collection basin lined with concrete, which in turn can discharge at outfall 001 to the unnamed tributary of Dicks Creek.
8. Respondent asserts that the last discharge from outfall 001 to the unnamed tributary to Dicks Creek occurred in April, 2005, with no discharges occurring since that date.
9. The NPDES Permit required Respondent to monthly monitor and report the discharge from the oil / water separator. Respondent failed to submit the Monthly Operating Reports required by the NPDES Permit from April, 2005. This is a violation of the NPDES Permit, R.C. Chapter 6111. and the rules adopted under that Chapter.
10. The Monthly Operating Reports referenced in Finding No. 9 have been subsequently submitted.
11. On May 4, 2006, Ohio EPA conducted a reconnaissance inspection of the site, at which Respondent was informed that the NPDES Permit required the development and implementation of a SWP3 to address the management of storm water discharges that contacted stored product containers. Respondent was informed that it had failed to develop or implement a SWP3, which was a violation of the NPDES Permit, R.C Chapter 6111. and the rules adopted under that Chapter
12. From the expiration of the NPDES Permit to November 16, 2007, Respondent has discharged storm water associated with industrial activity without either a valid NPDES permit or a pending renewal application that was submitted in a timely manner, which is a violation of R.C. § 6111.04 and the rules adopted under R.C. Chapter 6111.

13. On October 5, 2007, Respondent made application for coverage under the Ohio EPA General Permit Authorization to Discharge Storm Water Associated With Industrial Activity Under the National Discharge Pollutant Discharge Elimination System, Permit No. OHR000004, with coverage obtained on November 16, 2007 under facility permit number 1GR01026*GR, ("General Permit for Storm Water Discharges Associated With Industrial Activities").
14. R.C. § 6111.04 prohibits any person from causing pollution or causing any sewerage, industrial waste or other waste to be placed in any location where they cause pollution to waters of the state, except if such discharges occur in accordance with a NPDES permit issued by the Director.
15. R.C. § 6111.07(A) prohibits any person from violating, or failing to perform, any duty imposed by R.C. §§ 6111.01 to 6111.08, or violating any order, rule, or term or condition of a permit issued by the Director pursuant to those sections. Each day of violation represents a separate violation.
16. Upon the initiation of these enforcement proceedings, Respondent has taken steps to remediate the violations, including the reallocation of environmental matters at the site.
17. On February 6, 2008, Respondent requested to close its NPDES Permit as the site is under coverage of the General Permit for Storm Water Discharges Associated With Industrial Activities, and that all process water is being sent for off-site disposal and that Respondent is preparing an application to the City of Middletown to manage its wastewater discharges from the process area.
18. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with these Orders and to evidence relating to conditions calculated to result from compliance with these Orders, and its relation to the benefits to the people of the State to be derived from such compliance in accomplishing the purpose of R.C. Chapter 6111.

ORDERS

1. Respondent shall comply with the requirements of R.C. Chapter 6111., the rules adopted under that Chapter, the terms and conditions of its General Permit for Storm Water Discharges Associated With Industrial Activities, and its SWP3 and any revisions thereof, and upon written request from Ohio EPA shall submit its SWP3 to Ohio EPA, Southwest District Office, in accordance with Section X of these Orders.

2. Respondent shall pay the amount of five thousand dollars (\$5,000.00) in settlement of Ohio EPA's claim for civil penalties, which may be assessed pursuant to R.C. Chapter 6111. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" for five thousand dollars (\$5,000.00). The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying Respondent and the site, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

A photocopy of the check shall be sent to the Ohio EPA, Southwest District Office, in accordance with Section X of these Orders.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Surface Water acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of the Respondent. For purposes of these Orders, a responsible official is as defined in OAC Rule 3745-33-03(D)(4) for a municipal, state, or other public facility.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to activities occurring on or at the Facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Ohio Environmental Protection Agency
Southwest District Office
Division of Surface Water
Attn: DSW Enforcement Unit Supervisor
401 East Fifth Street
Dayton, Ohio 45402

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XII of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

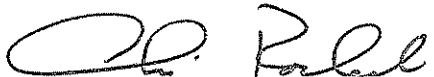
XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

**IT IS SO ORDERED AND AGREED:
Ohio Environmental Protection Agency**




Chris Korleski
Director

5/27/08

Date

**IT IS SO AGREED:
Quaker Chemical Corporation**



Signature
Brian M. Kellogg

Printed or Typed Name

5/8/08

Date

Safety, Health, + Environmental Manager

Title