

**NEW YORK STATE DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

Office of General Counsel, Region 4  
1130 North Westcott Road, Schenectady, NY 12306-2014  
P: (518) 357-2048 | F: (518) 357-2087  
www.dec.ny.gov

**CERTIFIED - RETURN RECEIPT REQUESTED**  
7016 0340 0000 4616 5331

February 17, 2017

Mr. Robert Tyson, Esq.  
Bond Schoeneck & King  
One Lincoln Center  
Syracuse, NY 13202-1355

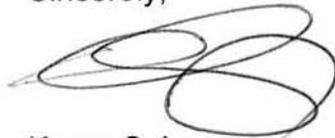
Re: Order on Consent  
R4-2017-0106-2

Dear Mr. Tyson:

Enclosed please find a copy of the fully executed Order on Consent referenced above.

This will also acknowledge receipt of \$2000 the civil penalty pursuant to Paragraph I.

Sincerely,



Karen S. Lavery  
Assistant Regional Attorney  
Region 4

Enclosure

ec: B. Potter

STATE OF NEW YORK  
DEPARTMENT OF ENVIRONMENTAL CONSERVATION

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In the Matter of the Alleged  
Violations of Environmental  
Conservation Law Article 19

-by-

ORDER ON CONSENT  
File No. R4-2017-0106-2

SI Group, Inc.  
1000 Main Street  
Rotterdam Jct., NY 12150

Respondent

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WHEREAS:

1. Pursuant to Environmental Conservation Law ("ECL") Article 19, the Department of Environmental Conservation ("Department" or "DEC") is the State agency which has jurisdiction over the environmental law and policy of the State pursuant to, *inter alia*, §3-0301 of the ECL.
2. Pursuant to ECL Article 19, the New York State Department of Environmental Conservation has administrative jurisdiction to safeguard the air resources of the state from pollution.
3. Respondent, SI Group, Inc., owns and operates a manufacturing facility for synthetic phenolics resins and alkyl phenols located at 100 Main Street, Rotterdam Junction, New York ("facility").
4. Respondent is a person as defined at ECL §17-0105(1).
5. Respondent operates pursuant to an Air Permit ID No. 4-4228-00056/00469.

6. On November 16, 2016, a letter was submitted to the Department indicating that the scrubber on belt flaker 4/5 was not operating during resin processing on November 2, 2016. The pump that circulates mineral oil through the flaker belt 4/5 venturi scrubber was found to be in the off position during process operation. The pump is manually controlled and located on the operating floor. The pump was last known to be in the on position on October 26, 2016.

7. After the incident, Respondent discovered that the flow switch associated with the pump was providing an incorrect indication of flow to the operators. The switch had been repaired, and the alarm associated with the flow switch had been validated to be working correctly. In addition, the checklist used by operators to run the flaker belts had been modified to include a visual check that the pump is in the "on" position before each flaking campaign, once during the campaign, and at the end of each campaign.

8. Regulations at 6 NYCRR 200.7 provide that *"Any person who owns or operates an air contamination source which is equipped with an emission control device shall operate such device and keep it in a satisfactory state of maintenance and repair in accordance with ordinary and necessary practices, standards and procedures, inclusive of manufacturer's specifications, required to operate such device effectively."*

9. Respondent's failure to operate the control device in an effective manner is a violation of regulations at 6 NYCRR 200.7.

NOW, having considered this matter and being duly advised, it is ORDERED that:

I. Penalty

With respect to the violations identified in this Order, Respondent is hereby assessed a civil penalty of TEN THOUSAND DOLLARS (\$10,000) of which TWO THOUSAND DOLLARS (\$2,000) shall be payable to the New York State Department of Environmental Conservation by money order, or certified check at the time this Order is signed, notarized and returned to the Department.

The balance EIGHT THOUSAND DOLLARS (\$8,000) shall be suspended so long as Respondent shall comply with the Schedule of Compliance.

Payment of the above penalties shall not in any way alter Respondent's obligation to complete performance under the terms of this Order.

In the event that Respondent fails to comply with the requirements of this Order the entire suspended portion of the penalty shall become due and payable upon written notice to Respondent without prejudicing the Department from seeking further appropriate penalties for violations of this Order by Respondent.

II. The provisions of this Order shall be deemed to bind Respondent, its agents, employees, and all persons, firms, corporations acting under or for it.

III. The terms of this Order shall not be construed to prohibit the Commissioner or his duly authorized representative from exercising any summary abatement powers, either at common law or as granted pursuant to statute or regulation.

IV. Respondent shall indemnify and hold harmless the Department, the State of New York, and their representatives and employees for all claims, suits, actions, damages and costs of every name and description arising out of or resulting from the fulfillment or attempted fulfillment of the provisions hereof by Respondent, its directors, officers, employees, servants, agents, successors or assigns.

V. No change in this Order shall be made or become effective except as set forth by a written order of the Commissioner or the Commissioner's designee.

VI. Respondent shall allow duly authorized representatives of the DEC access to the site without prior notice, at such times as may be desirable or necessary in order for the DEC to inspect and determine the status of Respondent's compliance with this Order, the ECL and regulations promulgated thereunder.

VII. The Schedule of Compliance is incorporated into the Order and is enforceable thereunder.

VIII. All communications except where otherwise specifically directed should be sent to:

New York State Department  
of Environmental Conservation  
Region 4 - Air Division Attn: RAPCE  
1130 North Westcott Road  
Schenectady, New York 12306  
518-357-2350

IX. This Order is deemed effective on the date signed by the Department.

X. Except as specifically provided in this Order, nothing contained in this Order shall be construed as barring, diminishing, adjudicating or in any way affecting:

A. Any legal or equitable rights or claims, actions, proceedings, suits, causes of action or demands whatsoever that the State may have against Respondent for any other violations of the ECL, rules or regulations promulgated thereunder or permits issued thereunder;

B. Any legal or equitable rights or claims, actions, proceedings, suits, causes of action or demands whatsoever that the State may have against anyone other than Respondent, its agents, its servants, its employees, its successors and its assigns;

C. Whatever right the Department has to bring any action or proceeding against Respondent and/or any of Respondent's employees, servants, agents, successors, and assigns with respect to claims for natural resource damages; and

D. Respondent's right to assert all available defenses to any claims, actions, proceedings, suits, causes of actions or demands made or commenced by the State or the Department provided, however, that Respondent waives all legal or equitable rights claims, actions, proceedings, appeals, suits, causes of action, defenses or demands whatsoever that it may have to a judicial review of the validity and binding effect of this Order and whether or not this Order has been entered into voluntarily by Respondent.

XI. A. Whenever the Department's approval of a submittal under the terms of this Order is required, the Department shall review such submittal to determine whether it was prepared, and whether the work done to generate the data and other information in the submittal was done, in accordance with this Order and applicable state and federal regulations and laws and generally accepted technical and scientific principles. The Department shall notify Respondent in writing of its approval or disapproval of the submittal. All Department-approved plans and reports shall be incorporated into and become an enforceable part of this Order.

B. 1. If the Department disapproves a submittal, its notice shall specify the reasons for disapproval. Respondent shall make a revised submittal to the Department within thirty (30) days after receiving written notice of disapproval that specifically addresses all of the Department's stated reasons for disapproving the first submittal.

2. After receipt of the revised submittal from Respondent, the Department shall notify Respondents in writing of its approval or disapproval. If the Department approves the revised submittal, it shall be incorporated into and become an enforceable part of this Order. If the Department disapproves the revised submittal, it shall notify the Respondent in writing and specify its reasons. The Department reserves its right to take whatever action it deems necessary after the second disapproval of a submittal.

XII. Compliance with the terms and conditions of this Order, including the Schedule of Compliance, shall be in full civil settlement of the violations alleged in this Order.

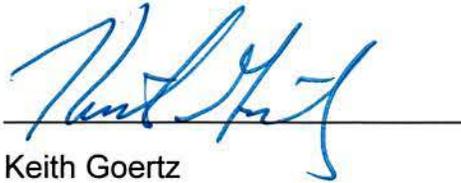
XIII. If more than one Respondent is a signatory to this Order, use of the term "Respondent" in this Order shall be deemed to refer to each Respondent identified in the Order.

XIV. This Order shall not create any presumption of law or fact which shall inure to the benefit of any person other than the Department, State or Respondent.

DATED: February 16 2017  
Rotterdam, New York

Basil Seggos  
Commissioner  
New York State Department of  
Environmental Conservation

BY:



Keith Goertz  
Regional Director  
Region 4

CONSENT BY RESPONDENT

Respondent hereby consents to the issuing and entering of this Order, waives its rights to notice and hearing herein and agrees to be bound by the provisions, terms and conditions contained herein.

SI Group, Inc.

Authorized Representative Tom Masterson

SIGNED: [Signature]

TITLE: VP & General Counsel

DATE: February 16, 2017

STATE OF NEW YORK

)ss.:

COUNTY OF Schenectady

On the 16<sup>th</sup> day of February in the year 2017 before me, the undersigned, a Notary Public in and for the State, personally appeared Thomas Masterson personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[Signature]

Notary Public

Qualified in the County of: Schenectady

My Commission Expires: January 19, 2018

RENEE J MICHALISIN  
Notary Public, State of New York  
No. 01M16216591  
Qualified in Schenectady County  
Commission Expires January 19, 2018



### Schedule of Compliance

1. Within 30 days of the effective date of this Order, Respondent shall provide training for all SI employees who operate equipment related to flaking belt 4/5. Training shall demonstrate and detail proper operation of all equipment related to resin flaking.
2. Respondent shall submit a stack testing protocol to the Department for approval by March 15, 2017. Within 90 days of the Department's approval of the protocol, Respondent shall conduct a stack test of said belt flaking system and submit to the Department, the report of the results.