

**ALABAMA DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT**

IN THE MATTER OF:

**Sun Coast Resources, LLC
Montgomery, Montgomery County, Alabama
USEPA ID Number ALR000016550**

Consent Order No. 25-XXX-CHW

PREAMBLE

This Consent Order is made and entered into by the Alabama Department of Environmental Management ("the Department" or "ADEM") and Sun Coast Resources, LLC ("SCR") pursuant to the provisions of the Alabama Environmental Management Act, Ala. Code §§ 22-22A-1 to 22-22A-17, as amended, and the Alabama Hazardous Wastes Management and Minimization Act ("AHWMMA"), Ala. Code §§ 22-30-1 to 22-30-24, as amended, and the regulations promulgated pursuant thereto.

STIPULATIONS

1. SCR operates a waste transportation company with EPA Identification Number ALR000016550, located at 2335 South Forbes Drive in Montgomery, Montgomery County, Alabama. SCR, as a result of its operations, was a used oil transporter and a used oil transfer facility, as defined in ADEM Admin. Code Div. 14, at all times relevant to this action.
2. The Department is a duly constituted department of the State of Alabama pursuant to Ala. Code §§ 22-22A-1 to 22-22A-17, as amended.
3. Pursuant to Ala. Code § 22-22A-4(n), the Department is the state agency responsible for the promulgation and enforcement of solid and hazardous waste regulations in accordance with the federal Solid Waste Disposal Act §§ 1002 to 11012, 42 U.S.C. §§ 6901 to 6992k, as amended. In addition, the Department is authorized to administer and enforce the provisions of the AHWMMA, Ala. Code §§ 22-30-1 to 22-30-24, as amended.

DEPARTMENT'S CONTENTIONS

4. On October 1, 2020, the Department issued Used Oil Transport Permit Number ALR000016550 ("the permit") to SCR. The permit expired on November 5, 2023.

5. On February 4, 2025, the Department conducted a compliance evaluation inspection ("CEI") of SCR. The CEI and a review of SCR's compliance showed the following:

(a) SCR continued to operate as a used oil transporter in the State of Alabama after its Alabama Used Oil Transport Permit expired on November 5, 2023. This action resulted in the following violations:

(I) Pursuant to ADEM Admin. Code r. 335-14-8-.10(2), if the permittee wishes to continue an activity regulated under a permit issued by the Department, the permittee must apply for and obtain a new permit.

SCR failed to obtain a new Alabama Used Oil Transport Permit and continued to operate as a used oil transporter after its Alabama Used Oil Transport Permit expired.

(II) Pursuant to ADEM Admin. Code r. 335-14-17-.05(3)(d), a non-rail transporter must not transport used oil without having received an Alabama Used Oil Transport Permit in compliance with rules 335-14-8-.09 and 335-14-8-.13.

SCR transported used oil in the State of Alabama without an Alabama Used Oil Transport Permit.

(b) SCR failed to comply with applicable used oil container and tank management standards. This action resulted in the following violations:

(I) Pursuant to ADEM Admin. Code r. 335-14-17-.03(4)(a)1., a container holding used oil must always be closed during storage, except when it is necessary to add or remove used oil.

SCR failed to keep closed one used oil container located in the pump warehouse.

(II) Pursuant to ADEM Admin. Code r. 335-14-17-.05(7)(i)1., containers and aboveground used oil tanks used to store used oil at used oil transfer facilities must be labeled or marked clearly with the words "Used Oil".

SCR failed to label one used oil container located in the pump warehouse and one 6,000-gallon above ground used oil storage tank located in the tank farm with the words "Used Oil".

6. On March 13, 2025, the Department reissued Used Oil Transport Permit Number ALR000016550 to SCR.

7. On March 14, 2025, the Department issued a Notice of Violation ("NOV") to SCR, which cited violations of the hazardous waste regulations that were discovered during the CEI.

8. On April 23, 2025, SCR submitted to the Department a written response to the NOV, which stated that all violations cited in the NOV had been corrected.

9. Pursuant to Ala. Code § 22-22A-5(18), as amended, in determining the amount of any penalty, the Department must give consideration to the seriousness of the violation(s), including any irreparable harm to the environment and any threat to the health or safety of the public; the standard of care manifested by such person; the economic benefit which delayed compliance may confer upon such person; the nature, extent, and degree of success of such person's efforts to minimize or mitigate the effects of such violation(s) upon the environment; such person's history of previous violations; and the ability of such person to pay such penalty. Any civil penalty assessed pursuant to this authority shall not exceed \$25,000.00 for each violation, provided however, that the total penalty assessed in an order issued by the department shall not exceed \$250,000.00. Each day such a violation continues shall constitute a separate violation. In arriving at this civil penalty, the Department has considered the following:

(a) **SERIOUSNESS OF THE VIOLATION(S):** In determining the seriousness of the violation(s), the Department considered the general nature and magnitude of the violation(s) along with the available evidence of irreparable harm to the environment and threat to the health or safety of the public.

(b) STANDARD OF CARE: In considering the standard of care manifested by SCR, the Department noted that the violation(s) described above were non-technical and easily avoidable. Consequently, SCR failed to exhibit a standard of care commensurate with the applicable regulatory standards.

(c) ECONOMIC BENEFIT WHICH DELAYED COMPLIANCE MAY HAVE CONFERRED: The Department has determined that no significant economic benefit was gained by SCR as a result of the violation(s) referenced herein.

(d) EFFORTS TO MINIMIZE OR MITIGATE THE EFFECTS OF THE VIOLATION(S) UPON THE ENVIRONMENT: There are no known environmental effects to mitigate as a result of the alleged violation(s).

(e) HISTORY OF PREVIOUS VIOLATIONS: Based on a review of Department records, SCR does not have a history of similar violations.

(f) ABILITY TO PAY: The Department does not have any evidence indicating that SCR is unable to pay the civil penalty.

(g) OTHER FACTORS: It should be noted that this Consent Order is a negotiated settlement and, therefore, the Department has compromised the amount of the penalty that is warranted in the spirit of cooperation and the desire to resolve this matter amicably without incurring the unwarranted expense of litigation (see Attachment A, which is made a part of the Department's Contentions).

10. The Department neither admits nor denies SCR's Contentions, which are set forth below. The Department has agreed to the terms of this Consent Order in an effort to resolve the alleged violation(s) cited herein without the unwarranted expenditure of State resources in further prosecuting the alleged violation(s). The Department has determined that the terms contemplated in this Consent Order are in the best interest of the citizens of Alabama.

SCR'S CONTENTIONS

11. Pumpelly Oil Acquisition, LLC ("Pumpelly") submitted its Transporter Permit Renewal Application to ADEM on May 7, 2024. The previous permit expired on November 11,

2023. As of September 2024, Pumpelly was in the process of being dissolved and merged into its affiliate, SCR. Neither the ownership of the entity holding the applicable permit nor the onsite activities have changed. SCR then submitted a permit update under the new legal entity name in October of 2024. A detailed timeline of events is below :

(a) On May 5, 2024, a transporter application and fees were submitted to ADEM for the Pumpelly Transporter Permit.

(b) On October 3, 2024, an updated form was submitted to ADEM for the legal entity SCR.

(c) On October 25, 2024, requested modifications were submitted to ADEM.

(d) On January 14, 2025, a Certification Statement was submitted to ADEM.

(e) On March 13, 2025, ADEM re-issued Used Oil Transport Permit Number ALR000016550.

(f) On March 14, 2025, ADEM issued the NOV to SCR.

12. The containers were immediately closed, and remain closed, except when adding or removing used oil, after receiving the ADEM NOV dated March 14, 2025.

13. The containers were properly labeled within 30 days of receiving the NOV from ADEM.

14. SCR believes that it has acted in good faith to address the issues identified in the March 14, 2025, NOV. The Used Oil Transport Permit was issued by ADEM prior to the NOV. The used oil storage violations were corrected within 30 days of the NOV.

15. SCR is committed to providing the necessary manpower, equipment, training, and materials to comply with all applicable local, state, and federal environmental regulations. SCR will regularly assess its environmental performance and identify opportunities for further improvement.

16. SCR neither admits nor denies the Department's Contentions. SCR consents to abide by the terms of this Consent Order and to pay the civil penalty assessed herein.

ORDER

Therefore, without admitting that it has violated any statutes or regulations, SCR, along with the Department, desires to resolve and settle the alleged violation(s) cited above. The Department has carefully considered the facts available to it and has considered the six penalty factors enumerated in Ala. Code § 22-22A-5(18)c., as amended, as well as the need for timely and effective enforcement. The Department believes that the following conditions are appropriate to address the violation(s) alleged herein. Therefore, the Department and SCR agree to enter into this Consent Order with the following terms and conditions:

A. SCR agrees to pay to the Department a civil penalty in the amount of \$4,240 in settlement of the violation(s) alleged herein within forty-five (45) days of the effective date of this Consent Order. Failure to pay the civil penalty within forty-five (45) days from the effective date may result in the Department's filing a civil action in the Circuit Court of Montgomery County to recover the civil penalty.

B. SCR agrees that all penalties due pursuant to this Consent Order shall be made payable to the Alabama Department of Environmental Management by certified or cashier's check or other payment methods acceptable to the Department and shall be remitted to:

Office of General Counsel
Alabama Department of Environmental Management
P.O. Box 301463
Montgomery, Alabama 36130-1463

Any payment submitted to the Department pursuant to this Consent Order shall reference SCR's name and address, and the ADEM Consent Order Number of this action.

C. SCR agrees to comply with all applicable terms, conditions, and limitations of the permit and the AHWMMMA and the regulations promulgated pursuant thereto immediately upon the effective date of this Order and continuing every day thereafter.

D. The Department and SCR ("Parties") agree that this Consent Order shall apply to and be binding upon both parties, and both parties shall direct their directors, officers, and employees implementing this Consent Order to comply with its provisions. Each signatory to this Consent Order certifies that he or she is fully authorized by the party he or she represents to enter

into the terms and conditions of this Consent Order, to execute the Consent Order on behalf of the party represented, and to legally bind such party.

E. The Parties agree that, subject to the terms of these provisions and subject to provisions otherwise provided by statute, this Consent Order is intended to operate as a full resolution of the alleged violations cited herein.

F. SCR agrees that it is not relieved from any liability if it fails to comply with any provision of this Consent Order.

G. For purposes of this Consent Order only, SCR agrees that the Department may properly bring an action to compel compliance with the terms and conditions contained herein in the Circuit Court of Montgomery County.

H. The Parties agree that the sole purpose of this Consent Order is to resolve and dispose of all allegations and contentions stated herein concerning the factual circumstances referenced herein. Should additional facts and circumstances be discovered in the future which would constitute possible violations not addressed in this Consent Order, then such future violations may be addressed in orders as may be issued by the Director, litigation initiated by the Department, or such other enforcement actions as may be appropriate. SCR agrees not to object to such future orders, litigation, or enforcement actions based on the issuance of this Consent Order if future orders, litigation, or other enforcement actions address new matters not raised in this Consent Order.

I. The Parties agree that this Consent Order shall be considered final and effective immediately upon signature of all parties. This Consent Order shall not be appealable, and SCR does hereby waive any hearing on the terms and conditions of this Consent Order.

J. The Parties agree that this Consent Order shall not affect SCR's obligation to comply with any federal, State, or local laws or regulations.

K. The Parties agree that final approval and entry into this Consent Order are subject to the requirements that the Department give notice of proposed orders to the public, and that the public have at least thirty days within which to comment on the Order.

L. The Parties agree that, should any provision of this Consent Order be declared by a court of competent jurisdiction or the Environmental Management Commission to be inconsistent with federal or State law and therefore unenforceable, the remaining provisions hereof shall remain in full force and effect.

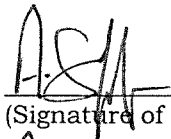
M. The Parties agree that any modifications of this Consent Order must be agreed to in writing signed by both parties.

N. The Parties agree that, except as otherwise set forth herein, this Consent Order is not and shall not be interpreted to be a permit or modification of an existing permit under federal, State, or local law, and shall not be construed to waive or relieve SCR of its obligations to comply in the future with any permit.

Executed in duplicate, with each part being an original.

SUN COAST RESOURCES, LLC

ALABAMA DEPARTMENT OF
ENVIRONMENTAL MANAGEMENT



(Signature of Authorized Representative)

Aaron Scheffler

(Printed Name)

VP, General Counsel & Assistant Secretary

(Printed Title)

8-7-25

(Date Signed)

Jeffrey W. Kitchens
Acting Director

(Date Executed)

Attachment A

Sun Coast Resources, LLC
Montgomery, Montgomery County
Facility ID No. ALR000016550

Violation	Number of Violations*	Seriousness of Violation*	Standard of Care*	History of Previous Violation*	
(a) Transportation of used oil without obtaining an Alabama Used Oil Transport Permit	2	\$4,000	\$1,000	\$0	
(b) Failure to comply with used oil container/tank requirements	2	\$200	\$100	\$0	Total of Three Factors
TOTAL PER FACTOR		\$4,200	\$1,100	\$0	\$5,300

Adjustments to Amount of Initial Penalty

Economic Benefit (+)	\$0	Amount of Initial Penalty	\$5,300
Mitigating Factors (-)	\$0	Total Adjustments (+/-)	-\$1,060
Ability to Pay (-)	\$0	FINAL PENALTY	\$4,240
Other Factors (+/-)	-\$1,060		

Footnotes

* See the "FINDINGS" portion of the Order for a detailed description of each violation and the penalty factors.