



ROY COOPER
Governor

DIONNE DELLI-GATTI
Secretary

March 31, 2021

David C. Shelton, Esq.
Senior Vice President, General Counsel & Corporate Secretary
The Chemours Company
1007 Market Street
Wilmington, DE 19898

Dear Mr. Shelton:

Pursuant to Paragraph 31 of the Consent Order entered on February 25, 2019 in the above referenced matter, the North Carolina Department of Environmental Quality ("DEQ") hereby demands payment from the Chemours Company FC ("Chemours") of stipulated penalties in the amount of \$127,000.00.

In support of this demand, the Department states the following:

1. On January 26, 2021, DEQ issued a Notice of Violation and Intent to Assess Civil Penalties and Stipulated Penalties ("NOV") to Chemours for, among other things, failing to install a properly designed treatment system as required by Paragraph 12(e) of the Consent Order.
2. Paragraph 12(e) of the Consent Order required Chemours to implement a treatment system to capture dry weather flow (~610 gpm) by September 30, 2020 at Old Outfall 002, and to treat the captured flow at a removal efficiency of at 99% for indicator parameters, GenX and PFMOAA.
3. While a treatment system was installed by September 30, 2020, as described more fully in the NOV, the installed treatment system was not properly designed. As described more fully in the NOV, the treatment system's improper design resulted in repeated failures to meet the requirements of the Consent Order to capture dry weather flow and treat it to at least 99% removal efficiency for the indicator parameters.
4. On February 25, 2021, Chemours submitted a response to the NOV. Among other things, that response outlined numerous design improvements implemented after the September 30, 2020 deadline to address the deficiencies in the treatment system, and specifically its failure to meet the requirements of the Consent Order and NPDES permit. These design improvements included, among other things, mechanical filtration of supernatant to reduce filtration solids load, employment of a temporary system for transferring sludge to



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- frac tanks, deployment of an emergency filter trailer, and the additional of an ultrafiltration train.
5. Chemours claims that the fact it “has implemented design improvements to address weather and operational challenges for the new system does not mean that the system was ‘not properly designed’ or that there was a ‘design failure.’” DEQ, however, has determined that these design improvements were necessary precisely in order to address the initial improper design and the failure of that design to consistently meet the requirements of the Consent Order.
 6. DEQ finds that the design failure continued until at least at least December 6, 2020, when Chemours began expanding the system’s filtration capacity to, in Chemours words, “meet system demand.” However, DEQ continues to evaluate whether the design improvements are sufficient for the treatment system to consistently meet the requirements of the Consent Order.
 7. The daily stipulated penalty for this violation of Paragraph 12(e) of the Consent Order is set by Paragraph 31 of the Consent Order at \$1,000/day for the first seven days and \$2,000/day thereafter. Consent Order ¶ 31. At a minimum, Chemours has violated the Consent Order from October 1, 2020 through December 6, 2020 or 67 days. DEQ will continue to monitor performance of the treatment system and evaluate whether any continued system failures are attributable to improper design in order to determine whether the violation identified in the NOV extends beyond December 6, 2020.
 8. In accord with Paragraph 31 of the Consent Order, the stipulated penalty is \$7,000 for the first 7 days and \$120,000 for the remaining 60 days for a total stipulated penalty of \$127,000.

The above referenced stipulated penalties must be made by certified check payable to the North Carolina Department of Environmental Quality and sent to the following address:

NC Department of Environmental Quality
1606 Mail Service Center
Raleigh, NC 27699-1606
ATTN: Kimberly Van Metre, CFO

The Department demands that such payment be made within thirty days of receipt of this letter. This demand for stipulated penalties relates only to the violation of the Consent Order identified in the NOV. Any assessment of civil penalties for violation of the NPDES Permit shall be addressed through a separate action by DEQ.

Sincerely,



Sheila C. Holman
Assistant Secretary for the Environment, NCDEQ

CC: William F. Lane, General Counsel, NCDEQ



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