STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-MM-06-0016**
COCO RESOURCES, INC.	*	
	*	**Enforcement Tracking No.**
AI # 93441	*	**MM-P-02-0064**
	*	
PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.	* * *	

SETTLEMENT

The following Settlement is hereby agreed to between Coco Resources, Inc. ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a corporation who owns/operates a warehouse that is used to store various containerized chemical and petroleum products for resale located at 30172 Eden Church Road in Denham Springs, Livingston Parish, Louisiana ("the Facility"). The Respondent does not have a Louisiana Pollutant Discharge Elimination system (LPDES) permit or other authority to discharge wastes and/or other substances to the waters of the state

II

On January 26, 2004, the Department issued to Respondent, a Penalty Assessment, Enforcement No. MM-P-02-0064, in the amount of $24,274.93, which was based upon the following findings of fact:

The Respondent was issued Compliance Order No. WE-C-95-0148 for violations of the

Act at its facility located at 10030 U.S. Highway 190 in Walker, Livingston Parish, Louisiana. In response to this action, the Respondent stated in a letter to the Department dated March 20, 1996, that steps had been taken to prevent unauthorized discharges and spills. Additionally, the Respondent submitted to the Department a Spill Prevention and Control (SPC) Plan. The SPC delineates preventative measures and spill control procedures to control and remediate unauthorized spills and discharges at the facility on U.S. Highway 190 and at the Eden Church Road facility.

On or about October 2, 2001, the Department was notified by the Denham Springs Fire Department of a strong chemical odor coming from the warehouse located at 30172 Eden Church Road in Denham Springs, Livingston Parish, Louisiana. According to the owner of the facility, an employee was transferring sulfurized isobutylene from a damaged 55-gallon container into a second container and that this chemical was the source of the odor.

On or about October 4-5, 2001, representatives of the Department performed a general inspection of the facility.

On or about October 26, 2001, the Department was notified by the Denham Springs Fire Department that smoke or vapors were being emitted from the warehouse. The Department representative noted vapors outside the building upon arrival at the warehouse. Upon investigation, it was determined that the vapors were being emitted from a 55-gallon salvage drum. The owner of the facility stated that he had instructed his employee to place two (2) 55-gallon drums of benzenesulfonyl chloride into two (2) salvage drums and to mix the benzenesulfonyl chloride with sodium silicate for disposal. The mixing of the two (2) chemicals caused a violent reaction resulting in the containers becoming hot and emitting vapors. The following violations have been noted related to these two (2) incidents and the general inspection of the facility:

A. The Respondent treated two (2) 55-gallon containers of benzenesulfonyl chloride, a listed hazardous waste which carries the U020 waste code, without a standard hazardous waste permit or interim status, in violation of LAC 33:V.303.B.

B. The Respondent failed to make a hazard determination on the containerized solid waste labeled "Oily Water Off Ground", the stained soils abutting the foundation slab on the east side of the warehouse, and the ten (10) 55-gallon drums of contaminated dirt and debris generated from clean up operations at the facility, in violation of LAC 33:V.1103.

C. The Respondent failed to adequately implement the Spill Prevention and Control (SPC) plan that was previously submitted to the Department by failing to provide pollution containment devices that under normal operating conditions prevent unauthorized discharges, and by failing to control, contain, and remediate spills in a timely manner. Specifically, an area of ground near the foundation slab on the east side of the building was stained with a dark material that appears to have leaked from inside the building. The failure to adequately implement the SPC plan is in violation of La. R.S. 30:2076(A)(3), LAC 33:IX.501.A, and LAC 33:IX.905.B.

On March 25, 2002, a Consolidated Compliance Order & Notice of Potential Penalty (CONOPP), Enforcement Tracking No. MM-CN-02-0010 was issued to the Respondent.

III

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

IV

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FIVE THOUSAND AND NO/100 DOLLARS ($5,000.00) of which AMOUNT OF ONE THOUSAND SEVEN HUNDRED TWENTY FOUR AND 93/100 DOLLARS ($1,724.93) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement.

V

Respondent, in addition to the penalty amount specified in Paragraph IV above and as part of this Settlement, agrees to expend the amount of $20,000.00 to implement and/or perform the following beneficial environmental projects:

A. Respondent shall donate cleaning supplies to government agencies or parishes that were either affected by Hurricanes Katrina or Rita or parishes that are in need due to some other natural disaster (s). The value of these cleaning supplies donated shall total no less than $20,000.

B. Respondent shall submit a copy of all contracts, receipts and any other proof as to the amount of the donations and that the donations have been made. Also, Respondent shall supply DEQ with a list of all parishes or government agencies that received the donations, with contact information for each recipient.

C. The donation of cleaning supplies shall be completed and all required documentation shall be delivered to the Department no later than thirty (30) days from notice of the Secretary's signature.

D. The total amount of money expended by Respondent on cash payments to DEQ and on beneficial environmental projects, as described above, shall be considered a civil

penalty for tax purposes, as required by La. R.S. 30: 2050.7(E)(1).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Penalty Assessment and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement, except such review as may be required for interpretation of this agreement in any action by the Department to enforce this agreement.

VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act and the rules relating to beneficial environmental projects set forth in LAC 33:I.Chapter 25.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Livingston Parish, Louisiana. The advertisement, in form,

wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

X

Payment is to be made within thirty (30) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

Coco Resources, Inc.

BY: _____
(Signature)

_____
(Printed or Typed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #)

_____
(Printed or Typed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Mike D. McDaniel, Ph.D., Secretary

BY: _____
Harold Leggett, Ph.D., Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # 27771)

_____
(Printed or Typed)

Approved: _____
Harold Leggett, Ph.D., Assistant Secretary