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LA. DEPT. OF ENV. QUALITY  
LEGAL AFFAIRS DIVISION

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

\* Settlement Tracking No.  
\* SA-AE-11-0042

LAFOURCHE SUGARS, L.L.C.

\* Enforcement Tracking No  
\* AE-CN-10-01016

AI # 1617

PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT  
LA. R.S. 30:2001, ET SEQ.

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SETTLEMENT

The following Settlement is hereby agreed to between Lafourche Sugars, L.L.C. ("Respondent") and the Department of Environmental Quality ("LDEQ" 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 limited liability company that owns and/or operates a sugar mill facility located in Thibodaux, Lafourche Parish, Louisiana ("the Facility").

II

On March 24, 2011, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-10-01016, which was based upon the following findings of fact:

The Respondent owns and/or operates the Leighton Factory (facility), a sugar mill, located at 141 Leighton Quarters Road in Thibodaux, Lafourche Parish, Louisiana. At the time the violations occurred, the facility operated under Title V Permit No. 995-V4 issued on or about March 6, 2009.

The facility currently operates under Title V Permit No. 995-V5 issued on or about September 20, 2010.

On or about October 22, 2009, an Air Quality inspection was performed to determine the degree of compliance with the Act and the Air Quality Regulations. On or about December 9, 2010, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the inspection and file review:

- A. The inspection revealed that the facility did not have records of daily operational hours for scrubbers for the 2008 grinding season on Boiler 3 (EQT0013) and for Boiler 4 (EQT0014). Each failure to maintain records of the hours that each scrubber operated is a violation of Specific Requirement 32 and Specific Requirement 55 of Title V Permit No. 995-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- B. The inspection revealed that the facility did not conduct visible emission inspections during the 2008 grinding season on the cyclone vents on Boiler 1 (EQT 0011), Boiler 3 (EQT 0013), Boiler 4 (EQT 0014), Boiler 5 (EQT 0015) and Boiler 6 (EQT 0016). The failures to conduct visible emission inspections of each cyclone vent are violations of Specific Requirements 26, 53, 83, 111 and 146, respectively, of Title V Permit No. 995-V4, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).
- C. The inspection revealed that the facility did not maintain records of inspections conducted during the 2008 grinding season on the cyclone vents on Boiler 1 (EQT 0011), Boiler 3 (EQT 0013), Boiler 4 (EQT 0014), Boiler 5 (EQT 0015) and Boiler 6 (EQT 0016). The failures to maintain records for each cyclone vent inspection are violations of Specific Requirements 25, 58, 81, 107, and 141, respectively, of Title V Permit No. 995-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- D. The inspection revealed that the facility's 2008 Annual Compliance Certification dated March 24, 2009, indicated no deviations during the 2008 grinding season. There were deviations during the 2008 grinding season. The failure to submit a complete and accurate Annual Compliance Certification is a violation of Part 70 General Condition M, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- E. In electronic correspondence dated January 12, 2011, the inspector verified that at the time of the inspection, none of the facility's Method 9 observers had a current

Method 9 Certification. The failure to maintain current Method 9 Certification is a violation of Specific Requirement 1 of Title V Permit No. 995-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- F. The inspection revealed that opacity monitoring was conducted by observer(s) who did not have Method 9 certification. Each observation conducted by a non-certified inspector, is a violation of Specific Requirement 3 of Title V Permit No. 995-V4, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2).
- G. The inspection revealed that the facility had no housekeeping plan available for review. The failure to establish and maintain a best practical housekeeping and maintenance plan is a violation of Specific Requirement 156 of Title V Permit No. 995-V4, LAC 33:III.501.C.4, LAC 33:III.2113.A.4, and La. R.S. 30:2057(A)(2).
- H. In correspondence dated December 16, 2010, the Respondent submitted the results of a stack test conducted on or about November 17, 2010 on Boiler No. 5 (EQT0015). Test results indicated a Nitrogen Oxides (NO<sub>x</sub>) emission level of 55.51 pounds per hour (lb/hr) which exceeded the permit limit for NO<sub>x</sub> of 38.40 lb/hr maximum. The failure to demonstrate compliance with the limits of the permit for emission of NO<sub>x</sub> is a violation of Title V Permit No. 995-V5, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

### 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 TWO THOUSAND FIVE HUNDRED NINETY-ONE AND 63/100 DOLLARS (\$2,591.63), of which Five Hundred Thirty-Five and 63/100 Dollars (\$535.63) represents the Department's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

V

Respondent further agrees that the Department may consider the inspection report(s), the a Consolidated Compliance Order & Notice of Potential Penalty 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.

VI

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.

VII

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 La. R. S. 30:2025(E) of the Act.

VIII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Lafourche 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 an

original proof-of-publication affidavit and an original public notice 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.

IX

Payment is to be made within ten (10) 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 Accountant Administrator, 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).

X

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

XI

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

LAFOURCHE SUGARS, L.L.C.

BY: [Signature]  
(Signature)

Greg J. Nolan  
(Printed)

TITLE: General Manager

THUS DONE AND SIGNED in duplicate original before me this 12<sup>th</sup> day of March, 20 12, at Thibodaux, LA.

[Signature]  
NOTARY PUBLIC (ID #                     )  
BAR # 10399

Stephen G Pelletier  
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
Peggy M. Hatch Secretary

BY: [Signature]  
Cheryl Sonnier Nolan, Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 31<sup>st</sup> day of July, 20 12, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC (ID # 19181)

Perry Theriot  
(stamped or printed)

Approved: [Signature]  
Cheryl Sonnier Nolan, Assistant Secretary