STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-WE-16-0004**
LOUISIANA SUGAR REFINING, LLC	*	
	*	**Enforcement Tracking No.**
AI # 1276, 165286	*	**WE-CN-11-01609**
	*	**WE-CN-12-00205**
	*	**WE-CN-12-00205A**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Louisiana Sugar Refining, LLC ("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 limited liability company that owns and/or operates a facility located in Gramercy, St. James Parish, Louisiana ("the Facility").

II

On December 22, 2011, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-11-01609, which was based upon the following findings of fact:

"The Respondent owns and/or operates a sugar refinery located at 1230 South Fifth St. in Gramercy, St. James Parish, Louisiana. The Respondent is authorized to discharge process wastewater, boiler blow down, cooling tower blow down, first flush stormwater, backwash water, lab

wastewater, molasses process washdown, steam condensate, and previously monitored sanitary wastewater, into the Mississippi River, waters of the state, under authority of Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0000604, that became effective on February 14, 2011, and which will expire on February 13, 2016. The Respondent was also granted coverage under LPDES Storm Water Multi-Sector General Permit (MSGP) on January 26, 2011, with LPDES permit number LAR05P359 and under AI# 165286. The MSGP permit will expire on May 3, 2016. The Respondent is authorized to discharge stormwater into the Blind River.

On or about December 16, 2011, the Department initiated an investigation at the Respondent's facility and conducted an inspection on December 19, 2011, in response to a citizen's complaint from the St. James Parish Welcome Center. While the Department's investigation is not yet complete, the investigation and inspection have thus far revealed that a large area of the surface drainage ditches extending from just north of US Hwy. 61 and southward to the east side of the sugar refinery was covered with whitish foam. During the inspection, and after talking to facility representatives, the Department determined that the source of the white foam was from the Louisiana Sugar Refinery. The Respondent's discharge of foaming or frothing materials of a persistent nature is in violation of LPDES Permit LA0000604, Part 1; LAC 33:IX.1113.B.1.b and B.7; and La. R.S. 30:2076(A)(1)(a) and (b), and 2076(A)(3).

An inspection conducted by the Department on or about December 19, 2011, in response to a complaint from the St. James Parish Welcome Center, revealed that the Respondent did cause or allow the unauthorized discharge of process wastewater into waters of the state through an Outfall identified as Outfall 004. During a telephone conference call with the Department and the Respondent's representative(s) on December 20, 2011, the Respondent's representative(s) stated that based on an investigation, an upset occurred at the facility which caused process wastewater to be

discharged through a stormwater Outfall. The Respondent's representative(s) stated that this discharge is the contributing factor of the foam referenced in paragraph II mentioned above. LPDES Permit LA0000604 authorizes the discharge of process wastewater through Outfall 001 only. Each unauthorized discharge of process wastewater from a location not specified in a permit is a violation of both LPDES permits LA0000604 and LAR05P359, La. R.S. 30:2075, LA R.S. 30:2076 (A)(1)(a), La. R.S. 30:2076 (A)(3), LAC 33:IX.501.A, LAC 33:IX.501.D, and LAC 33:IX.2701.A. In addition, the Respondent failed to notify the Department verbally (within 24 hours) of the aforementioned unauthorized discharges. The failure to notify the Department of the unauthorized discharges is a violation of LPDES permit LA0000604 (Part III, Sections A.2 and D.6.e), La. R.S. 30:2025 (J)(2), La. R.S. 30:2076 (A)(3), La. R.S. 30:2076 (D), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.L.6."

On May 4, 2012, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-12-00205, which was based upon the following findings of fact:

"The Respondent owns and/or operates the Louisiana Sugar Refinery located on 1230 South Fifth Avenue in Gramercy, St. James Parish, Louisiana. The Respondent was issued Louisiana Pollutant Discharge Elimination System (LPDES) Permit LA0000604 effective February 14, 2011, with an expiration date of February 13, 2016. The LPDES permit authorizes the Respondent to discharge process wastewater, boiler blowdown, cooling tower blowdown, first flush stormwater, backwash water, lab wastewater, molasses process washdown, steam condensate, and sanitary wastewater, from outfall 001 to the Mississippi River, waters of the state. The Respondent was also granted coverage under LPDES Storm Water Multi-Sector General Permit (MSGP) on January 26, 2011, with LPDES permit number LAR05P359 under AI# 165286. LPDES permit LAR05P359 was

reissued to the Respondent on June 3, 2001 and will expire on May 3, 2016. The Respondent was authorized to discharge stormwater discharges associated with industrial activity to the Blind River.

The Respondent was issued **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY WE-CN-11-01609** on or about December 22, 2011, for the discharge of foaming and frothing materials of persistent nature to waters of the state, unauthorized discharge from a location not specified by the permit, and failure to notify the Department within 24 hours of the unauthorized discharge. The Order required the Respondent to immediately take any and all steps necessary to meet and maintain compliance with LPDES permit LA0000604 and the Louisiana Water Quality Regulations, to contain the discharge and remove all foam from all impacted areas, to submit a written plan for the remediation of the discharge, to conduct and submit an evaluation of all drainage(s) and pipes and conveyances at the facility to determine the flow path and final discharge point(s) of such drainage(s), pipes and conveyances, and to submit a written report to include the circumstances of the cited violations and the actions taken to achieve compliance. The Respondent submitted a request for an adjudicatory hearing on January 20, 2012, and as such **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY WE-CN-11-01609** is not a final action by the Department.

The Department received a complaint regarding foam, odors and black water in the ditches near the Respondent's facility. In response to the complaint, the Department conducted inspections of the facility on February 3, 6, and 8, 2012. On February 3, 2012, the inspector noted the presence of foam and strong odors in the ditches along the railroad tracks that leads into the sugar refinery. The water in the ditches along La. Hwy. 3213 was black and had a septic odor that was much different from the odor detected in the ditch along the railroad tracks. No samples were collected or measurements taken on this date. On February 6, 2012, the Department collected water samples at

seven (7) separate points along the stormwater drainage pathway from the Respondent's facility. The Department collected an additional water sample (sample point 8) from a nearby ditch not in the direct flow from the facility to serve as a reference variable. The field measurements are as follows:

Sample point	Conductivity	Salinity	pH	%DO Saturation	DO
1	1756	0.93	5.12	23.7	1.98
2	2015	1.08	5.23	28.4	2.68
3	1986	1.06	5.14	24.1	2.19
4	2121	1.13	6.04	10.6	0.88
5	539	0.27	7.30	36.4	3.25
6	551	0.28	7.09	24.8	1.89
7	461	0.23	7.61	48.8	4.34
8	152	0.07	7.87	67.7	6.22

Water Quality Standards in the Blind River delta basin (040403) for pH is 6.0-8.5 standard units and 3.0 mg/L minimum for Dissolved Oxygen. The sample results shown above reveal low pH values for sample locations 1-3 and low Dissolved Oxygen levels for sample locations 1-4 and sample location number 6. The values obtained by the Department violate the numerical criteria for water quality standards and are in violation of La. R.S. 30:2076 (A)(3) and LAC 33:IX.1113.C.

On February 8, 2012, the Department examined the internal ditches south of the railroad tracks in the facility to identify possible sources of stormwater contamination. The Department conducted field measurements at three (3) locations, but samples were not collected on this date. The field measurements are as follows:

Sample point	Conductivity	Salinity	pH	%DO Saturation	DO
1	2846	1.53	6.60	35.0	3.43
2	981	0.51	5.80	21.0	2.09

Sample point	Conductivity	Salinity	pH	%DO Saturation	DO
3	2200	1.18	6.8	30.0	2.8

During this inspection, it was revealed that in addition to sugar entering the stormwater waste stream, brine is also entering into the drainage system. The inspection also revealed poor housekeeping at the facility. Pictures taken during the inspection note an open door to a building where sugar is stored. Animal tracks were visible on the surface of a pile of sugar. A leaky roof is allowing rainwater to enter the raw sugar storage building. The water leaches through the sugar and exits the building at the base of the walls. Pallets with sugar residue are stored in an open area without any stormwater controls. Sugar was observed on the ground around the pallets and also on the ground near a loading hopper with a stormwater ditch nearby. The poor housekeeping is in violation of LPDES permit LAR05P359 (Section 4.2.9.2), La. R.S. 30:2076 (A)(3), and LAC 33:IX.501.A.

A file review conducted by the Department on or about March 12, 2012, revealed the Respondent exceeded effluent limitations. These effluent exceedances, as reported by the Respondent on Discharge Monitoring Reports (DMRs), are summarized below:

Monitoring Period	Out Fall	Parameter	Permit Limit	Reported Value
April 2011	001A	BOD_5 Daily Max	5,418 lb/d	5,600 lb/d
July 2011	001A	BOD_5Mon Avg TSS Daily Max	2,709 lb/d 1,134 lb/d	2,822 lb/d 4,600 lb/d
August 2011	001A	BOD_5 Daily Max BOD_5Mon Avg TSS Daily Max	5,418 lb/d 2,709 lb/d 1,134 lb/d	6,800 lb/d 3,660 lb/d 2,700 lb/d
September 2011	001A	BOD_5 Daily Max BOD_5Mon Avg TSS Daily Max	5,418 lb/d 2,709 lb/d 1,134 lb/d	9,374 lb/d 7,914 lb/d 2,400 lb/d
October 2011	001A	BOD_5 Daily Max BOD_5Mon Avg	5,418 lb/d 2,709 lb/d	7,716 lb/d 5,413 lb/d
November 2011	001A	BOD_5 Daily Max BOD_5Mon Avg TSS Daily Max TSS Mon Avg	5,418 lb/d 2,709 lb/d 1,134 lb/d 567 lb/d	37,930 lb/d 12,471 lb/d 9,700 lb/d 1,820 lb/d

Monitoring Period	Out Fall	Parameter	Permit Limit	Reported Value
December 2011	001A	BOD_5 Daily Max BOD_5Mon Avg TSS Daily Max TSS Mon Avg pH instantaneous Minimum	5,418 lb/d 2,709 lb/d 1,134 lb/d 567 lb/d 6 SU	29,810 lb/d 25,458 lb/d 1,800 lb/d 680 lb/d 4.77 SU
January 2012	001A	BOD_5 Daily Max BOD_5Mon Avg TSS Daily Max TSS Mon Avg pH instantaneous Maximum	5,418 lb/d 2,709 lb/d 1,134 lb/d 567 lb/d 9 SU	21,040 lb/d 18,905 lb/d 5,400 lb/d 2,730 lb/d 11.52 SU
February 2012	001A	BOD_5 Daily Max BOD_5Mon Avg TSS Daily Max TSS Mon Avg	5,418 lb/d 2,709 lb/d 1,134 lb/d 567 lb/d	18,970 lb/d 13,601 lb/d 4,500 lb/d 2,740 lb/d

Each effluent exceedance is a violation of LPDES permit LA0000604 (Part I, and Part III, Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A."

On October 14, 2013, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-12-00205A, which was based upon the following findings of fact:

"The Department hereby amends the Findings of Fact Section to add Paragraph V to read as follows:

A file review conducted by the Department on September 3, 2013, revealed that the Respondent failed to accomplish a task and comply with a scheduled activity associated with the changes in operation of the old refinery as well as portions of the new refinery rehabilitation project referenced in the Respondent's letter dated April 23, 2012, and included as a requirement in the Order section of **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. WE-CN-12-00205**. Specifically, the Respondent was required to submit an LPDES permit modification by January 4, 2013, related to the rerouting of storm water from Outfall 001 to the Mississippi River. On March 6, 2013, the

Respondent notified the Department in writing that the milestone for the LPDES permit modification was not achieved as specified in **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. WE-CN-12-00205** given that the facility's storm water drainage system was still being upgraded and developed. The Respondent requested that the schedule be updated to reflect a new milestone date for this activity to be completed by October 1, 2013. The failure to accomplish a task and comply with a scheduled activity associated with the changes in operation of the old refinery as well as portions of the new refinery rehabilitation project referenced in the Respondent's letter dated April 23, 2012, is a violation of **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. WE-CN-12-00205**, La. R.S. 30:2076(A)(3) and LAC 33:IX.501.A .

The Department hereby amends Paragraph III of the Order Section to read as follows:

The Respondent shall accomplish the following tasks and comply with the following schedule of activities associated with changes in operation of the old refinery as well as portions of the new refinery rehabilitation project referenced in the Respondent's letter dated April 23, 2012, and updated on March 6, 2013, and September 9, 2013:

Milestone	Completion Date
House Keeping	**Completed**
• Train all employees on SWPPP/SPCC	Completed
Shutdown and Isolate Old Refinery	**Completed**
• Conduct piping survey	Completed
• Washdown and removal of sugar/syrup	Completed
• Liquidate liquor from Char House	Completed
• Improve affination handling	Completed
• Field work	Completed
• Total liquidation of the facility	Completed
• Isolate pans	Completed

Milestone	Completion Date
• Empty Char House Filters/Liquidate Char House • Isolation of the old refinery • Install washwater supply for the Wash Plant	Completed Completed Completed
New Refinery Actions • Install equipment to automate influent tank level • Monitor influent tank • Daily sampling and testing new cooling tower • Sample Condensate of influent tank	**Completed** Completed Completed Completed Completed
Reroute Stormwater to Mississippi River (Outfall 001) • LPDES Permit Modification • Design & Construction of new piping, sump, pump	**05/02/2014** Completed 05/02/2014
Achieve Full Compliance with LPDES Permit LA0000604 Outfall 001 Limits • Evaluate WTS TSS Discharge Data • Design Additional TSS Capture Capability (if required) • Bid Additional TSS Capture Capability Design (if required) • Construct/Install Additional TSS Capture Capability (if required) • Startup/Troubleshoot Additional TSS Capture Capability (if required)	**05/02/2015**

The Respondent shall submit compliance progress reports following each calendar quarter until the completion of the aforementioned proposed improvements. The Respondent shall submit the next progress report thirty (30) days following the end of the calendar quarter. The next progress report is due October 30, 2013. Within fifteen (15) days prior to any completion date specified in the schedule above, the Respondent shall submit a certification of compliance or non-compliance with that activity. If the Respondent reports non-compliance with a schedule event, the certification shall include a discussion of the cause of the delay, an anticipated date of completion and a discussion of any impairment of a subsequent due date.

The Department incorporates all of the remainder of the original **CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. WE-CN-12-00205** and **AGENCY INTEREST NO. 1276** as if reiterated

herein."

The Department acknowledges that Respondent has complied with Consolidated Compliance Orders and Notices of Potential Penalty Numbers WE-CN-11-01609, WE-CN-12-00205 and WE-CN-12-00205A, including the timely completion of all milestones listed above.

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 THIRTEEN THOUSAND SIX HUNDRED TWENTY-FIVE AND NO/100 DOLLARS ($13,625.00), of which One Thousand Seven Hundred Nine and 01/100 Dollars ($1,709.01) represents the Department's enforcement costs, in settlement of all claims asserted in CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY WE-CN-11-01609, CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. WE-CN-12-00205, CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. WE-CN-12-00205(A) and 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), permit record(s), the Consolidated Compliance Orders & Notices of Potential Penalty, the Amended

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

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General's concurrence is appended to this Settlement Agreement.

IX

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

wording 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.

X

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).

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 or her respective party, and to legally bind such party to its terms and conditions.

LOUISIANA SUGAR REFINING, LLC

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

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

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: _____
Lourdes Iturralde, 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 # _____)

_____
(stamped or printed)

Approved: _____
Lourdes Iturralde, Assistant Secretary