**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

| | | |
|---|---|---|
| **IN THE MATTER OF:** | * | **Settlement Tracking No. SA-AE-15-0067** |
| **MARTCO L.L.C.** | * | |
| **AI # 32484** | * | **Enforcement Tracking No. AE-CN-13-01285** |
| **PROCEEDINGS UNDER THE LOUISIANA ENVIRONMENTAL QUALITY ACT LA. R.S. 30:2001, ET SEQ.** | * | |

**SETTLEMENT**

The following Settlement is hereby agreed to between Martco L.L.C. ("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 Chopin, Natchitoches Parish, Louisiana ("the Facility").

II

On February 10, 2015, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-13-01285, which was based upon the following findings of fact:

"The Respondent owns and/or operates **CHOPIN PLYWOOD MILL** (the facility), a plywood mill, located at 1695 Louisiana Highway 890 in Chopin, Natchitoches Parish, Louisiana. The facility operates, or has operated, under the permits shown in Table A:

**TABLE A**

| Title V Permit No. | Permit Issue Date | Permit Expiration Date |
|---|---|---|
| 1980-000247-V5 | January 1, 2007 | August 19, 2008 |
| 1980-000247-V6 | April 20, 2010 | |
| 1980-000247-V7 | June 4, 2010 | April 20, 2015 |
| 1980-000247-V8 | August 28, 2010 | |
| 1980-000247-V8AA | October 28, 2010 | |
| 1980-000247-V9 | January 27, 2012 | |
| 1980-000247-V10 | October 3, 2012 | |
| 1980-000247-11 | June 11, 2013 | |

On or about December 19, 2014, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

While the investigation by the Department is not yet complete, the following violations were noted during the course of the file review:

A. The Respondent submitted quarterly deviation reports listing Total Hydrocarbon (THC) emissions of greater than 20 parts per million by volume, for Thermal Oil Heating Unit A 9-94 (EQT0009)/Thermal Oil Heating Unit B 9A-94 (EQT0010), and Thermal Oil Heating Unit C 3-05 (EQT0029) as shown in Table B:

**TABLE B**

| Emission Source | Deviation Date | Deviation Period | Duration, hrs | Deviation Cause |
|---|---|---|---|---|
| 9-94, 9A-94 | August 8, 2011 | 15:00 – 21:00 | 6 | Wet fuel, operator error |
| | March 21, 2012 | 13:58 – 18:58 | 5 | |
| | June 1, 2012 | 08:54 - 14:54 | 6 | |
| | June 16, 2012 | 14:53 – 17:53 | 3 | |
| | June 17, 2012 | 12:53 – 15:53 | 3 | |
| | June 17, 2012 | 09:53 – 12:53 | 3 | |
| | July 15, 2012 | 12:51 – 16:52 | 4 | |
| | February 13, 2013 | 06:52 – 1552 | 9 | |
| | April 8, 2013 | 07:48 -10:48 | 3 | |
| | April 27, 2013 | 11:46 – 14:46 | 3 | |
| | May 1, 2013 | 09:46 – 16:46 | 7 | |
| | May 11, 2013 | 12:45 – 15:45 | 3 | |
| | May 26, 2013 | 18:44 – 21:44 | 3 | |
| | June 29, 2013 | 11:42 – 15:42 | 4 | |
| | July 22, 2013 | 11:40 – 15:40 | 4 | |
| | April 2, 2014 | 16:05 – 19:05 | 3 | |

**TABLE B**

| Emission Source | Deviation Date | Deviation Period | Duration, hrs | Deviation Cause |
|---|---|---|---|---|
| | April, 12, 2014 | 15:04 – 14:04 | 23 | |
| | April 13, 2014 | 22:04 – 16:04 | 18 | |
| | April 15, 2014 | 20:03 – 02:03 | 6 | |
| | April 18, 2014 | 01:03 – 03:03 | 26 | |
| | April 19, 2014 | 08:03 – 17:03 | 33 | |
| | April 20, 2014 | 20:03 – 12:03 | 16 | |
| | April 26, 2014 | 09:02 – 19:02 | 10 | |
| | April 27, 2014 | 09:02 – 22:02 | 13 | |
| | May 6, 2014 | 23:01 – 11:01 | 12 | |
| | May 12, 2014 | 05:01 – 07:01 | 26 | |
| | May 15, 2014 | 02:01 – 15:01 | 37 | |
| | May 24, 2014 | 10:00 – 15:00 | 5 | |
| | May 24, 2014 | 17:00 – 21:00 | 4 | |
| | May 25, 2014 | 10:00 – 15:00 | 5 | |
| 3-05 | July 22, 2013 | 13:05 – 22:05 | 9 | Wet fuel, operator error |
| | April 2, 2014 | 09:07 – 12:07 | 3 | |
| | | 17:07 – 20:07 | 3 | |
| | | 18:07 – 21:07 | 3 | |
| | May 2, 2014 | 08:07 – 11:07 | 3 | |
| | May 19, 2014 | 0708 – 01:08 | 18 | |
| | May 22, 2014 | 1708 – 20:08 | 3 | |
| | May 25 , 2014 | 1108 – 20:08 | 9 | |
| | June 9, 2014 | 0308 – 12:08 | 9 | |
| | June 10, 2014 | 2008 – 08:17 | 4 | |
| | June 11, 2014 | 0308 – 09:08 | 30 | |
| | June 12, 2014 | 1008 – 20:08 | 10 | |

Each failure to restrict THC emissions to less than 20 parts per million volume is a violation of LAC 33:III.905.A, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

B. The Respondent failed to submit the facility's annual Toxic Emissions Data Inventory (TEDI) for the reporting years 2010, 2011, and 2012 by April 30th of the year following the reporting year. The submissions were submitted and signed February 13, 2014. Each failure to timely submit the TEDI is a violation of Specific Requirement (SR) 271 of Title V Permit No. 1980-00027-V8, Specific Requirement (SR) 266 of Title V Permit No. 1980-00027-V9, SR 164 of Title V Permit No. 1980-00027-V10, LAC 33:III.5107.A, 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 EIGHTEEN THOUSAND SIX HUNDRED FIFTY-SIX AND 78/100 DOLLARS ($18,656.78), of which Seven Hundred Fifty-Seven and 15/100 Dollars ($757.15) 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 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 Natchitoches 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.

**MARTCO L.L.C.**

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