STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	* **Settlement Tracking No.**
	* **SA-MM-09-0079**
MONSANTO COMPANY	*
	* **Enforcement Tracking No.**
AI # 1096	* **MM-CN-08-0005**
	* **MM-CN-08-0005A**
	*
PROCEEDINGS UNDER THE LOUISIANA	*
ENVIRONMENTAL QUALITY ACT	* **Docket No. 2009-8314-EQ**
LA. R.S. 30:2001, ET SEQ.	* **(MM-CN-08-0005)**

SETTLEMENT

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

I

Respondent is a corporation that owns and/or operates a chemical manufacturing facility located in Luling, St. Charles Parish, Louisiana (Facility).

II

This Settlement Agreement encompasses the following two (2) enforcement actions:

1) **Enforcement No. MM-CN-08-0005**

On June 3, 2008, the Department issued to Respondent a Consolidated Compliance Order and Notice of Potential Penalty (CO/NOPP), Enforcement No. MM-CN-08-0005, which was based upon the following findings of fact:

The Respondent owns and/or operates a chemical manufacturing facility (the Facility) located at 12501 River Road in Luling, St. Charles Parish, Louisiana. This facility currently operates under

several air permits, including Title V Permit Nos. 2517-V6, 2533-V3, 2557-V2, 2567-V3, 2574-V4, and 2596-V2.

Louisiana Pollutant Discharge Elimination System (LPDES) Permit LA0005266 was issued to Monsanto Company on or about September 27, 2006, with an effective date of January 1, 2007, and shall expire on December 31, 2011. LPDES permit LA0005266 requires the Respondent to comply with the effluent limitations and biomonitoring requirements for Outfalls 001, 002, 003, 004 and 005. Under the terms and conditions of LPDES permit LA0005266, the Respondent is authorized to discharge clarifier underflow from the intake clarification system, filter backwash, and stormwater runoff via Outfall 001 into the Mississippi River, treated process wastewaters, utility wastewater, softener regeneration water, and stormwater runoff from the plant process area (including internal outfalls 102, 202, 402, and 502) via Outfall 002 into the Mississippi River; stormwater runoff from undeveloped land areas via Outfalls 003 and 004 to George Cousin Canal, and to discharge stormwater runoff from underdeveloped areas via Outfall 005 into Eighty Arpent Canal, all waters of the state.

On July 30, 2007, representatives of the Respondent met with representatives of the Department to discuss emissions of nitrogen oxides (NOx) from the Disodium Imino Diacetate (DSIDA) Unit at the facility. The DSIDA Unit consists of eleven (11) nearly identical batch reactor trains that react diethanolamine and caustic in the presence of a catalyst to form DSIDA, with byproducts of hydrogen and water. Currently, each reactor train has a dedicated flare which is used to combust the waste hydrogen for safety considerations. The Respondent, however, would like to recover this waste hydrogen for onsite use as a boiler fuel. In order to properly design a hydrogen recovery system, the Respondent conducted vent system vapor sampling upstream of the flares. According to the test results received by the Respondent on or about June 29, 2007, ammonia and

other amine compounds were found in the stream going to the flares. Correspondence from the Respondent, received at the meeting on July 30, 2007, states that the Respondent believes, "that essentially all of the ammonia-based compounds are combusted to form water, carbon dioxide, and NOx. Since the presence of the ammonia-based compounds were [sic] previously unrecognized, we believe that they have resulted in NOx emission exceedances," for six (6) of the eleven (11) flares. The Respondent submitted correspondence dated July 31, 2007, August 2, 2007, and October 22, 2007, as requested by the Department to document the issue.

On or about August 13 and October 22, 2007, a review of the information provided by the Respondent 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 review:

> Title V Permit No. 2557-V1 permits the Respondent to emit a maximum of 2200 pounds of nitrogen oxides (NOx) per year per hydrogen flare. According to correspondence from the Respondent, dated July 30, 2007, and August 2, 2007, the Respondent has exceeded its annual NOx emission limit as shown in the table below. Each exceedance of the permitted annual NOx limit for EQT117, EQT118, EQT119, EQT120, EQT121, and/or EQT122 is a violation of Part 70 General Condition C of Title V Permit No. 2557-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

DSIDA Unit - Estimated NOx Emissions (lbs/yr)

	Year:	2003	2004	2005	2006	2007	2557-V1
ID NO.	Description	NOx Emissions (lb/yr)	NOx Emissions (lb/yr)	NOx Emissions (lb/yr)	NOx Emissions (lb/yr)	NOx Emissions (lb/yr)	Permit Limit (lb/yr)
EQT 117	25A-91 Hydrogen Flare No. 1	1,058	1,291	1,256	3,524	3,232	2,220
EQT 118	25B-91 Hydrogen Flare No. 2	1,058	1,291	1,256	3,524	3,258	2,220
EQT 119	25C-91 Hydrogen Flare No. 3	1,058	1,291	1,256	3,524	2,588	2,220
EQT 120	3-94 Hydrogen Flare No. 4	2,344	4,599	7,579	8,122	7,211	2,220
EQT 121	4-94 Hydrogen Flare No. 5	1,058	1,291	1,344	8,122	7,242	2,220
EQT 122	14-95 Hydrogen Flare No. 6	1,058	1,291	1,223	3,524	3,446	2,220

Note: 2007 NOx emissions are from January 1, 2007, through September 26, 2007

On or about August 23, 2007, the Department sent a series of questions via email to the Respondent for further clarification of deviations from its Title V reports. The Department received

the response to these questions, dated September 28, 2007, on or about October 1, 2007.

On or about October 10, 2007, a file review 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 review:

A. State Only Specific Condition 2 of Title V Permit No. 2574-V3 requires the average hourly pH of the scrubbing solution in Process Scrubber E (Emission Point 8-90) to be 7.0 or greater. According to the Title V Quarterly Deviation Report for the period encompassing January through March 2002, dated June 5, 2002, the average hourly pH of the scrubbing solution in Process Scrubber E fell below 7.0 during the period beginning at 1:00 p.m. on January 15, 2002, and extending until 7:00 a.m. on January 16, 2002. Each hour that the average hourly pH was below the permitted minimum is a violation of State Only Specific Condition 2 of Title V Permit No. 2574-V3, LAC 33:III.905.A, LAC 33:III.501.C.4, and La. R.S. 30: 2057(A)(2).

B. According to the Title V Quarterly Deviation Report for the period encompassing January through March 2002, dated June 5, 2002, the February 10, 2002, daily visual observation for the Conventional Tech II Scrubber (Emission Point 4-95) was not documented. This is a violation of Part 70 Specific Condition No. 3 of Title V Permit No. 2517-V4, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

C. State Only Specific Condition 2 of Title V Permit No. 2517-V5 requires the average hourly flow rate of the scrubbing solution in Tech II Oxidation Reactor Scrubber (Emission Point 5-95) to be 10 gallons per minute (gpm) or greater. According to the Title V Quarterly Deviation Report for the period encompassing January through March 2002, dated June 5, 2002, the average hourly flow rate of the scrubbing solution in Tech II Oxidation Reactor Scrubber fell below 10 gpm to 9.0 gpm for one (1) hour on March 9, 2002. According to correspondence from the Respondent, dated September 28, 2007, "this scrubber controls the emissions from a batch reaction that only generates emissions when oxygen is fed to the reactor. Therefore, the control system in place at that time automatically shut off the water to the scrubber when oxygen is shut off upon batch completion. During the incident, a reactor batch was terminated by the control system at an earlier point than normal, leading unit personnel to believe that the reaction had not been completed. Therefore, the reaction was re-initiated manually by adding oxygen to the reactor. In a normal, computer-controlled startup, water flow to the scrubber would be automatically started. However, since these actions were taken manually, the control system did not open the water valve." The correspondence further states that water flow was restored to the scrubber approximately 15 minutes after restarting the reaction. The failure to

maintain the required average hourly flow rate is a violation of State Only Specific Condition 2 of Title V Permit No. 2517-V5, LAC 33:III.905.A, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

D. The Respondent submitted a letter, dated May 17, 2002, and received by the Department on or about May 20, 2002, informing the Department of an emission limitation exceedance in its Acetaminophen Unit, which, at that time, was permitted to operate under Title V Permit No. 1922-V0. According to the letter, on May 14, 2002, approximately three (3) pounds of particulate matter was emitted from the Packaging Dust Collector (Emission Point 20-77). Title V Permit No. 1922-V0 permits Emission Point 20-77 to emit a maximum of 0.80 lbs/hr of particulate matter. The letter further states that, "An inspection of the dust collector following the incident revealed that two bags had fallen. We believe that the cause of the incident can be traced back to the previous week when we experienced pluggage in the dust collector hopper...We have concluded that while unplugging this product, the bag support clamps were loosened, thus ultimately caused [*sic*] the two bags to fall on May 14." This failure to properly maintain the dust collector is a violation of LAC 33:III.905.A, LAC 33:III.501.C.4, LAC 33:III.1305, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). Title V Permit No. 1922-V0 was rescinded on July 29, 2004.

E. State Only Specific Condition 8.d of Title V Permit No. 2533-V2 requires the average hourly flow rate of the scrubbing solution in HCl Tank No. 230 Scrubber (Emission Point 5-96) to be 1 gpm or greater. According to the Title V Quarterly Deviation Report for the period encompassing April through June 2002, dated July 31, 2002, the average hourly flow rate of the scrubbing solution in HCl Tank No. 230 Scrubber averaged about 0.05 gpm for one (1) hour on June 28, 2002, due to the flow controller being set at the wrong valve opening. This is a violation of State Only Specific Condition 8.d of Title V Permit No. 2533-V2, LAC 33:III.905.A, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

F. On or about November 27, 2002, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing July through September 2002, dated November 21, 2002. According to this report, the maximum chlorine emission limit of 4.7 pounds per hour for the ACL Chlorine Scrubber (Emission Point 1-72), as set forth in Title V Permit No. 2533-V2, was exceeded on August 2, 2002. This exceedance, 1.2 pounds above the permitted hourly maximum limit, occurred due to a small vent line from the chlorine pipeline to the ACL Chlorine Scrubber being left partially open. This is a violation of Part 70 General Condition C of Title V Permit No. 2533-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 2057(A)(2).

G. State Only Specific Condition 2 of Title V Permit No. 2574-V3 requires the average hourly flow rate of the scrubbing solution in Fume Scrubber C (Emission Point 1-88) to be 150 gpm or greater. According to the Title V

Quarterly Deviation Report encompassing July through September 2002, dated November 21, 2002, the average hourly flow rate of the scrubbing solution in Process Scrubber E fell below 150 gpm for one (1) hour on September 27, 2002, because a water valve had not been opened to the scrubber prior to startup. This is a violation of State Only Specific Condition 2 of Title V Permit No. 2574-V3, LAC 33:III.905.A, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

H. On or about March 14, 2003, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing October through December 2002, dated March 12, 2003. According to this report, a rupture disk within the Conventional Tech II facility burst on December 19, 2002. According to the response letter dated September 28, 2007, "the instrumentation...provided indication of the burst disk. However, unit personnel were unsure of the validity of the alarm, and therefore attempted to field-verify the disk status by touching the outlet piping (they believed that it would be hot). However, as the gas passing through the disk was not hot, this was an unreliable means to access rupture disk status." The response letter also states that, "The rupture disk activated at 10:03 AM on 12/19/02, and operations were terminated at 10:43 AM on 12/26/02. During this period, a total of 170 batches were completed." The failure to properly identify and correct the burst rupture disk is a violation of State Only Specific Condition No. 1 of Title V Permit No. 2517-V5, LAC 33:III.501.C.4, LAC 33:III.905.A, LAC 33:III.5109.A, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

I. On or about December 15, 2003, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing July through September 2003, dated December 9, 2003. According to this report, a rupture disk within the Conventional Tech III facility burst on September 11, 2003, and that, "approximately 28 hours had lapsed prior to discovery." According to the response letter dated September 28, 2007, "The instrumentation in place at the time of the incident consisted of a burst alert that was integrated into the rupture disk itself. However, this sensor was unreliable, yielding a number of false alarms after it was put in operation. Therefore, the alarm was disabled and did not provide an alert of a possible burst disk." The failure to properly identify and correct the burst rupture disk is a violation of State Only Specific Condition No. 1 of Title V Permit No. 2517-V5, LAC 33:III.501.C.4, LAC 33:III.905.A, LAC 33:III.5109.A, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

J. On or about December 15, 2003, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing July through September 2003, dated December 9, 2003. According to this report, the average hourly flow rate of the scrubbing solution in Process Scrubber I (Emission Point 20-95) fell below 360 gpm for two (2) hours on September 15, 2003, during a unit shutdown. State Only Specific Condition 2 of Title V Permit No. 2574-V3 requires the average hourly flow rate of the scrubbing

solution in Process Scrubber I to be 360 gpm or greater. The report further states that, "Although the unit was shutdown during this time, emissions from the unit's formalin storage tanks were being routed to the scrubber. We estimate that during the incident, approximately 2.40 lbs of formaldehyde were vented from the scrubber; the corresponding emission limit is 0.70 lbs/hr." According to the response letter dated September 28, 2007, "the loss in flow occurred because the motor contactors for both the main scrubber pump and the standby pump were located in the same motor control center. Thus, when the motor control center was deenergized for the preventative maintenance activity, neither of the pumps could be operated." The failure to maintain flow to the scrubber is a violation of LAC 33:III.905.A which states, "When facilities have been installed on a property, they shall be used and diligently maintained in proper working order whenever any emissions are being made which can be controlled by the facilities, even though the ambient air quality standards in affected areas are not exceeded." Control equipment as defined by LAC 33:III.111 is "any device or contrivance, operating procedure or abatement scheme used to prevent or reduce air pollution." This is also a violation of State Only Specific Condition No. 2 of Title V Permit No. 2574-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The excess formaldehyde emission is a violation of Part 70 General Condition C of Title V Permit No. 2574-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

K. According to a letter from the Respondent dated July 8, 2004, and received by the Department on or about July 9, 2004, a rupture disk burst in the vent line from the Reactor Vent Tank (Tank No. 1-220) to the Tech II Oxidation Reactor Scrubber at approximately 1:48 a.m. on June 29, 2004. The rupture disk was not replaced until June 30, 2004. According to the letter, the Respondent's corrective actions were not implemented in the manner described in its startup, shutdown, and malfunction plan. Specifically, the Respondent initiated a new reactor batch before replacing the rupture disk. This is a violation of 40 CFR 63.6(e) which language has been adopted as a Louisiana regulation in LAC 33:III.5122. This is also a violation of Part 70 Specific Condition No. 1 of Title V Permit No. 2517-V5, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

L. On or about March 15, 2004, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing October through December 2003, dated March 10, 2004. According to this report, on October 1, 2003, the flow rate to Nos. 3 & 4 Deepwell Equalization Tank Vent Scrubber (Emission Point 7-89), Nos. 3 & 4 Deepwell Filter Feed Tank Vent Scrubber (Emission Point 8-89), and Nos. 3 & 4 Deepwell Backwash Tanks Vent Scrubber (Emission Point 10-89) fell below permit limits as shown in the table below:

Emission Point	Number of Minutes below 2.4 gpm during the hour of...	
	10:00 AM - 11:00 AM	11:00 AM 12:00 Noon
7-89	11	17
8-89	16	4
10-89	16	9

State Only Specific Condition No. 2 of Title V Permit No. 2567-V2 requires that flow to each of the three affected scrubbers be maintained at a minimum of 2.4 gpm with no more than 6 minutes per hour allowed below this value. For each scrubber, it is a violation of State Only Specific Condition No. 2 of Title V Permit No. 2567-V2 for each hour that the scrubber did not operate according to the permit. It is also a violation of LAC 33:III.905.A, LAC 33:III.501.C.4, and La. R.S. 2057(A)(2).

M. Intentionally left blank.

N. On or about March 15, 2004, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing October through December 2003, dated March 10, 2004. According to this report, a rupture disk within the Conventional Tech II facility burst on or about November 23, 2003, and was not discovered until approximately 29 hours later. This rupture disk, which is located in the vapor system leading to the Tech II Oxidation Reactor Scrubber, is designed to protect equipment associated with the unit's reactor. The presence of a burst rupture disk is detected through the use of a flow switch installed on the vent line. At the time of the incident, the system's instrumentation was designed to stop the operation should the flow switch activate only during a specific step in the batch reaction process. According to the response letter dated September 28, 2007, the Respondent's, "initial engineering analysis indicated that substantial flow through the vent would only occur during the reaction step of the process since this is the key point when emissions are generated. Therefore, there did not seem to be a need to provide the functionality of terminating the process during other steps of the batch process." During this incident, however, the flow switch activated during a different step in the process and, thus, the operation was not failed. The failure to properly use installed control equipment is a violation of LAC 33:III.905.A, LAC 33:III.5109.A, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

O. On or about September 14, 2004, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing April through June 2004, dated September 3, 2004. According to this report, there were two (2) incidents of excess methyl chloride emissions from Process Scrubber M (Emission Point 20-98) during the aforementioned period. Process Scrubber M is permitted to emit a maximum of 0.4 pounds per hour of methyl chloride as set forth in Title V Permit No. 2574-V3. On May 17, 2004, at or about 12:03 p.m., a rupture disk within the Facility's GI unit burst causing an emission of approximately 10.1 lbs of methyl chloride. Then, on May 18, 2004, at or about 7:44 a.m., the same rupture disk burst again

resulting in a release of approximately 4.7 lbs of methyl chloride. Prior to these two (2) incidents, on May 17, 2004, some piping in one of the reactor's vent system was replaced for maintenance purposes. According to the report dated September 3, 2004, it was "determined that the burst disks were the result of a minor piping misalignment when they were installed." Each incident is a violation of Part 70 General Condition C of Title V Permit No. 2574-V3, LAC 33:III.501.C.4, LAC 33:III.905.A, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

P. On or about November 18, 2004, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing July through September 2004, dated November 16, 2004. According to this report, on September 13, 2004, carbon monoxide (CO) emissions from Boiler 7 (Emission Point 17-97) exceeded the maximum emission limit of 33.75 pounds per hour, as set forth in Title V Permit No. 2567-V2 during the hours beginning at 12:00 midnight, 1:00 a.m., and 4:00 a.m. The CO emissions during these hours were 33.97, 35.73, and 33.99 pounds, respectively. Each exceedance of the permitted hourly maximum carbon monoxide emission limit for Emission Point 17-97 is a violation of Title V Permit No. 2557-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

Q. On or about February 28, 2005, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing October through December 2004, dated February 21, 2005. According to this report, on October 12, 2004, the cooling water temperature rose to 112° F for the period between 9:00 p.m. and 10:00 p.m. State Only Specific Condition No. 2 of Title V Permit No. 2517-V5 requires that the hourly average inlet temperature of the reactor condenser cooling water be maintained at or below 110° F. According to the report, "This slight deviation occurred because the fans had been turned off during a short-term process shutdown to perform a maintenance activity, and were not returned to service until after the unit had resumed operation." To try to prevent a recurrence, the Respondent made a change in the Unit's instrumentation in an attempt to automatically start the cooling tower fans when the cooling water temperature approaches the permit limit. On December 11, 2004, the hourly average inlet temperature of the reactor condenser cooling water rose to 111° F for the period between 9:00 p.m. and 11:00 p.m. According to the report, "it was determined that the instrumentation change noted above had been implemented on one of the three cooling tower fans." Each failure to operate within the permitted operating range is a violation of State Only Specific Condition No. 2 of Title V Permit No. 2517-V5, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

R. The State Only Specific Condition of Title V Permit No. 2596-V1 requires that flow to the Hydrolysis Scrubber be maintained at a minimum of 8,160 gallons per hour with no more than 6 minutes per hour allowed below this value. On or about July 3, 2005, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing January

through March 2005, dated June 6, 2005. According to this report, on January 25, 2005, the flow to the Hydrolysis Scrubber was lost for two hours while a preventative maintenance inspection was performed on the utility substation to which it was "unknowingly connected." The report further states that, "This scrubber controls HCl [hydrochloric acid] emissions generated during...hydrolysis operation of the [PCl_3] unit's reactors. When the loss of flow occurred, a hydrolysis was underway, but it was in its final stages when HCl emissions are minimal." The failure to operate the Hydrolysis Scrubber while emissions were being generated that it could control is a violation of the State Only Specific Condition of Title V Permit No. 2596-V1, LAC 33:III.905.A, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

S. On or about June 10, 2005, the Department received a report from the Respondent, dated June 6, 2005, of a potential excess emission incident at the facility's DSIDA Unit. According to this report, "On March 9, 2005 while the unit was shut down, reactor material (from one of the unit's other reactors) was transferred to the catch tank associated with reactor number 8 for temporary storage. Shortly thereafter, it was noticed that reactor number 8 still had pressure in it, so the reactor was vented to reduce this pressure. In doing so, however, some of the material that was temporarily placed in the catch tank was entrained with the vapor, and was vented out hydrogen flare number 8" (Emission Point 34-96). According to Title V Permit No. 2557-V0, Emission Point 34-96 is permitted to emit a maximum of 0.01 lb/hr of volatile organic compounds (VOCs). During this event, 32 pounds of DSIDA were released. This release is a violation of Part 70 General Condition C of Title V Permit No. 2557-V0, LAC 33:III.905.A, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2). General Condition XI of Title V Permit No. 2557-V0 requires that a written report be submitted, within five (5) days, if the permittee does not comply with any emission limitations specified in that permit. The report for this incident was not submitted within five (5) days. This is a violation of General Condition XI of Title V Permit No. 2557-V0, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

T. State Only Specific Condition No. 2 of Title V Permit No. 2574-V3 requires the hourly average flow rate of the scrubbing solution in Fume Scrubber B (Emission Point 41-77) to be 170 gpm or greater. The scrubber circulation flow is maintained by two pumps, only one of which is running at a time. On or about September 30, 2005, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing April through June 2005, dated September 23, 2005. According to this report, the flow of the scrubbing solution in Fume Scrubber B was terminated on April 7, 2005, at about 10:30 a.m. At the time of the incident, preventative maintenance was being performed on an electrical substation in the unit; this preventative maintenance involved de-energizing the sub-station. The report further states

that, "Prior to conducting these activities, it was believed that neither of the scrubber circulation pump motors were [*sic*] connected to this sub-station. However, the motor in operation at that time was in fact connected to the sub-station, thus terminating circulation flow to the scrubber when the sub-station was de-energized." The scrubber circulation flow was restored at approximately 1:15 p.m. During this incident, the emission rate of hydrochloric acid from Fume Scrubber B was about 0.28 pounds per hour versus the permit limit of 0.10 pounds per hour set forth in Title V Permit No. 2574-V3. The excess emissions of hydrochloric acid are a violation of Part 70 General Condition C of Title V Permit No. 2574-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). Each failure to use Fume Scrubber B is a violation of LAC 33:III.905.A. This is also a violation of State Only Specific Condition No. 2 of Title V Permit No. 2574-V3, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

U. On or about September 30, 2005, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing April through June 2005, dated September 23, 2005. According to this report, on May 19, 2005, the Respondent conducted four (4) tests runs of Fume Scrubber A (Emission Point 1-74). The emissions of methyl chloride and hydrochloric acid measured during these test runs are shown in the following table:

	Test Run Emissions (lb/hr)				Max Permitted Emission Rate (lb/hr)
	1	2	3	4	
Methyl Chloride	n/a	0.58	0.75	0.48	0.44
Hydrochloric Acid	0.37	0.41	0.77	0.75	0.10

Each exceedance of a permitted methyl chloride or hydrochloric acid limit for Fume Scrubber A is a violation of Part 70 General Condition C of Title V Permit No. 2574-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

V. The Respondent submitted a letter, dated October 12, 2006, and received by the Department on or about October 23, 2006, informing the Department of a deviation from their SSMP. Specifically, "On October 9, 2006 one of the GI units was being shutdown for maintenance activities. Monsanto's startup, shutdown, and malfunction plan, as required by the permit [Title V Permit No. 2574-V3], states that 'the oxidizers will be maintained at normal operating conditions...until all batches are processed past the centrifuge step.' Following the completion of all reaction and crystallization steps, fuel gas to the thermal oxidizer was terminated at 3:18 AM on this date, thus causing the temperature to drop below the required operating conditions. However, centrifuge operations continued until 7:03 AM on October 9." This is a violation of State Only Specific Condition 3.G of Title V Permit No.

2574-V3, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and La. R.S. 30:2057(A)(2).

W. On or about September 25, 2007, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing April through June 2007, dated September 18, 2007. According to this report, the weekly scrubbing solution concentration monitoring required by State Only Specific Requirement No. 72 of Title V Permit No. 2596-V2 was not performed during the week beginning April 29, 2007. This is a violation of State Only Specific Requirement No. 72 of Title V Permit No. 2596-V2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

X. On or about September 25, 2007, the Department received the Respondent's Title V Quarterly Deviation Report for the period encompassing April through June 2007, dated September 18, 2007. According to this report, on March 13, 2007, a connector in vapor or light liquid service was opened for maintenance purposes, and was subsequently returned to VOTAP (defined by the Louisiana MACT Determination For Non-HON Equipment Leaks as any Class I, Class II, or Class III volatile organic air pollutant in Table 51.1 of LAC 33:III.51 Subchapter A) service that same day. This connector was monitored for leaks on June 18, 2007, or ninety-seven (97) days after having been opened. According to Specific Requirement No. 67 of Title V Permit No. 2574-V3, each connector that has been opened or has otherwise had the seal broken shall be monitored for leaks within the first 90 days after being returned to VOTAP service. This is a violation of Specific Requirement No. 67 of Title V Permit No. 2574-V3, LAC 33:III.5109.A, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

Y. The Respondent submitted a letter, dated October 17, 2007, and received by the Department on or about October 26, 2007, informing the Department of a deviation from their SSMP. Specifically, "On October 12, 2007 one of the GI units was being shutdown for maintenance activities. Monsanto's startup, shutdown, and malfunction plan, as required by the permit [Title V Permit No. 2574-V3], states that "the oxidizers will be maintained at normal operating conditions...until all batches are processed past the centrifuge step." Following the completion of the reaction step, the thermal oxidizer was shut down at about 2:40 AM. According to the letter, the reacted material was then neutralized and crystallized, both of which occur before the centrifuge step is finished. This is a violation of State Only Specific Requirement No. 167 of Title V Permit No. 2574-V4, LAC 33:III.501.C.4, and La. R.S. 30: 2057(A)(2).

An inspection conducted by the Department on or about June 28, 2007, revealed the Respondent failed to conduct its monitoring according to approved test procedures. Specifically, laboratory deficiencies were observed during the course of the inspection for the following areas:

A. The laboratory failed to document all final weights for the filter and planchet when analyzing TSS following the second drying cycle to determine the final weight loss of the sample residue. Standard Method 2540-D requires "repeated cycles of drying, cooling, desiccating, and weighing until a constant weight is obtained or until the weight changed is <4% of the previous weight or 0.5 mg, whichever is less"

B. Biochemical Oxygen Demand (BOD) dilution blanks routinely exceeded the 0.2 mg/L Dissolved Oxygen (D.O.) uptake limit.

C. The initial D.O. readings for the BOD sample dilutions exceed 10.0 mg/L, which is indicative that the samples were not at the required temperature of 20°C.

D. The BOD Seed Control dilutions routinely did not conform to the required criteria of 0.6-1.0 mg/L, with a D.O. uptake of 40-70%, and

E. The pH of the BOD samples were not documented on the bench sheets to confirm the pH was in the acceptable range of 6.5-7.5 units. The laboratory Standard Operating Procedures stated that the acceptable pH range was 6.0-8.5, which is incorrect. Standard Methods 5210 B requires a sample pH of 6.5-7.5.

The Respondent's failure to follow approved laboratory methods constitutes a violation of LPDES permit LA0005266 (Part III, Sections A.2, and C.5.a), La. R.S. 30:2076 (A) (3), LAC 33:IX.501.A, LAC 33:IX.2701.A, and LAC 33:IX.2701.J.4.

2) **Enforcement No. MM-CN-08-0005A**

On June 25, 2009, the Department issued to Respondent an Amended Consolidated Compliance Order and Notice of Potential Penalty (CO/NOPP), Enforcement No. MM-CN-08-0005A, amending the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. MM-CN-08-0005, as follows:

- The Department amended Paragraph IV of the Findings of Fact portion of CONOPP, Enforcement Tracking No. MM-CN-08-0005 to remove paragraph IV.M.
- The Department removed Paragraph VI of the Findings of Fact portion of CONOPP, Enforcement Tracking No. MM-CN-08-0005.
- The Department removed Paragraph III of the Order portion of CONOPP, Enforcement Tracking No. MM-CN-08-0005.
- The Department incorporated all of the remainder of the original Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. MM-CN-08-0005 and Agency Interest No. 1096.

III

In response to the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. MM-CN-08-0005, Respondent made a timely request for a hearing.

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties, but agrees to this Settlement. Respondent immediately resolved all issues noted in this Settlement other than the NOx emission issues noted on page 3, which were resolved before the CO/NOPP was issued, and promptly and timely reported the issues to the Department.

V

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 AND NO/100 DOLLARS ($18,000.00), of which Five Thousand Two Hundred Thirty-Seven and 42/100 Dollars ($5,237.42) 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).

VI

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Orders and Notices 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.

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.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Charles 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.

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 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.

MONSANTO COMPANY

BY: _____
(Signature)

_____
(Print)

TITLE: _____

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

_____
NOTARY PUBLIC (ID #_____)

_____
(Print)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: _____
Paul D. Miller, P.E., 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 # _____)

_____
(Print)

Approved: _____
Paul D. Miller, P.E., Assistant Secretary