

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

THE PROCTER & GAMBLE
MANUFACTURING COMPANY

AI # 872

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

* Settlement Tracking No.
* SA-AE-05-0037
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* Enforcement Tracking No.
* AE-PP-04-0220
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SETTLEMENT

The following Settlement is hereby agreed to between The Procter & Gamble Manufacturing Company ("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 and/or operates a manufacturing plant facility located at 3701 Monroe Highway in Pineville, Rapides Parish, Louisiana ("the Facility").

II

On September 30, 2004, the Department issued a Notice of Potential Penalty, Enforcement No. AE-PP-04-0220, to Respondent. By letter dated November 4, 2004, Respondent replied to the Notice of Potential Penalty and corrected factual inaccuracies relating to the dates of the alleged deviation. The findings of fact of the Notice of Potential Penalty, as corrected by Respondent's November 4, 2004 reply, are as follows:

On or about April 12, 2004, a file review of the Alexandria, Louisiana Plant, owned and/or operated by The Procter and Gamble Manufacturing Company (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at 3701 Monroe Highway in Pineville, Rapides Parish, Louisiana.

The following violations were noted during the course of the review:

- A. On or about March 28, 2001, the Department received the Respondent's annual compliance report detailing permit deviations for the 2000 calendar year. According to the information submitted by the Respondent, on or about November 20, 21, and 22, 2000, thirty-nine Baghouse Filter emission points (80-03, 4, 5, 8, 11, 12, 13, 14, 15, 20, 25, 51; 88-16, 17; 89-61, 62; 90-63, 64, 65, 66, 67, 68, 69; 92-72, 73, 74; 93-81, 82, 83, 84, 85, 86, 87, 88; 98-98, 99, 100, 105; and 99-107) were not monitored for a pressure drop across the element and were not visually checked for emissions. Each missed monitoring event is a violation of Part 70 Specific Condition Number 1 of Air Permit Number 2360-00051-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- B. On or about March 28, 2001, the Department received the Respondent's annual compliance report detailing permit deviations for the 2000 calendar year. According to the information submitted by the Respondent, on or about November 20, 21, and 22, 2000, the Process Heater No. 2, Emission Point No. 80-24, flow rate and voltage were not checked and recorded. Each failure to check and record the flow rate and voltage is a violation of Part 70 Specific Condition Number 3 of Air Permit Number 2360-00051-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- C. On or about March 28, 2001, the Department received the Respondent's annual compliance report detailing permit deviations for the 2000 calendar year. According to the information submitted by the Respondent, the pressures on the water supply lines to Rotoclones Nos. 1, 2, and 4, Emission Points 80-22, 88-27, and 96-96, were not recorded on or about November 20, 21, and 22, 2000. Each failure to record the pressure is a violation of Part 70 Specific Condition Number

4 of Air Permit Number 2360-00051-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

- D. On or about March 28, 2001, the Department received the Respondent's annual compliance report detailing permit deviations for the 2000 calendar year. According to the information submitted by the Respondent, the Process Heater No. 2 Stack, Emission Point No. 80-24, was not visually checked for opacity on or about November 27, 2000. This is a violation of Part 70 Specific Condition Number 5 of Air Permit Number 2360-00051-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- E. On or about March 15, 2002, the Department received the Respondent's annual compliance report detailing permit deviations for the 2001 calendar year. According to the information submitted by the Respondent, the Process Heater No. 2, Emission Point No. 80-24, was allowed to operate below 40 kilovolts for more than 30 consecutive minutes on or about November 29 and December 13, 2001. Each failure to operate the heater above the required 40 kilovolts is a violation of Part 70 Specific Condition Number 3 of Air Permit Number 2360-00051-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- F. On or about March 15, 2002, the Department received the Respondent's annual compliance report detailing permit deviations for the 2001 calendar year. According to the information submitted by the Respondent, eleven Baghouse Filter emission sources (80-42, 43, 44, 45, 47, 48, 52, 53; 89-59; 93-92; 95-94) were not visually inspected nor were the differential pressures recorded on or about August 23, 2001. Each failure to inspect and record the differential pressure is a violation of Part 70 Specific Condition Number 1 of Air Permit Number 2360-00051-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- G. On or about March 1, 2003, the Department received the Respondent's annual compliance report detailing permit deviations for the 2002 calendar year. According to the information submitted by the Respondent, on or about January 2, 2002, and June 4, 2002, thirty-nine Baghouse Filter emission points (80-03, 4, 5, 8, 11, 12, 13, 14, 15, 20, 25, 51; 88-16, 17; 89-61, 62; 90-63, 64, 65, 66, 67, 68, 69; 92-72, 73, 74; 93-81, 82, 83, 84, 85, 86, 87, 88; 98-98, 99, 100, 105; and 99-107) were not monitored for a pressure drop across the element and were not visually checked for emissions. Each missed monitoring event is a

violation of Specific Condition Number 1 of Air Permit Number 2360-00051-V2, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

- H. On or about March 1, 2003, the Department received the Respondent's annual compliance report detailing permit deviations for the 2002 calendar year. According to the information submitted by the Respondent, on or about January 2, 2002, and June 4, 2002, the Process Heater No. 2, Emission Point No. 80-24, flow rate and voltage were not checked and recorded. Each failure to record the flow rate and voltage is a violation of Part 70 Specific Condition Number 3 of Air Permit Number 2360-00051-V2, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- I. On or about March 1, 2003, the Department received the Respondent's annual compliance report detailing permit deviations for the 2002 calendar year. According to the information submitted by the Respondent, the pressures on the water supply lines to Rotoclones No. 1, 2, and 4, Emission Points 80-22, 88-27, and 96-96, were not recorded on or about January 2, 2002 and June 4, 2002. Each failure to record the pressure is a violation of Part 70 Specific Condition Number 4 of Air Permit Number 2360-00051-V2, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- J. On or about March 1, 2003, the Department received the Respondent's annual compliance report detailing permit deviations for the 2002 calendar year. According to the information submitted by the Respondent, eleven Baghouse Filter emission sources (80-42, 43, 44, 45, 47, 48, 52, 53; 89-59; 93-92; 95-94) were not visually inspected nor were the differential pressures recorded on or about October 4, 2002. Each failure to inspect and record the differential pressure is a violation of Part 70 Specific Condition Number 1 of Air Permit Number 2360-00051-V1, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.
- K. On or about March 30, 2004, the Department received the Respondent's annual compliance report detailing permit deviations for the 2003 calendar year. According to the information submitted by the Respondent, on or about June 6, 2003, a Baghouse Filter, Emission Point 93-85, had a pressure drop that exceeded eight inches of water column for more than sixty consecutive minutes. This is a violation of Part 70 Specific Condition Number 1 of Air Permit Number 2360-00051-V2, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

III

Respondent neither admits nor 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 SIX THOUSAND AND NO/100 DOLLARS (\$6,000.00) of which Nine Hundred Thirty-seven and 28/100 Dollars (\$937.28) represents DEQ'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 DEQ 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 Notice of Potential Penalty and this Settlement for the sole 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 LSA- 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 Rapides Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this Agreement 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.

IX

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).

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

THE PROCTER & GAMBLE
MANUFACTURING COMPANY

BY: *Grace P. Allen*
(Signature)

Grace P. Allen
(Print)

TITLE: Plant Manager

THIS DONE AND SIGNED in duplicate original before me this 7th day of October, 20 05, at Alexandria, LA.

Rita B. Lemoine
Notary Public ID # 044399
State of Louisiana
Rapides Parish

Rita B. Lemoine
NOTARY PUBLIC (ID # _____)

Rita B. Lemoine
(Print)

STATE OF LOUISIANA
Mike D. McDaniel, Ph.D., Secretary
Department of Environmental Quality

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

THIS DONE AND SIGNED in duplicate original before me this 13th day of February, 20 06, at Baton Rouge, Louisiana.

Phil R. Byles
NOTARY PUBLIC (ID # 20756)

Phil R. Byles
(Print)

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