STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-10-0039**
STERLING SUGARS, INC.	*	
	*	**Enforcement Tracking No.**
AI # 1304	*	**AE-CN-09-0279**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Sterling Sugars, Inc. ("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 that owns and/or operates a sugar cane grinding and sugar and molasses production facility located in Franklin, St. Mary Parish, Louisiana ("the Facility").

II

On September 24, 2009, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-09-0279, which was based upon the following findings of fact:

The Respondent owns and/or operates Sterling Factory (the facility), a sugar cane grinding and sugar and molasses production facility located at 609 Irish Bend Road in Franklin, St. Mary Parish, Louisiana. The facility currently operates under Title V Permit No. 2660-00001-V2, issued on or about July 31, 2006.

The Respondent submitted correspondence to the Department dated February 4, 2009, requesting a modification of Title V Permit No. 2660-00004-V2 to incorporate the results of the November 25, 2008 stack tests of Boiler No. 7 and modify the Nitrogen Oxides (NO_x) emission limit to the measured stack test value. The Respondent's consultant submitted correspondence dated August 10, 2009 restating the request to modify the Boiler No. 7 NO_x emission limit and notifying the Department that the other six permitted boilers no longer have natural gas burners. The Respondent's consultant submitted correspondence dated August 13, 2009, requesting interim authorization to emit NO_x at 63.38 pounds per hour (lbs/hr) (maximum) until the time a modified permit is issued.

On or about August 31, 2009, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violation was noted during the course of the file review:

> Stack tests were performed on or about November 25, 2008 on the facility's Boiler No. 7 (EQT012). Test results indicated NO_x was being emitted at 51.76 lb/hr which exceeded the permit limit of 48.57 lb/hr maximum. Exceeding the NO_x limitation is a violation of Title V Permit No. 2660-00004-V2, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

On or about March 30, 2010, a file review of the Facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. Although not included in the foregoing enforcement action, the violations listed below were identified during the file review and are included within the scope of the settlement herein. These violations have not been cited in any previous enforcement action.

In correspondence dated February 4, 2009, the Respondent submitted a minor permit modification to incorporate the results of the stack test conducted on or about November 25, 2008, a period of fifty (54) days following the Respondent's receipt of the test result on or about

December 12, 2007. The failure to request a permit modification within forty-five (45) days of receiving test results that demonstrate that the permit limit is inadequate is a violation of LAC 33:III.523.A, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(1) and La. R.S. 30:2057(A)(2).

The Respondent submitted the Facility's 2008 Annual Compliance Certification for the period encompassing January 1, 2008 through December 31, 2008 by the required March 31, 2009 due date. However, the exceedance(s) of Nitrous Oxide (NOx) for Boiler No. 7 (EQT012) was not included in the annual certification form. The failure to submit a complete and accurate Annual Compliance Certification form is a violation of LAC 33:III.507.H.5, LAC 33:III.501.C.4, and La. R.S. 30:2057 (A)(2)

The Respondent submitted the Facility's 2008 Semi-annual Monitoring Report for the period encompassing July 1, 2008 through December 31, 2008 by the required March 31, 2009 due date. However, the exceedance(s) of Nitrous Oxide (NOx) for Boiler No. 7 (EQT012) was not included in the Semi-annual Monitoring Report. The failure to submit a complete and accurate Semi-annual Monitoring Report is a violation of LAC 33:III.507.H.5, LAC 33:III.501.C.4, and La. R.S. 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 ONE THOUSAND TWO HUNDRED FIFTY AND NO/100 DOLLARS ($1,250.00), of which Four Hundred Twenty-Four and 06/100 Dollars ($424.06) 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 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 St. Mary 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.

STERLING SUGARS, INC.

BY: _____
(Signature)

_____
(Print)

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
Peggy M. Hatch, Secretary

BY: _____
Cheryl Sonnier Nolan, 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: _____
Cheryl Sonnier Nolan, Assistant Secretary