

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

ST. MARY SUGAR COOPERATIVE, INC.

AI # 1298

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

* Settlement Tracking No.
* SA-AE-13-0050
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* Enforcement Tracking No.
* AE-PP-10-01201
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SETTLEMENT

The following Settlement is hereby agreed to between St. Mary Sugar Cooperative, 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 cooperative association that owns and/or operates a facility located in Sorrel, St. Mary Parish, Louisiana (“the Facility”).

II

On October 4, 2012, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. AE-PP-10-01201, which was based upon the following findings of fact:

On or about August 29, 2012, a file review of **JEANERETTE SUGAR MILL** (the Facility), owned and/or operated by **ST. MARY SUGAR COOPERATIVE, INC. (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 20056 Louisiana Highway 182 West in Sorrel, St. Mary Parish, Louisiana. The following table lists the permit history of the

facility. The current permit is in bold:

Title V Permit	Issue Date
2660-00069-V0	7/13/1998
2660-00069-V1	7/1/2003
2660-00069-V2	8/8/2008
2660-00069-V3	9/30/2010
2660-00069-V4	8/25/2011
2660-00069-V4AA	11/17/2011

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

- A. A survey of the facility's records during an air inspection conducted on or about December 6, 2002 revealed that 48.6 million cubic feet (MMCF) of natural gas was consumed during the 2001 grinding season. Title V Permit No. 2660-00069-V0 limited the facility to 45.0 MMCF of natural gas as fuel. The excess consumption of natural gas is a violation of the Part 70 Specific Condition 2 of Title V Permit No. 2660-00069-V0, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2). Title V Permit No. 2660-00069-V1 increased the permit limit of natural gas consumption to 100 MMCF per year.
- B. The facility failed to submit the fuel consumption report for the 2007 grinding season by the required February 15, 2008 due date. The report, dated March 20, 2008, was received by the Department on or about April 2, 2008. The failure to timely submit the fuel consumption report is a violation of Specific Requirement 4 of Title V Permit No. 2660-00069-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- C. In correspondence dated March 20, 2008, the facility reported that 365,950 tons of bagasse was consumed as fuel during the 2007 grinding season. Title V Permit No. 2660-00069-V1 limited the facility to 320,000 tons of bagasse as fuel. The excess consumption of bagasse is a violation of the Facility Specific Requirement list of Title V Permit No. 2660-00069-V1, LAC 33:III.501.C.4, La. R.S. 30:2057(A)(1), and 30:2057(A)(2). Title V Permit No. 2660-00069-V2 increased the permit limit of bagasse consumption to 427,960 tons per year.
- D. In correspondence dated March 25, 2008, the Respondent submitted the facility's 2007 Annual Compliance Certification encompassing the period from January 1, 2007 through December 31, 2007. The Certification stated that no deviations had occurred during the reporting period. The Certification failed to state that the facility had exceeded the permit limit for bagasse consumption during the 2007 grinding season. The Respondent submitted an amended 2007 Annual Compliance Certification dated September 12, 2012 reflecting this deviation. In correspondence dated March 25, 2008, the Respondent submitted

the facility's 2007 Second Semiannual Monitoring Report encompassing the period from July 1, 2007 through December 31, 2007. The Report failed to state that the facility had exceeded the permit limit for bagasse consumption during the 2007 grinding season. The Respondent submitted an amended 2007 Second Semiannual Monitoring Report dated September 12, 2012 reflecting this violation. The failure to submit an accurate and complete Annual Compliance Certification is a violation of General Condition M of Title V Permit No. 2660-00069-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2). The failure to submit an accurate and complete Semiannual Monitoring Report is a violation of General Condition K of Title V Permit No. 2660-00069-V1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

- E. In correspondence dated January 13, 2011, the Respondent reported the results of stack testing conducted on or about November 29, 2010 for Boiler 6 (EQT006). The test results indicated that the NO_x emissions were 76.02 lb/hr. Title V Permit No. 2660-00069-V3 limits Boiler 6 emission limits for NO_x to 54.55 lb/hr, maximum. The failure to demonstrate compliance with the limits of the permit for emission of NO_x is a violation of Title V Permit No. 2660-00069-V3, LAC 33:III.501.C.4 La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Title V Permit No. 2660-00069-V4AA increased the average emission limit of NO_x to 99.55 lb/hr.

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 THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00), of which Six Hundred Eighty-Seven and 97/100 Dollars (\$687.97) 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 permit record(s), the 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

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.

ST. MARY SUGAR COOPERATIVE, INC.

BY: David Thibodeaux
(Signature)

DAVID THIBODEAUX
(Printed)

TITLE: GENERAL MANAGER

THUS DONE AND SIGNED in duplicate original before me this 13th day of November, 20 13, at St. Mary Parish, LA.

Rachel R. Ecuier
NOTARY PUBLIC (ID # 68798)
Rachel R. Ecuier

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch, Secretary

BY: CShl
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 31st day of Jan, 20 14, at Baton Rouge, Louisiana.

Perry Theriot
NOTARY PUBLIC (ID # 19187)

Perry Theriot
(stamped or printed)

Approved: CShl
Cheryl Sonnier Nolan, Assistant Secretary