STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	
	*	
MEADWESTVACO SOUTH CAROLINA, LLC	*	**Enforcement Tracking No.**
AI# 1514	*	**AE-CN-03-0367**
	*	
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between MeadWestvaco South Carolina, LLC ("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 who operates a gum and wood chemicals facility known as the DeRidder Facility located at or near 400 Crosby Road in DeRidder, Beauregard Parish, Louisiana.

II

On July 19, 2004, the Department issued a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-03-0367 to Respondent, which was based upon the following findings of fact:

The facility operated under Air Permit No. 0320-00003-12 issued on November 2, 2000, until issuance of Air Permit No. 0320-00003-V0 on July 3, 2002, under which the facility currently operates. Air Permit No. 0320-00003-V0 was administratively amended on April 30, 2003.

On or about June 24, 2003, through June 25, 2003, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. In response to the inspection, the Respondent submitted a letter dated September 2, 2003. The Department sent a Warning Letter dated December 2, 2003, to the Respondent. The Respondent sent a letter dated December 11, 2003, in response to the Warning Letter. The Respondent's responses were taken into consideration.

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

A. The Department received a letter dated December 28, 2000, as a written follow-up to the verbal notification of a control device bypass, indicating a release of approximately 34.8 pounds of hydrocarbons and 1.2 pounds of total toxic air pollutants (0.43 pounds of formaldehyde, 0.33 pounds of xylene, 0.19 pounds of naphthalene, 0.15 pounds of toluene, and less than 0.10 pounds of styrene and ethylbenzene). According to the Respondent's report, the bypass was discovered at approximately 7:30 a.m. on December 22, 2000, when a mistake on the batch sheet instructions of a particular rosin-hydrocarbon hybrid resin product was noticed and investigated. The Respondent noted that on the recently revised batch sheet for this particular product, operators were instructed on one short step of the batch, to vent the process to a wet scrubber system (Emission Point 1-87) instead of to the correct control device, the hydrocarbon flare (Emission Point 1-94). The wet scrubber system is used to control emissions from the Hard Resin process, not the rosin-hydrocarbon hybrid resins process. According to the Respondent, during the recent conversion of this product's batch sheet into a newer word processing format, an earlier uncorrected draft was inadvertently used, resulting in a revised batch sheet with this error. Further investigation by the Respondent noted that the process was vented to the wrong control device during this one step

on two occasions: (1) on November 16, 2000, for one (1) hour and ten (10) minutes and (2) on December 20, 2000, for one (1) hour and five (5) minutes. The Respondent's mistake on the product batch sheet led to venting to the incorrect control device, resulting in the subsequent release to the atmosphere. This is a violation of LAC 33:III.905 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 Sections 2057(A)(1) and 2057(A)(2) of the Act. In addition, the Respondent also failed to route the VOC emissions from the production of hydrocarbon hybrid resins in the St. John's Hard Resins Area to the control device, the Hydrocarbon Hard Resin Flare (Emission Point 1-94) as specified in the application for Air Permit No. 0320-00003-12 and described in the permit. Each failure to properly operate proposed control measures and/or equipment as specified in the permit application and as described in Air Permit No. 0320-00003-12 is a violation of Louisiana Air Emission Permit General Condition I of Air Permit No. 0320-00003-12, LAC 33:III.501.C.4, and Sections 2057(A)(1) and 2057(A)(2) of the Act.

B. The Respondent reported in the Title V semiannual monitoring report dated March 28, 2003, for the period encompassing July through December 2002, that daily visual scrubber water blowdown checks for the Post Refinery Wet Scrubber (Emission Point 2-90) were performed; however, the daily visual scrubber water blowdown checks were not recorded on July 3, 2002, through July 23, 2002. Each failure to maintain records of the daily visual scrubber water blowdown checks is a violation of State Only Specific Condition 6 of Air Permit 0320-00003-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

C. The Respondent reported in the Title V semiannual monitoring report dated March 28, 2003, for the period encompassing July through December 2002, that it failed to discontinue use of all fuels except natural gas after two (2) electrostatic precipitators (ESPs) were out of range (DC, KV, or Dc mA) for three (3) hours for the Steam Boiler Units (Emission Point 1-75). The Respondent noted in the report that the event occurred from 6:00 p.m. to 12:00 a.m. on August 3, 2002. State Only Specific Condition 13 requires that if two of the three ESP

fields are down and corrective action cannot re-establish the DC voltage and DC amperage within three hours, the steam generating boilers shall discontinue using any fuels except natural gas. The failure to discontinue use of all fuels except natural gas after two (2) electrostatic precipitators (ESPs) fields were out of range for three (3) hours for the Steam Boiler Units (Emission Point 1-75) is a violation of State Only Specific Condition 13 of Air Permit No. 0320-00003-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

D. The Respondent reported in the Title V semiannual monitoring report dated March 28, 2003, for the period encompassing July through December 2002, that the fuel pressure and atomizing pressure were not recorded at least once per shift when burning liquid fuel on boiler #4 (Emission Point 1-75) on December 3, 2002. Each failure to record the fuel pressure and atomizing pressure at least once per shift is a violation of State Only Specific Condition 15 of Air Permit No. 0320-00003-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

E. The Respondent reported in the Title V semiannual monitoring report dated March 28, 2003, for the period encompassing July through December 2002, that daily visual inspections of filter vents for Emission Points 2-84 and 2-94 were performed and recorded on November 30, 2002, and December 1, 2002; however the daily environmental log sheets were lost. Each failure to have records of visual checks of the filter vent is a violation of State Only Specific Condition 4 of Air Permit No. 0320-00003-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

F. The Respondent reported in the Title V semiannual monitoring report dated March 28, 2003, for the period encompassing July through December 2002, that the daily visual checks of the scrubber water blowdown for Emission Point 1-87 were performed and recorded on November 30, 2002 and December 1, 2002; however, the daily environmental log sheets were lost. Each failure to maintain records of visual checks of the scrubber water blowdown is a violation of State Only Specific Condition 6 of Air Permit No. 0320-00003-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

G. The Respondent reported in the Title V quarterly monitoring report dated June 13, 2003, for the first quarter of 2003, that the scrubber liquid flow rate for the T-2 Hard Resins Wet Scrubber (Emission Point 1-87) was outside the 8-hour average parametric monitoring level as required by the permit on January 10, 2003, from 12:41 p.m.

until 11:17 p.m. (10 hours 36 minutes) and on January 11, 2003, from 2:45 p.m. until 11:08 p.m. (8 hours 22 minutes). According to State Only Specific Condition 6 of the Air Permit, corrective action shall be taken on the scrubbers if the scrubber liquid flow rate drops below 50 gallons per minute for an 8-hour average. If the corrective actions do not bring up the instantaneous (or real time) water flow or pH in one hour (an excursion), the process sources to the vent control system shall be immediately shut down. "Immediately" is defined as a period of time to reasonably shut down the process sources in a safe manner; in no case longer than one hour after taking corrective action. Based on the information provided in the report, the Respondent failed to maintain the minimum 50 gallons per minute scrubber liquid flow rate for an 8-hour average and failed to take the corrective actions to bring up the instantaneous water flow back to the minimum 50 gallons per minute in the specified time period. Each failure to maintain the minimum 50 gallons per minute scrubber liquid flow rate for an 8-hour average and each failure to take corrective actions is a violation of State Only Specific Condition 6 of Air Permit No. 0320-00003-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

H. The Respondent reported in the Title V quarterly monitoring report dated June 13, 2003, for the first quarter of 2003, that the flow transmitter on the T-2 Hard Resins Wet Scrubber (Emission Point 1-87) was inoperable, and the flow rate data was not being transferred to the plant's electronic historian system. Because of the inoperable flow transmitter, hourly data were manually recorded except on the night shift on March 7, 2003, and the night shift on March 9, 2003. At those times the Respondent recorded the flow manually every two hours during a twelve-hour period on each of those days and not recorded every 60 minutes as required by the air permit. Each failure to record the scrubber liquid flow rate at least every 60 minutes is a violation of State Only Specific Condition 6 of Air Permit No. 0320-00003-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

I. The Department received a letter dated March 24, 2001, as a written follow-up to an air release of less than 53 pounds of maleic anhydride. The air release occurred at approximately 8:40 a.m. on March 24, 2001, when the rupture pin pressure relief device on a process vessel activated and routed the process vessel's vent gas directly to the atmosphere. The normal emission control device for this process vessel is the T-2 Hard Resins Wet Scrubber (Emission Point 1-87). An overcharge early in this batch process of one of the

normal raw materials, maleic anhydride, contributed to a later buildup of pressure that caused the rupture pin to relieve. The Respondent's overcharge early in the batch process ultimately led to the release. This is a violation of LAC 33:III.905 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 Sections 2057(A)(1) and 2057(A)(2) of the Act.

J. The Department received a letter dated February 14, 2003, as a written follow-up to an air release of less than ten (10) pounds of formaldehyde and maleic anhydride. The air release occurred at approximately 9:10 p.m. and 10:15 p.m. on February 11, 2003. At approximately 9:10 p.m. a rupture pin pressure relief device on a process vessel activated, however, the vent line was plugged with molten material that solidified. At approximately 10:15 p.m., a secondary rupture pin pressure relief device on the same vessel activated and routed the process vessel's vent gas directly to atmosphere. The control device for this process is the Hard Resins Wet Scrubber (Emission Point 1-87). The Respondent's initial investigation revealed that the primary cause of the event was an overcharge of one raw material (maleic anhydride) earlier in the batch cycle. The Respondent's overcharge early in the batch process ultimately led to the release. This is a violation of LAC 33:III.905 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 Sections 2057(A)(1) and 2057(A)(2) of the Act.

On or about February 11, 2004, a file review of the Respondent's facility 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. By letter dated August 13, 2003, the Respondent reported that a 475 horsepower portable diesel air compressor was brought on site on July 23, 2003. According to the Respondent, the rental unit was brought on site under an emergency situation for a temporary period of time because the plant's electrical air compressor system experienced a compressor unit failure and motor failure. The Respondent noted that without the rush installation of this unit, the entire facility could have been shut down. The temporary usage of the portable air compressor began on July 23, 2003, and was expected to continue until August 14, 2003. The Respondent installed and operated a 475 horsepower portable diesel air compressor without prior approval from the permitting authority. The Respondent's failure to obtain prior approval to install and operate the portable diesel air compressor from the permitting authority is a violation of LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

B. According to the Respondent's Title V Quarterly Monitoring Report dated September 26, 2003, the Respondent reported that the calibration on the flow meter used for the T-2 Hard Resins Wet Scrubber (Emission Point 1-87) was found to have been in error on June 25, 2003. The Respondent noted that the cause of the calibration error was the inadequate set-up of the new flow meter whereby it was calibrated incorrectly when it was installed by using the pressure drop scan range of the old meter instead of the scan for the new meter. The new flow meter was installed on March 10, 2003. The Respondent's investigation determined that the flow rate was below 50 gallons per minute for approximately 150 hours on eleven (11) separate days from March 10, 2003, until May 15, 2003. The failure to correctly calibrate the flow meter ultimately led to the Respondent failing to maintain the flow rate at 50 gallons per minute or more. This is a violation of LAC 33:III.905 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 Section 2057(A)(2) of the Act. In addition, according to State Only Specific Condition 6 of the Air Permit, corrective action shall be taken on the scrubbers if the scrubber liquid flow rate drops below 50 gallons per minute for an 8-hour average. If the corrective actions do not bring up the instantaneous (or

> real time) water flow or pH in one hour (an excursion), the process sources to the vent control system shall be immediately shut down. "Immediately" is defined as a period of time to reasonably shut down the process sources in a safe manner; in no case longer than one hour after taking corrective action. Based on the information provided in the Respondent's report, the Respondent failed to maintain the minimum 50 gallons per minute scrubber liquid flow rate for an 8-hour average and failed to take the corrective actions to bring up the instantaneous water flow back to the minimum 50 gallons per minute in the specified time period. Each failure to maintain the minimum 50 gallons per minute scrubber liquid flow rate for an 8-hour average and each failure to take corrective actions is a violation of State Only Specific Condition 6 of Air Permit No. 0320-00003-V0, LAC 33:III.501.C.4, and Section 2057(A)(2) of the Act.

III.

The Respondent submitted written comments and documents to the Department, dated August 11, 2004, in which the Respondent explained each violation noted in the Consolidated Compliance Order and Notice of Potential Penalty, Enforcement Tracking No. AE-CN-03-0367. In the August 11, 2004 submittal, the Respondent contends that (1) all necessary actions had already been taken for the violations and no other actions were necessary, (2) none of the violations resulted in an adverse impact to human health or the environment, and (3) none of the violations resulted in an exceedance of a Reportable Quantity or permitted emissions limits.

IV.

In the January 10, 2005 letter, the Respondent noted the following violation which had been reported to the Department in correspondence dated December 4, 2003:

> On December 1, 2003, the Respondent made a verbal notification to the Department, notifying it of an unauthorized discharge of toluene and naphthalene from its flare (Emission Point 1-94) on November 19, 2003. An unauthorized discharge report dated December 4, 2003, was submitted in accordance with LAC 33:III.5107.B.4. The Respondent reported that two separate incidents occurred at approximately 5:00 a.m. and 4:15 p.m. on November 19, 2003, with each lasting approximately

20 minutes. The incidents resulted in liquid material exiting the flare tip and then 'smoking' at the flare tip. The Respondent's investigation noted that the seal pot pump system malfunctioned, but the seal pot liquid level indicators did not malfunction. However, the Respondent also noted that improved procedures could have prevented or controlled such an incident even if there is an unforeseen malfunction of the pump system or 'liquid seal pot' level control system. The Respondent determined that improved procedures would allow the flare vent system to slowly relieve pressure to the flare unit under a more controlled situation resulting in proper flare operation. The Respondent believes that the event was due in part to improper operation of the flare system/vent system and may have been a preventable upset condition. This is a violation of LAC 33:III.905 and Section 2057(A)(2) of the Act.

According to the Respondent's December 4, 2003 correspondence, corrective action was taken to eliminate the discharge and prevent future occurrence of this type of event. According to the Respondent's January 10, 2005 letter, (1) no Reportable Quantity was exceeded, (2) immediate corrective actions were taken which included closing the vent valves from the process to the control device to effectively stop all emissions, (3) the violation did not result in an adverse impact to human health or the environment, and (4) no monetary benefit was realized.

V.

In response to the Consolidated Compliance Order and Notice of Potential Penalty, Respondent made a timely request for a hearing.

VI.

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

VII.

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 TWENTY-ONE THOUSAND FIVE HUNDRED and NO/100 DOLLARS ($21,500.00), of which One Thousand Three Hundred Six and 54/100 Dollars ($1,306.54), 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).

VIII.

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

IX.

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.

X.

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.

XI.

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

XII.

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 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).

XIII.

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XIV.

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.

MEADWESTVACO SOUTH CAROLINA, LLC

BY: C. A

(Signature)

Carlos Arrambide

(Printed or Typed)

TITLE: Plant Manager

THUS DONE AND SIGNED in duplicate original before me this 26th day of August, 20 05, at DeRidder, LA.

Margaret Spencer Hines

NOTARY PUBLIC (ID# 022410)

Margaret Spencer Hines

(Printed or Typed)

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

THUS DONE AND SIGNED in duplicate original before me this 6th day of September, 20 05, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID# 24673)

G. Allen Kirkpatrick

(Printed or Typed)

Approved: Harold Leggett

Harold Leggett, Ph.D., Assistant Secretary