

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

MEADWESTVACO SOUTH
CAROLINA, LLC

AI # 1514

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

* Settlement Tracking No.
* SA-AE-11-0014
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* Enforcement Tracking No.
* AE-CN-09-0708
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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 that owns and/or operates a gum and wood chemicals facility located in DeRidder, Beauregard Parish, Louisiana (“the Facility”).

II

On May 3, 2010, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-09-0708, which was based upon the following findings of fact:

The Respondent owns and/or operates a gum and wood chemicals facility known as the DeRidder Facility (“the facility”) located at or near 400 Crosby Road in DeRidder, Beauregard Parish, Louisiana. The facility operated under Title V Permit No. 0320-00003-V2 issued on

September 25, 2007, until issuance of Title V Permit No. 0320-00003-V3 on December 9, 2008, under which it currently operates.

On or about September 16, 2009 through September 17, 2009, an inspection of the Respondent's facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations. The Department sent a Warning Letter dated December 28, 2009, to the Respondent.

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

- A. The Respondent failed to have records of the monthly calculated particulate matter (PM₁₀), sulfur dioxide (SO₂), and nitrogen oxides (NO_x) emissions from individual fuels from the Steam Generation Boilers Nos. 2, 3, and 4 and the 12-month rolling total emissions of PM₁₀, SO₂, and NO_x calculated on a monthly basis for the combined emissions from the Steam Generation Boilers Nos. 2, 3, and 4 (Emission Point No. 1-75) and Package Boiler (Emission Point No. PBLR), for the time period of January 2009 through August 2009 as required. This is a violation of Part 70 Specific Condition 1 of Title V Permit No. 0320-00003-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). The existing records were updated to include the calculated PM₁₀, SO₂, and NO_x emissions. These records were provided to the Department's inspector prior to the completion of the inspection.
- B. Based on a review of records of the daily visible emissions checks for the four dust collector/baghouse vents (Emission Point Nos. 2-84, 2-94, 3-88, and 3A-88) it was noted that several of the daily observations were performed before daylight hours during the year 2008 and the year 2009. The facility's internal procedures for the daily visible emissions checks are detailed on the Respondent's Title V Daily Observation of Dust Collectors logsheet. The Respondent's procedures require that daily observations be performed during daylight hours. Each of the Respondent's failures to follow its written procedures to perform each daily observation during daylight hours 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 La. R.S.

30:2057(A)(2). The inspection report indicated that the Respondent would take corrective action for this issue.

- C. The Respondent failed to submit the notification required by 40 CFR Part 60 Subpart Dc, in particular 40 CFR 60.48c(a), for the Post Refinery Heater (Emission Point No. 5-90) as provided by 40 CFR 60.7. This is a violation of 40 CFR 60.48c(a) which language has been adopted as a Louisiana regulation in LAC 33:III.3003, Specific Requirement 166 of Title V Permit No. 0320-00003-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

- D. The Respondent reported in the 2008 third quarterly deviation report dated October 31, 2008, and the Semiannual Monitoring Report for the second half of 2008 dated March 23, 2009 and referenced in the 2008 Annual Compliance Certification dated March 23, 2009, that there was no water flow to the scrubber for the Post Refinery Maleic Anhydride Tank T-68 (Emission Point No. 3-90) for a total of 198 hours during the period of September 12, 2008 through September 20, 2008. The report noted that the water to the scrubber was turned off in preparation for Hurricane Ike and when operations restarted, the valve was not re-opened. The Respondent noted that the flow meter was found to be defective as it was providing false readings. The Respondent failed to maintain the scrubber flow rate greater than or equal to 5 gallons per minute due to its failure to re-open the valve when operations restarted which resulted in no flow to the scrubber. Each is a violation of Specific Requirement 164 of Title V Permit No. 0320-00003-V2, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). This is also 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 La. R.S. 30:2057(A)(2). The Respondent's October 31, 2008 report noted that the flowmeter was immediately replaced and water flow was resumed. In addition, daily visual monitoring of the water stream is now required. According to the Respondent, a "Do Not Operate" tag has been placed on the water valve.

The issues listed below are not the subject matter of an enforcement action issued by the Department, but are included as a part of this Settlement Agreement:

In addition to those violations previously reported and cited in paragraph II.B of the Findings of Fact portion of Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-09-0708, the Respondent proposed to include in this Settlement Agreement and later reported in the first half 2010 semiannual monitoring report dated August 31, 2010, additional instances in which daily visible emissions checks were performed before daylight hours during the first half of 2010, for three (3) dust collector/baghouse vents (Emission Point Nos. 2-84, 3-88 and 3A-88), contrary to the facility's internal procedures that require performing of daily observations during daylight hours. Each of the Respondent's failures to follow its written procedures to perform each daily observation during daylight hours 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 La. R.S. 30:2057(A)(2).

The Respondent reported in the first half 2010 semiannual monitoring report dated August 31, 2010, that on January 15, 2010, water was turned off to the St. John's process area for 2.38 hours for maintenance to repair freeze damaged water pipes. According to the Respondent, Operations personnel did not understand the effect or scope of water isolation. Once alerted by low flow of the maleic scrubber through routine monitoring of the PI system, an alternative water source was introduced to the scrubber device. The turning off of the water resulted in the flow rate dropping below the permitted limit of greater than or equal to 5.0 gallons per minute. Each failure to maintain the scrubber flow rate greater than or equal to 5.0 gallons per minute is a violation of

Specific Requirement 88 of Title V Permit No. 0320-00003-V3, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2). The turning off of the water while the scrubber was being used to control emissions 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 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 FIVE THOUSAND THREE HUNDRED AND NO/100 DOLLARS (\$5,300.00), of which One Thousand and No/100 Dollars (\$1,000.00) 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 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 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 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 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.

MEADWESTVACO SOUTH
CAROLINA, LLC

BY: CA
(Signature)

Carlos Arrambide
(Printed)

TITLE: Plant Manager

THUS DONE AND SIGNED in duplicate original before me this 9th day of
November, 20 11, at Deridder, LA.

Kelly R. Lewis
NOTARY PUBLIC (ID # 086259)

Kelly R. Lewis
(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 29th day of
February, 20 12, at Baton Rouge, Louisiana.

Diana King
NOTARY PUBLIC (ID # 80592)
Bar Roll #

Diana King
(stamped or printed)
Life Commissioner

Approved: Cshl
Cheryl Sonnier Nolan, Assistant Secretary