STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF: * Settlement Tracking No.
H2O SYSTEMS, INC. * SA-WE-19-0108

AI # 19599

* Enforcement Tracking Nos.

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

WE-CN-16-00847A

WE-CN-18-00913

SETTLEMENT

The following Settlement is hereby agreed to between H2O Systems, 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 sanitary treatment plant located in Mandeville, St. Tammany Parish, Louisiana ("the Facility").

II

On May 11, 2017, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Penalty, Enforcement No. WE-CN-16-00847A (Exhibit 1).

On May 23, 2019, the Department issued to Respondent a Consolidated Compliance Order & Notice of Penalty, Enforcement No. WE-CN-18-00913 (Exhibit 2).

In addition to the violations cited in Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-16-00847A and Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. WE-CN-18-00913, this settlement resolves any
potential water quality violations or noncompliance disclosed to the Department in writing or otherwise known to the Department to have occurred up to and including the August 31, 2019 monitoring period.

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 TWENTY THOUSAND THREE HUNDRED AND NO/100 DOLLARS ($20,300.00), of which One Thousand Nine Hundred Ninety-Eight and 44/100 Dollars ($1,998.44) 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), permit record(s), the Amended Consolidated Compliance Order & Notice of Potential Penalty, 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

As required by law, the Department has submitted this Settlement Agreement to the Louisiana Attorney General for approval or rejection. The Attorney General’s concurrence is appended to this Settlement Agreement.

IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Tammany Parish, Louisiana. The advertisement, in form and wording 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.
X

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).

XI

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

XII

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.
H2O SYSTEMS, INC.

BY: [Signature]

(Kelly McHugh)

(Printed)

TITLE: Owner

THUS DONE AND SIGNED in duplicate original before me this 10th day of February, 2024, at Mandeville, LA.

NOTARY PUBLIC ID # 151617

KELLY HEAP
Notary Public
St. Tammany Parish, Louisiana

(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Chuck Carr Brown, Ph.D., Secretary

BY: [Signature]

Lourdes Iturrelde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 12th day of November, 2024, at Baton Rouge, Louisiana.

NOTARY PUBLIC (ID # 92503)

AMBER G. LITCHFIELD
Notary Public
State of Louisiana
Notary ID # 92503
East Baton Rouge Parish

(stamped or printed)

Approved:
Lourdes Iturrelde, Assistant Secretary

5
SA-WE-19-0108
**AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**

This AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is issued by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:2025(C), 30:2050.2 and 30:2050.3(B). This AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY replaces CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY, ENFORCEMENT TRACKING NO. WE-CN-16-00847 issued on November 21, 2016, in its entirety.

**FINDINGS OF FACT**

An authorized representative of the Department inspected the abovementioned facility or conducted a file review of the facility to determine the degree of compliance with regulations promulgated in the Louisiana Administrative Code, Title 33. The State regulatory citations for the violation(s) identified during the inspection and/or file review are indicated below.

<table>
<thead>
<tr>
<th>Date of Violation</th>
<th>Description of Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>File Review 1/30/17</td>
<td>The Respondent failed to submit Discharge Monitoring Reports (DMRs) in a timely manner. The Respondent is required to submit monthly and quarterly DMRs no later than the 15th day of the month following each monthly or quarterly monitoring period, as appropriate. Specifically, the Respondent did not submit timely DMRs for the following months and quarterly monitoring periods: 3rd Quarter 2015, 2016. [LPDES permit LA0068730 (Facility Requirements, pg 2 of 4, and Standard Conditions, sections A.2 and A.4), La. R.S. 30:2076(A)(3), and LAC 33:IX.2701.1.4.d]</td>
</tr>
</tbody>
</table>

**ORDER**

Based on the foregoing, the Respondent is hereby ordered to comply with the requirements that are indicated below:

I. To take, immediately upon receipt of this COMPLIANCE ORDER, any and all steps necessary to meet and maintain compliance with the Water Quality Regulations. This shall include, but not be limited to; correcting all of the violations described in the "Findings of Fact" portion.

II. To submit to the Environmental Division, within thirty (30) days after receipt of this COMPLIANCE ORDER, a written report that includes a detailed description of the circumstances surrounding the cited violation(s) and actions taken or to be taken to achieve compliance with the "Order" portion of this COMPLIANCE ORDER. This report and all other reports or information required to be submitted to the Enforcement Division by this COMPLIANCE ORDER shall be submitted to the Department at the address specified in this document.

III. To continue to submit DMRs and associated reports electronically using NetDMR unless otherwise notified in writing by the Department.

IV. The Respondent shall accomplish the tasks and comply with the schedule of activities contained in Exhibit B, or any amendment of that schedule approved in writing by the Department.

V. The Respondent shall submit progress reports to the Enforcement Division following each calendar quarter until the completion of the aforementioned schedule contained in Exhibit B, or any amendment of that schedule approved in writing by the Department. The Respondent shall submit each progress report within fifteen (15) days following the end of the calendar quarter. The first progress report is due on July 15, 2017. Additionally, if an activity cannot be completed by the due date specified in the schedule, the Respondent shall submit a certification of non-compliance to the Department within fifteen (15) days after the scheduled due date. If the Respondent reports non-compliance with a scheduled event, the certification shall include a discussion of the cause of the delay, an anticipated date of completion, and a discussion of any impairment of a subsequent due date. Upon completion of all scheduled events, the Respondent shall submit a final certification stating that all activities have been achieved.

**RIGHT TO APPEAL**

I. The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this COMPLIANCE ORDER. This right may be exercised by filing a written request with the Secretary no later than thirty (30) days after receipt of this COMPLIANCE ORDER.

II. The request for an adjudicatory hearing shall specify the provisions of the COMPLIANCE ORDER on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the address specified in this document.
III. Upon the Respondent’s timely filing of a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this COMPLIANCE ORDER may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act (La. R.S. 49:550, et seq.). The Department may amend or supplement this COMPLIANCE ORDER prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV. This COMPLIANCE ORDER shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent’s right to a hearing on a disputed issue of material fact or of law under Section 2050.4 of the Act for the violation(s) described herein.

V. The Respondent’s failure to request a hearing or to file an appeal or the Respondent’s withdrawal of a request for hearing on this COMPLIANCE ORDER shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this COMPLIANCE ORDER becoming a permanent part of its compliance history.

VI. Civil penalties of not more than thirty-two thousand five hundred dollars ($32,500) may be assessed for each day of violation. The Respondent’s failure or refusal to comply with this COMPLIANCE ORDER and the provisions herein will subject the Respondent to possible enforcement procedures under La. R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars ($50,000) for each day of continued violation or noncompliance.

VII. For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I. Pursuant to La. R.S. 30:2050.3(B), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II. Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Scott B. Pierce at 225-219-3723 within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY.

III. The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent’s most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above-named contact person within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenue statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

IV. This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is effective upon receipt.

CONTACTS AND SUBMITTAL OF INFORMATION:

Enforcement Division:
Louisiana Department of Environmental Quality
Office of Environmental Compliance
Water Enforcement Division
Post Office Box 4312
Baton Rouge, LA 70821
Attn: Scott B. Pierce

Hearing Requests:
Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearing Clerk, Legal Division
Re: Enforcement Tracking No. WE-CN-16-00847A
Agency Interest No. 19599

Permit Division (if necessary):
Department of Environmental Quality
Office of Environmental Services
Post Office Box 4313
Baton Rouge, LA 70821-4313
Attn: Water Permits Division

Physical Address (if hand delivered):

Department of Environmental Quality
602 N Fifth Street
Baton Rouge, LA 70802

HOW TO REQUEST CLOSURE OF THIS AMENDED CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY:

- To appeal the AMENDED CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY, the Respondent must follow the guidelines set forth in the "Right to Appeal" portion of this AMENDED CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY.

- To request closure of the COMPLIANCE ORDER portion, the Respondent must demonstrate compliance with the "Order" portion of this AMENDED COMPLIANCE ORDER by completing the attached "AMENDED CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE" form and returning it to the address specified.
  - Before requesting closure of this COMPLIANCE ORDER portion, please contact the Financial Services Division at 225-219-3865 or email them at _DEQ-WWFWFinancialServices@la.gov to determine if you owe outstanding fees.

- To expedite the closure of the NOTICE OF POTENTIAL PENALTY portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein.
  - The Department assesses civil penalties based on LAC 33:1:Subpart1, Chapter 7.
  - The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon a discretionary basis.
  - The settlement offer amount may be entered on the attached "AMENDED CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE" form. The Respondent must include a justification of the offer.
  - DO NOT submit payment of the offer amount with the form. The Department will review the settlement offer and
notify the Respondent as to whether the offer is or is not accepted.

Before requesting closure of the NOTICE OF POTENTIAL PENALTY portion, please contact the Financial Services Division at 225-219-3865 or email them at DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Scott B. Pierce at 225-219-3723 or scott.pierce@la.gov.

Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

ccc: DHH/Office of Public Health

Attachment(s)
- Request to Close
- Exhibit A
- Exhibit B
LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF ENVIRONMENTAL COMPLIANCE  
AMENDED  
ENFORCEMENT DIVISION  
CONSOLIDATED COMPLIANCE ORDER &  
POST OFFICE BOX 4312  
NOTICE OF POTENTIAL PENALTY  
BATON ROUGE, LOUISIANA 70821-4312  
REQUEST TO CLOSE  

<table>
<thead>
<tr>
<th>Enforcement Tracking No.</th>
<th>Contact Name</th>
<th>Contact Phone No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>WE-CN-16-00847A</td>
<td>Scott B. Pierce</td>
<td>225-219-3723</td>
</tr>
<tr>
<td>Agency Interest (AI) No.</td>
<td>19599</td>
<td></td>
</tr>
<tr>
<td>Alternate ID No.</td>
<td>LA0068730</td>
<td></td>
</tr>
</tbody>
</table>

**Respondent:**
- H2O Systems Inc.  
- c/o M. Dwayne Johnson  
- Physical Location: 3075 White Oak Ln.  
- City, State, Zip: Mandeville, LA 70448  
- Baton Rouge, LA 70802  
- Parish: St. Tammany

**STATEMENT OF COMPLIANCE**

A written report was submitted in accordance with Paragraph II of the "Order" portion of the AMENDED COMPLIANCE ORDER.

All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:

**SETTLEMENT OFFER (OPTIONAL)**

(check the applicable option)

- The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1.Subpart1.Chapter7.

- In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-16-00847A), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

- In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-16-00847A), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay $_________________, which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.
  - Monetary component = $_________________
  - Beneficial Environmental Project (BEP) component (optional) = $_________________
  - DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM- the Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (WE-CN-16-00847A) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

**CERTIFICATION STATEMENT**

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

Respondent’s Signature: ___________________________  
Respondent’s Printed Name: ________________________  
Respondent’s Title: _______________________________

**MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:**

Louisiana Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
Post Office Box 4312  
Baton Rouge, LA 70821  
Attn: Scott B. Pierce

If you have questions or need more information, you may contact Scott B. Pierce at 225-219-3723 or scott.pierce@la.gov.
Exhibit A
Effluent Limitation Violations

<table>
<thead>
<tr>
<th>MP End Date</th>
<th>Outfall</th>
<th>Parameter</th>
<th>Limit</th>
<th>DMR Value</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/2015</td>
<td>001-A</td>
<td>Oxygen, dissolved [DO] --- MO AV MN</td>
<td>5</td>
<td>4.8</td>
<td>mg/L</td>
</tr>
<tr>
<td>4/30/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>10</td>
<td>mg/L</td>
</tr>
<tr>
<td>7/31/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- MO AVG</td>
<td>4</td>
<td>4.08</td>
<td>mg/L</td>
</tr>
<tr>
<td>7/31/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>14</td>
<td>mg/L</td>
</tr>
<tr>
<td>7/22/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX *</td>
<td>8</td>
<td>9.3</td>
<td>mg/L</td>
</tr>
<tr>
<td>8/31/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- MO AVG</td>
<td>4</td>
<td>4.93</td>
<td>mg/L</td>
</tr>
<tr>
<td>8/31/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>22</td>
<td>mg/L</td>
</tr>
<tr>
<td>8/4/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX*</td>
<td>8</td>
<td>14</td>
<td>mg/L</td>
</tr>
<tr>
<td>9/30/2015</td>
<td>001-A</td>
<td>Chlorine, total residual --- MO AVG</td>
<td>0</td>
<td>0.03</td>
<td>mg/L</td>
</tr>
<tr>
<td>9/30/2015</td>
<td>001-A</td>
<td>Chlorine, total residual --- DAILY MX</td>
<td>0</td>
<td>0.03</td>
<td>mg/L</td>
</tr>
<tr>
<td>9/30/2015</td>
<td>001-Q</td>
<td>Cyanide, total [as CN] --- MO AVG</td>
<td>0.031</td>
<td>0.072</td>
<td>lb/d</td>
</tr>
<tr>
<td>10/31/2015</td>
<td>001-A</td>
<td>Solids, total suspended --- DAILY MX</td>
<td>15</td>
<td>19</td>
<td>mg/L</td>
</tr>
<tr>
<td>12/31/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- MO AVG</td>
<td>32</td>
<td>42.4</td>
<td>lb/d</td>
</tr>
<tr>
<td>12/31/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- MO AVG</td>
<td>4</td>
<td>4.99</td>
<td>mg/L</td>
</tr>
<tr>
<td>12/31/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>16</td>
<td>mg/L</td>
</tr>
<tr>
<td>12/31/2015</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX*</td>
<td>8</td>
<td>12</td>
<td>mg/L</td>
</tr>
<tr>
<td>03/31/2016</td>
<td>001-Q</td>
<td>Cyanide, total [as CN] --- MO AVG</td>
<td>0.031</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/31/2016</td>
<td>001-Q</td>
<td>Cyanide, total [as CN] --- DAILY MX</td>
<td>0.075</td>
<td></td>
<td></td>
</tr>
<tr>
<td>03/31/2016</td>
<td>001-Q</td>
<td>Copper, total [as Cu] --- MO AVG</td>
<td>0.052</td>
<td>0.056</td>
<td>lb/d</td>
</tr>
<tr>
<td>06/30/2016</td>
<td>001-Q</td>
<td>Cyanide, total [as CN] --- MO AVG</td>
<td>0.031</td>
<td>0.066</td>
<td>lb/d</td>
</tr>
<tr>
<td>07/31/2016</td>
<td>001A</td>
<td>Oxygen, dissolved [DO] Monthly Average Minimum</td>
<td>5</td>
<td>3.8</td>
<td>mg/L</td>
</tr>
<tr>
<td>08/31/2016</td>
<td>001A</td>
<td>Oxygen, dissolved [DO] Monthly Average Minimum</td>
<td>5</td>
<td>1.8</td>
<td>mg/L</td>
</tr>
<tr>
<td>09/30/2016</td>
<td>001A</td>
<td>Coliform, fecal general DAILY MX</td>
<td>400</td>
<td>1840</td>
<td>#/100mL</td>
</tr>
<tr>
<td>09/30/2016</td>
<td>001Q</td>
<td>Mercury, total [as Hg] DAILY MX</td>
<td>.0005</td>
<td>.00781</td>
<td>lb/d</td>
</tr>
<tr>
<td>09/30/2016</td>
<td>001Q</td>
<td>Mercury, total [as Hg] MO AVG</td>
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<td>.00781</td>
<td>lb/d</td>
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<tr>
<td>11/30/2016</td>
<td>001A</td>
<td>Chlorine, total residual MO AVG</td>
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<td>0.05</td>
<td>mg/L</td>
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<td>11/30/2016</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX</td>
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<td>0.14</td>
<td>mg/L</td>
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<td>11/11/2016</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX *</td>
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<td>0.05</td>
<td>mg/L</td>
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<td>11/17/2016</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX</td>
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<td>0.05</td>
<td>mg/L</td>
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<td>11/21/2016</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX *</td>
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<td>mg/L</td>
</tr>
<tr>
<td>11/23/2016</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX *</td>
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<td>mg/L</td>
</tr>
<tr>
<td>11/29/2016</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX *</td>
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<td>0.07</td>
<td>mg/L</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>001A</td>
<td>Chlorine, total residual MO AVG</td>
<td>0</td>
<td>0.03</td>
<td>mg/L</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX</td>
<td>0</td>
<td>0.05</td>
<td>mg/L</td>
</tr>
<tr>
<td>12/12/2016</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX *</td>
<td>0</td>
<td>0.05</td>
<td>mg/L</td>
</tr>
<tr>
<td>1/31/2017</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX</td>
<td>0</td>
<td>0.04</td>
<td>mg/L</td>
</tr>
<tr>
<td>2/28/2017</td>
<td>001A</td>
<td>Chlorine, total residual DAILY MX *</td>
<td>0</td>
<td>0.04</td>
<td>mg/L</td>
</tr>
<tr>
<td>2/28/2017</td>
<td>001A</td>
<td>Chlorine, total residual MO AVG</td>
<td>0</td>
<td>0.03</td>
<td>mg/L</td>
</tr>
<tr>
<td>2/28/2017</td>
<td>001A</td>
<td>Nitrogen, ammonia total [as N] DAILY MX</td>
<td>8</td>
<td>11</td>
<td>mg/L</td>
</tr>
<tr>
<td>3/31/2017</td>
<td>001Q</td>
<td>Copper, total [as Cu] --- MO AVG</td>
<td>0.052</td>
<td>0.077</td>
<td>lb/d</td>
</tr>
<tr>
<td>3/31/2017</td>
<td>001Q</td>
<td>Zinc, total [as Zn] --- MO AVG</td>
<td>0.45</td>
<td>0.6</td>
<td>lb/d</td>
</tr>
</tbody>
</table>

* as reported on NCR
## Exhibit B

### Cyanide Compliance Schedule

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Begin conducting weekly cyanide sampling</td>
<td>Completed</td>
</tr>
<tr>
<td>Identify “problem” cyanide areas</td>
<td>June 30, 2017</td>
</tr>
<tr>
<td><strong>If problem cyanide areas identify then:</strong></td>
<td></td>
</tr>
<tr>
<td>- Eliminate external sources</td>
<td>August 31, 2017</td>
</tr>
<tr>
<td>- Report results of the elimination process to LDEQ</td>
<td>October 15, 2017</td>
</tr>
<tr>
<td>- Select, install, and implement any treatment process of cyanide formed at the facility</td>
<td>December 31, 2017</td>
</tr>
<tr>
<td>- Report results of the implementation process to LDEQ</td>
<td>February 15, 2018</td>
</tr>
<tr>
<td><strong>If no problem cyanide areas identify then:</strong></td>
<td></td>
</tr>
<tr>
<td>- Report results of the identification findings to LDEQ, including any path forward or recommendations for additional actions to be taken, if necessary.</td>
<td>August 15, 2017</td>
</tr>
</tbody>
</table>
Consolidated Compliance Order & Notice of Potential Penalty

Louisiana Department of Environmental Quality
Office of Environmental Compliance
Enforcement Division
Post Office Box 4312
Baton Rouge, Louisiana 70821-4312

Date: March 1, 2013

To: [Respondent's Name]

Subject: Notice of Violation

This Notice of Violation is issued by the Louisiana Department of Environmental Quality (the Department), under the authority granted by the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:202(5)(c), 30:2050.2 and 30:2050.3(b).

Date of Violation: [Date]
Expiration Date: [Date]

The Department inspected the abovementioned facility on [Date] and found that the facility is in violation of the following provisions of the Louisiana Environmental Quality Act (the Act), La. R.S. 30:2001, et seq., and particularly by La. R.S. 30:202(5)(c), 30:2050.2 and 30:2050.3(b).

I. Description of Violation

The Respondent owns and operates a sanitary treatment plant located at [Address]. The Respondent was issued a permit to discharge treated sanitary wastewater into [Receiving Water Body] on [Date].

II. Description of Violation

The Respondent failed to comply with [Specific Condition]. Specifically, a violation of [Regulatory Provision] was observed on [Date].

III. Description of Violation

The Respondent failed to properly operate and maintain facilities and systems of treatment and control. Specifically, the Respondent reported [Specific Condition] on [Date].

IV. Description of Violation

The Respondent failed to submit a [Specific Condition] report in a timely manner. Specifically, the Respondent did not receive the report for [Specific Condition] occurring on [Date].

V. Description of Violation

The Respondent failed to calibrate the [Measurement Equipment]. The Department conducted a [Measurement Equipment] calibration check and found a 91% error at the time of the August 23, 2018 inspection. Due to the high error percentage, the Department obtained another reading on September 27, 2018, and calculated a 21% error with the second reading.

VI. Description of Violation

A file review conducted by the Department revealed that the Respondent failed to timely reapply for a permit within 180 days of the expiration date of the permit.

ORDER

Based on the foregoing, the Respondent is hereby ordered to comply with the requirements that are indicated below:

I. To take, immediately upon receipt of this COMPLIANCE ORDER, any and all steps necessary to meet and maintain compliance with the Water Quality Regulations. This shall include, but not be limited to, correcting all of the violations described in the "Findings of Fact" portion.

II. To submit to the Enforcement Division, within thirty (30) days after receipt of this COMPLIANCE ORDER, a written report that includes a detailed description of circumstances surrounding the cited violation(s) and actions taken or to be taken to achieve compliance with the "Order" portion of this COMPLIANCE ORDER. This report and all other reports or information required to be submitted to the Enforcement Division by this COMPLIANCE ORDER shall be submitted to the Department at the address specified in this document.

RIGHT TO APPEAL

The Respondent has a right to an adjudicatory hearing on a disputed issue of material fact or of law arising from this COMPLIANCE ORDER. This right may be exercised by filing a written request with the Secretary not later than thirty (30) days after receipt of this COMPLIANCE ORDER.
II. The request for an adjudicatory hearing shall specify the provisions of the COMPLIANCE ORDER on which the hearing is requested and shall briefly describe the basis for the request. This request should reference the Enforcement Tracking Number and Agency Interest Number, which are located in the upper right-hand corner of the first page of this document and should be directed to the address specified in this document.

III. Upon the Respondent's timely filing of a request for a hearing, a hearing on the disputed issue of material fact or of law regarding this COMPLIANCE ORDER may be scheduled by the Secretary of the Department. The hearing shall be governed by the Act, the Administrative Procedure Act [La. R.S. 49:950, et seq.], the Department may amend or supplement this COMPLIANCE ORDER prior to the hearing, after providing sufficient notice and an opportunity for the preparation of a defense for the hearing.

IV. This COMPLIANCE ORDER shall become a final enforcement action unless the request for hearing is timely filed. Failure to timely request a hearing constitutes a waiver of the Respondent’s right to a hearing on a disputed issue of material fact or of law under Section 2650.4 of the Act for the violation(s) described herein.

V. The Respondent’s failure to request a hearing or to file an appeal or the Respondent’s withdrawal of a request for hearing on this COMPLIANCE ORDER shall not preclude the Respondent from contesting the findings of facts in any subsequent penalty action addressing the same violation(s), although the Respondent is estopped from objecting to this COMPLIANCE ORDER becoming a permanent part of its compliance history.

VI. Civil penalties of not more than thirty-two thousand five hundred dollars ($32,500) may be assessed for each day of violation. The Respondent’s failure or refusal to comply with this COMPLIANCE ORDER and the provisions herein will subject the Respondent to possible enforcement procedures under La R.S. 30:2025, which could result in the assessment of a civil penalty in an amount of not more than fifty thousand dollars ($50,000) for each day of continued violation or noncompliance.

VII. For each violation described herein, the Department reserves the right to seek civil penalties in any manner allowed by law, and nothing herein shall be construed to preclude the right to seek such penalties.

NOTICE OF POTENTIAL PENALTY

I. Pursuant to La. R.S. 30:2050.3(b), you are hereby notified that the issuance of a penalty assessment is being considered for the violation(s) described herein. Written comments may be filed regarding the violation(s) and the contemplated penalty. If you elect to submit comments, it is requested that they be submitted within ten (10) days of receipt of this notice.

II. Prior to the issuance of additional appropriate enforcement action(s), you may request a meeting with the Department to present any mitigating circumstances concerning the violation(s). If you would like to have such a meeting, please contact Scott B. Pierce at 225-219-3723 within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY.

III. The Department is required by La. R.S. 30:2025(E)(3)(a) to consider the gross revenues of the Respondent and the monetary benefits of noncompliance to determine whether a penalty will be assessed and the amount of such penalty. Please forward the Respondent’s most current annual gross revenue statement along with a statement of the monetary benefits of noncompliance for the cited violation(s) to the above named contact person within ten (10) days of receipt of this NOTICE OF POTENTIAL PENALTY. Include with your statement of monetary benefits the method(s) you utilized to arrive at the sum. If you assert that no monetary benefits have been gained, you are to fully justify that statement. If the Respondent chooses not to submit the requested most current annual gross revenue statement within ten (10) days, it will be viewed by the Department as an admission that the Respondent has the ability to pay the statutory maximum penalty as outlined in La. R.S. 30:2025.

IV. This CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY is effective upon receipt.

CONTACTS AND SUBMITTAL OF INFORMATION

Enforcement Division:
Louisiana Department of Environmental Quality
Office of Environmental Compliance
Water Enforcement Division
Post Office Box 4312
Baton Rouge, LA 70821
Attn: Scott B. Pierce

Hearing Requests:
Department of Environmental Quality
Office of the Secretary
Post Office Box 4302
Baton Rouge, Louisiana 70821-4302
Attn: Hearings Clerk, Legal Division
Re: Enforcement Tracking No. WE-CN-18-00913
Agency Interest No. 19599

Physical Address (if hand delivered):

Department of Environmental Quality
602 N Fifth Street
Baton Rouge, LA 70802

Permit Division (If necessary):

Department of Environmental Quality
Office of Environmental Services
Post Office Box 4313
Baton Rouge, LA 70821-4313
Attn: Water Permits Division

HOW TO REQUEST CLOSURE OF THIS CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY

• To appeal the CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY, the Respondent must follow the guidelines set forth in the "Right to Appeal" portion of this CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY.

• To request closure of the COMPLIANCE ORDER portion, the Respondent must demonstrate compliance with the "Order" portion of this COMPLIANCE ORDER by completing the attached "CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE" form and returning it to the address specified.
  o Before requesting closure of this COMPLIANCE ORDER portion, please contact the Financial Services Division at 225-219-3865 or email them at _DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees.

• To expedite closure of the NOTICE OF POTENTIAL PENALTY portion, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein:
  o The Department assesses civil penalties based on LAC 331:1 Subpart 1 Chapter 7.
  o The Respondent may offer a settlement amount but the Department is under no obligation to enter into settlement negotiations. It is decided upon on a discretionary basis.
  o The settlement offer amount may be entered on the attached "CONSOLIDATED COMPLIANCE ORDER AND NOTICE OF POTENTIAL PENALTY REQUEST TO CLOSE" form. The Respondent must include a justification of the offer.
DO NOT submit payment of the offer amount with the form. The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

Before requesting closure of the NOTICE OF POTENTIAL PENALTY portion, please contact the Financial Services Division at 225-219-3865 or email them at DEQ-WWWFinancialServices@la.gov to determine if you owe outstanding fees.

If you have questions or need more information, you may contact Scott B. Pierce at 225-219-3723 or scott.pierce@la.gov.


date: 5-23-79

Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

cc: DH/HOffice of Public Health

Attachment(s):  
- Request to Close
- Exhibit A
- Settlement Brochure
**LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY**
**OFFICE OF ENVIRONMENTAL COMPLIANCE**
**ENFORCEMENT DIVISION**
**POST OFFICE BOX 4312**
**BATON ROUGE, LOUISIANA 70821-4312**

**CONSOLIDATED COMPLIANCE ORDER & NOTICE OF POTENTIAL PENALTY**
**REQUEST TO CLOSE**

<table>
<thead>
<tr>
<th>Enforcement Tracking No.</th>
<th>WE-CN-16-00913</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency Interest (Addr No)</td>
<td>19589</td>
</tr>
<tr>
<td>Alternate ID No.</td>
<td>LA008730</td>
</tr>
</tbody>
</table>

**Respondent:**
H2O Systems Inc.  
500 Convention St., Ste. 700  
Baton Rouge, LA 70802  
C/O M. Dwayne Johnson  
Agent for Service of Process  
City, State, Zip:  
Mandeville, LA 70448  
Parish:  
St. Tammany  
Physical Location:  
3075 White Oak Ln.

**Facility Name:**  
Greenleaves Subdivision STP

---

**STATEMENT OF COMPLIANCE**

A written report was submitted in accordance with Paragraph II of the "Order" portion of the COMPLIANCE ORDER.

All items in the "Findings of Fact" portion of the COMPLIANCE ORDER were addressed and the facility is being operated to meet and maintain the requirements of the "Order" portion of the COMPLIANCE ORDER. Final compliance was achieved as of:  

---

**SETTLEMENT OFFER (OPTIONAL)**  
(check the applicable option)

- The Respondent is not interested in entering into settlement negotiations with the Department with the understanding that the Department has the right to assess civil penalties based on LAC 33:1 Subpart11, Chapter 7.

- In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-16-00847A), the Respondent is interested in entering into settlement negotiations with the Department and would like to set up a meeting to discuss settlement procedures.

- In order to resolve any claim for civil penalties for the violations in NOTICE OF POTENTIAL PENALTY (WE-CN-16-00847A), the Respondent is interested in entering into settlement negotiations with the Department and offers to pay $ which shall include LDEQ enforcement costs and any monetary benefit of non-compliance.

  - **Monetary component:** $  
  - **Beneficial Environmental Project (BEP) component (optional):** $  
  - **DO NOT SUBMIT PAYMENT OF THE OFFER WITH THIS FORM**: The Department will review the settlement offer and notify the Respondent as to whether the offer is or is not accepted.

The Respondent has reviewed the violations noted in NOTICE OF POTENTIAL PENALTY (WE-CN-16-00847A) and has attached a justification of its offer and a description of any BEPs if included in settlement offer.

---

**CERTIFICATION STATEMENT**

I certify, under provisions in Louisiana and United States law that provide criminal penalties for false statements, that based on information and belief formed after reasonable inquiry, the statements and information attached and the compliance statement above, are true, accurate, and complete. I also certify that I do not owe outstanding fees or penalties to the Department for this facility or any other facility I own or operate. I further certify that I am either the Respondent or an authorized representative of the Respondent.

**Respondent's Signature**

**Respondent's Printed Name**

**Respondent's Title**

**Respondent's Physical Address**

**Respondent's Phone #**

**Date**

---

**MAIL COMPLETED DOCUMENT TO THE ADDRESS BELOW:**

LOUISIANA Department of Environmental Quality  
Office of Environmental Compliance  
Enforcement Division  
Post Office Box 4312  
Baton Rouge, LA 70821  
Attn: Scott B. Pierce

If you have questions or need more information, you may contact Scott B. Pierce at 225-219-3723 or scott.pierce@la.gov.
## Exhibit A

### Effluent Limitation Violations

<table>
<thead>
<tr>
<th>MP End Date</th>
<th>Outfall</th>
<th>Parameter</th>
<th>Limit</th>
<th>DMR Value</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>4/30/2017</td>
<td>001-A</td>
<td>Solids, total suspended --- DAILY MX</td>
<td>15</td>
<td>17</td>
<td>mg/L</td>
</tr>
<tr>
<td>1/31/2018</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>9.5</td>
<td>mg/L</td>
</tr>
<tr>
<td>2/28/2018</td>
<td>001-A</td>
<td>pH --- INST MIN</td>
<td>6</td>
<td>&lt;4.28</td>
<td>SU</td>
</tr>
<tr>
<td>2/28/2018</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- MO AVG</td>
<td>32</td>
<td>58.5</td>
<td>lb/d</td>
</tr>
<tr>
<td>2/28/2018</td>
<td>001-A</td>
<td>BOD, carbonaceous [5 day, 20 C] --- MO AVG</td>
<td>79</td>
<td>121</td>
<td>lb/d</td>
</tr>
<tr>
<td>2/28/2018</td>
<td>001-A</td>
<td>BOD, carbonaceous [5 day, 20 C] --- DAILY MX</td>
<td>15</td>
<td>23</td>
<td>mg/L</td>
</tr>
<tr>
<td>5/31/2018</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- MO AVG</td>
<td>4</td>
<td>4.17</td>
<td>mg/L</td>
</tr>
<tr>
<td>5/31/2018</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>10</td>
<td>mg/L</td>
</tr>
<tr>
<td>5/31/2018</td>
<td>001-A</td>
<td>BOD, carbonaceous [5 day, 20 C] --- DAILY MX</td>
<td>15</td>
<td>23</td>
<td>mg/L</td>
</tr>
<tr>
<td>08/31/2018</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>9.6</td>
<td>mg/L</td>
</tr>
<tr>
<td>08/31/2018</td>
<td>001-A</td>
<td>Coliform, fecal general --- DAILY MX</td>
<td>400</td>
<td>1656</td>
<td>#/100mL</td>
</tr>
<tr>
<td>09/30/2018</td>
<td>001-A</td>
<td>BOD, carbonaceous [5 day, 20 C] --- DAILY MX</td>
<td>15</td>
<td>22</td>
<td>mg/L</td>
</tr>
<tr>
<td>09/30/2018</td>
<td>001-Q</td>
<td>Copper, total [as Cu] --- MO AVG</td>
<td>052</td>
<td>.43</td>
<td>lb/d</td>
</tr>
<tr>
<td>09/30/2018</td>
<td>001-Q</td>
<td>Copper, total [as Cu] --- DAILY MX</td>
<td>.123</td>
<td>.43</td>
<td>lb/d</td>
</tr>
<tr>
<td>11/30/2018</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>17</td>
<td>mg/L</td>
</tr>
<tr>
<td>12/31/2018</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>10</td>
<td>mg/L</td>
</tr>
<tr>
<td>2/28/2019</td>
<td>001-A</td>
<td>Nitrogen, ammonia total [as N] --- DAILY MX</td>
<td>8</td>
<td>9</td>
<td>mg/L</td>
</tr>
<tr>
<td>3/31/2019</td>
<td>001-Q</td>
<td>Cyanide, total [as CN] --- MO AVG</td>
<td>.131</td>
<td>&lt;.078</td>
<td>lb/d</td>
</tr>
<tr>
<td>3/31/2019</td>
<td>001-Q</td>
<td>Cyanide, total [as CN] --- DAILY MX</td>
<td>.075</td>
<td>&lt;.078</td>
<td>lb/d</td>
</tr>
</tbody>
</table>
WHAT IS A SETTLEMENT AGREEMENT?

Once the Department has determined that a penalty is warranted for a violation, the Assistant Secretary of the Department, with the concurrence of the Attorney General, may enter into a settlement agreement with the Respondent as a means to resolve the Department's claim for a penalty.

HOW DOES THE SETTLEMENT AGREEMENT PROCESS WORK?

To begin the settlement agreement process, the Department must receive a written settlement offer. Once this offer is submitted, it is sent for approval by the Assistant Secretary of the Office of Environmental Compliance. The formal Settlement Agreement is drafted and sent to the Attorney General's office where the Attorney General has a 90 day concurrence period. During this time, the Respondent is required to run a public notice in an official journal and/or newspaper of general circulation in each affected parish. After which, a 45 day public comment period is opened to allow the public to submit comments. Once the Department has received concurrence, the settlement agreement is signed by both parties. The Department then forwards a letter to the responsible party to establish a payment plan and/or beneficial environmental project (BEP).

WHAT SHOULD I INCLUDE IN A SETTLEMENT AGREEMENT?

The Department uses the penalty determination method defined in LAC 33:1.705 as a guideline to accepting settlement offers. The penalty matrix is used to determine a penalty range for each violation based on the two violation specific factors, the nature and gravity of the violation and the degree of risk/impact to human health and property.

<table>
<thead>
<tr>
<th>Degree of Risk to Human Health or Property</th>
<th>Nature and Gravity of the Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major (actual measurable harm or substantial risk of harm)</td>
<td>Major: A violation of major impact to an environmental resource or a hazard characterized by high volume and/or frequent occurrence and/or high pollutant concentration.</td>
</tr>
<tr>
<td>Moderate (potential for measurable detrimental impact)</td>
<td>Moderate: A violation of moderate impact and hazard may be characterized by occasional occurrence and/or pollutant concentration that may be expected to have a detrimental effect under certain conditions.</td>
</tr>
<tr>
<td>Minor (no harm or risk of harm)</td>
<td>Minor: A violation of minor impact are isolated single incidences and that cause no measurable detrimental effect or are administrative in nature.</td>
</tr>
</tbody>
</table>

The range is adjusted using the following violator specific factors:

1. history of previous violations or repeated noncompliance;
2. gross revenues generated by the respondent;
3. degree of culpability, recalcitrance, defiance, or indifference to regulations or orders;
4. whether the Respondent has failed to mitigate or to make a reasonable attempt to mitigate the damages caused by the violation; and
5. whether the violation and the surrounding circumstances were immediately reported to the department, and whether the violation was concealed or there was an attempt to conceal by the Respondent.
Given the previous information, the following formula is used to obtain a penalty amount.

\[ \text{Penalty Event Total} = \text{Penalty Event Minimum} + (\text{Adjustment Percentage} \times (\text{Penalty Event Maximum} - \text{Penalty Event Minimum})) \]

After this, the Department adds any monetary benefit of noncompliance to the penalty event. In the event that a monetary benefit is gained due to the delay of a cost that is ultimately paid, the Department adds the applicable judicial interest. Finally, the Department adds all response costs including, but not limited to, the cost of conducting inspections, and the staff time devoted to the preparation of reports and issuing enforcement actions.

**WHAT IS A BEP?**

A BEP is a project that provides for environmental mitigation which the respondent is not otherwise legally required to perform, but which the defendant/respondent agrees to undertake as a component of the settlement agreement. Project categories for BEPs include public health, pollution prevention, pollution reduction, environmental restoration and protection, assessments and audits, environmental compliance promotion, and emergency planning, preparedness and response. Other projects may be considered if the Department determines that these projects have environmental merit and is otherwise fully consistent with the intent of the BEP regulations.

**WHAT HAPPENS IF MY OFFER IS REJECTED?**

If an offer is rejected by the Assistant Secretary, the Legal Division will contact the responsible party, or anyone designated as an appropriate contact in the settlement offer, to discuss any discrepancies.

**WHERE CAN I FIND EXAMPLES AND MORE INFORMATION?**

- Settlement Offers [searchable in EDMS using the following filters](#)
- Settlement Agreements [Enforcement Division's website](#)
- Penalty Determination Method [LAC 33.1 Chapter 7](#)
- Beneficial Environmental Projects [LAC 33.1 Chapter 25](#)
- Judicial Interest [FAQs](#)

[Provided by the Louisiana State Bar Association](#)