STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-WE-19-0105**
INGEVITY SOUTH CAROLINA, LLC	*	
	*	**Enforcement Tracking No.**
AI # 1514	*	**WE-PP-19-00100**
	*	
PROCEEDINGS UNDER THE LOUISIANA	*	
ENVIRONMENTAL QUALITY ACT	*	
LA. R.S. 30:2001, ET SEQ.	*	

SETTLEMENT

The following Settlement is hereby agreed to between Ingevity 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 wood chemical manufacturing facility located in DeRidder, Beauregard Parish, Louisiana ("the Facility").

II

On September 17, 2019, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. WE-PP-19-00100 (Exhibit 1).

III

Enforcement Action No. WE-PP-19-00100 was served on the Respondent on September 23, 2019 (Exhibit 2).

IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures

and/or penalties.

V

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 SIX HUNDRED AND SEVENTY-SEVEN AND NO/100 DOLLARS ($5,677.00), of which Six Hundred Seventy-Seven and 46/100 Dollars ($677.46) 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).

VI

Respondent further agrees that the Department may consider the inspection report(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.

VII

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.

VIII

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.

IX

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.

X

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 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.

XI

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).

XII

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

XIII

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.

INGEVITY SOUTH CAROLINA, LLC

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

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

BY: _____
Lourdes Iturralde, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Lourdes Iturralde, Assistant Secretary

JOHN BEL EDWARDS
GOVERNOR

CHUCK CARR BROWN, PH.D.
SECRETARY

State of Louisiana

DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE

SEP 17 2019

EXHIBIT
tabbies
1

CERTIFIED MAIL (7018 1130 0001 5655 1987)
RETURN RECEIPT REQUESTED

INGEVITY SOUTH CAROLINA, LLC
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Avenue
Baton Rouge, LA 70802

RE: NOTICE OF POTENTIAL PENALTY
ENFORCEMENT TRACKING NO. WE-PP-19-00100
AGENCY INTEREST NO. 1514

Dear Sir:

On or about November 2, 2018, an inspection of the **DERIDDER PLANT**, a gum and wood chemical manufacturing facility, owned and/or operated by **INGEVITY SOUTH CAROLINA, LLC (RESPONDENT)**, was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Water Quality Regulations. The facility is located at 400 Crosby Road in DeRidder, Beauregard Parish, Louisiana. The Respondent was reissued Louisiana Pollutant Discharge Elimination System (LPDES) permit LA0000868 on April 22, 2013, with an effective date of June 1, 2013, and an expiration date of May 31, 2018. On or about November 27, 2017, the Department received a renewal application from the Respondent dated November 22, 2017, and LPDES Permit LA0000868 was administratively continued. Under the terms and conditions of LPDES permit LA0000868, the Respondent is authorized to discharge treated process wastewater, utility wastewaters, miscellaneous wastewaters, hydrostatic test wastewater, and process area and non-process area stormwater runoff into Palmetto Creek via local drainage (subsegment 030506), waters of the state.

While the investigation by the Louisiana Department of Environmental Quality (the Department) is not yet complete, the following violations were noted during the course of the inspection:

An inspection conducted by the Department on or about November 2, 2018, revealed that the Respondent failed to comply with the whole effluent toxicity (WET) limit for *Ceriodaphnia dubia* (CE) and *Pimephales Promelas* (PI) by exhibiting statistically lethal and/or sublethal effects to the test species at or below the critical dilution. Specifically, the Respondent reported failures to comply with the WET limit for CE and PI on Discharge Monitoring Reports (DMRs).

See Table 1. Each failure to comply with the WET limit by demonstrating statistically significant lethal and/or sub-lethal effect to the test species at or below the critical dilution is a violation of LPDES permit LA0000868 (Part I, page 2 of 7; Part II, Sections J and N.1.d.ii; and Part III Section A.2), La. R.S. 30:2076(A)(3), and LAC 33:IX.501.A.

The Respondent submitted a response to the Warning Letter dated April 4, 2019, for the inspection conducted on November 2, 2018. In the response, the Respondent detailed the circumstances and reasons for the violations and detailed the measures that had been taken and would be taken to address them.

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.

Prior to the issuance of any additional appropriate enforcement action, 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 Richard Ober, Jr. at (225) 219-3135 within ten (10) days of receipt of this **NOTICE OF POTENTIAL PENALTY**.

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 in order 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 violations 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 this statement. If the Respondent chooses not to submit the requested most current annual gross revenues 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.

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

The Department assesses civil penalties based on LAC 33:I.Subpart1.Chapter 7. To expedite closure of this **NOTICE OF POTENTIAL PENALTY**, the Respondent may offer a settlement amount to resolve any claim for civil penalties for the violation(s) described herein. The Respondent may offer a settlement amount, but the Department is under no obligation to enter into settlement negotiations. The decision to proceed with a settlement is at the discretion of the Department. The settlement offer amount may be entered on the attached **"NOTICE OF POTENTIAL PENALTY REQUEST TO SETTLE"** 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.

To reduce document handling, please refer to the Enforcement Tracking Number and Agency Interest Number on the front of this document on all correspondence in response to this action.

Sincerely,

Lourdes Iturralde
Assistant Secretary
Office of Environmental Compliance

LI/RO/ro
Alt ID No. LA0000868

c: Daniel Kyle, Plant Manager
Ingevity South Carolina, LLC
400 Crosby Road
DeRidder, LA 70634

Table 1

DMR Monitoring Period	Test Month	Outfall	Parameter	Permit Limit	Sample Value
04/01/2017 - 06/30/2017	05/01/2017 - 05/30/2017	001CE	Whole effluent toxicity (7 Day Minimum)	83 %	<26 %
			Whole effluent toxicity (Monthly Average Minimum)	83 %	<26 %
	06/01/2017 - 06/30/2017	001CE	Whole effluent toxicity (7 Day Minimum)	83 %	35%
			Whole effluent toxicity (Monthly Average Minimum)	83 %	35%
07/01/2017 - 09/30/2017	09/01/2017 - 09/30/2017	001CE	Whole effluent toxicity (7 Day Minimum)	83 %	47%
			Whole effluent toxicity (Monthly Average Minimum)	83 %	47%
10/01/2017 - 12/31/2017	10/01/2017 - 10/31/2017	001CE	Whole effluent toxicity (7 Day Minimum)	83 %	<26%
			Whole effluent toxicity (Monthly Average Minimum)	83 %	<26%
10/01/2017 - 12/31/2017	10/01/2017 - 10/31/2017	001PI	Whole effluent toxicity (7 Day Minimum)	83 %	<26 %
			Whole effluent toxicity (Monthly Average Minimum)	83 %	<26 %
04/01/2018 - 06/30/2018	06/01/2018 - 06/30/2018	001CE	Whole effluent toxicity (7 Day Minimum)	83 %	62 %
			Whole effluent toxicity (Monthly Average Minimum)	83 %	62 %

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF ENVIRONMENTAL COMPLIANCE
ENFORCEMENT DIVISION
POST OFFICE BOX 4312
BATON ROUGE, LOUISIANA 70821-4312

NOTICE OF POTENTIAL PENALTY
REQUEST TO SETTLE *(OPTIONAL)*

Enforcement Tracking No.	WE-PP-19-00100	**Contact Name**	Richard Ober, Jr.
Agency Interest (AI) No.	1514	**Contact Phone No.**	(225) 219-3135
Alternate ID No.	LA0000868		
Respondent:	Ingevity South Carolina, LLC	**Facility Name:**	DeRidder Plant
	c/o Corporation Service Company	**Physical Location:**	400 Crosby Road
	Agent for Service of Process		
	501 Louisiana Avenue	**City, State, Zip:**	DeRidder, LA 70634
	Baton Rouge, LA 70802	**Parish:**	Beauregard

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:I.Subpart1.Chapter7.
____	In order to resolve any claim for civil penalties for the violations in **NOTICE OF POTENTIAL PENALTY** (WE-PP-19-00100), 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-PP-19-00100), 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-PP-19-00100) 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
P.O. Box 4312
Baton Rouge, LA 70821
Attn: Richard Ober, Jr.

ENDER: COMPLETE THIS SECTION

Complete items 1, 2, and 3.
Print your name and address on the reverse so that we can return the card to you.
Attach this card to the back of the mailpiece, or on the front if space permits.

Article Addressed to:

INGEVITY SOUTH CAROLINA, LLC
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Avenue
Baton Rouge, LA 70802
WE-N-19-00100/ro/Beauregard/SWRO
AI: 1514; ALT ID: LA0000868; ENF20190001

9590 9402 3635 7305 7929 36

Article Number (Transfer from service label)

7018 1130 0001 5655 1987

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X [signature] ☐ Agent ☐ Addressee

B. Received by (Printed Name) Anna Schutte
C. Date of Delivery 9/23/19

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type
☐ Adult Signature
☐ Adult Signature Restricted Delivery
☒ Certified Mail®
☐ Certified Mail Restricted Delivery
☐ Collect on Delivery
☐ Collect on Delivery Restricted Delivery
☐ Insured Mail
☐ Insured Mail Restricted Delivery (over $500)
☐ Priority Mail Express®
☐ Registered Mail™
☐ Registered Mail Restricted Delivery
☐ Return Receipt for Merchandise
☐ Signature Confirmation™
☐ Signature Confirmation Restricted Delivery

S Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

tabbies
EXHIBIT
2

USPS TRACKING#

9590 9402 3635 7305 7929 36

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States Postal Service

* Sender: Please print your name, address, and ZIP+4® in this box*

Office of Environmental Compliance
P.O. Box 4312
Baton Rouge, LA 708
ATTN: Richard Ober

31212