STATE OF LOUISIANA
DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

INGEVITY SOUTH CAROLINA, LLC
AI # 1514

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

* Settlement Tracking No.
* SA-WE-19-0105
* Enforcement Tracking No.
* WE-PP-19-00100

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)

Danny Kyle
(Printed)

TITLE: Plant Manager

THUS DONE AND SIGNED in duplicate original before me this 10th day of August, 2020, at 10:30 AM.

Kelly R. Lewis
NOTARY PUBLIC (ID #408125)

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 1st day of February, 2021, at Baton Rouge, Louisiana.

Amber G. Litchfield
NOTARY PUBLIC (ID #29503)
State of Louisiana
Notary ID #92503
East Baton Rouge Parish

Lourdes Iturralde, Assistant Secretary

Approved:
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 33:1X.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 33:1.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 Hiralde
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>
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<tr>
<th>DMR Monitoring Period</th>
<th>Test Month</th>
<th>Outfall</th>
<th>Parameter</th>
<th>Permit Limit</th>
<th>Sample Value</th>
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<td>04/01/2017 - 06/30/2017</td>
<td>05/01/2017 - 05/30/2017</td>
<td>001CE</td>
<td>Whole effluent toxicity (7 Day Minimum)</td>
<td>83 %</td>
<td>&lt;26 %</td>
</tr>
<tr>
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<td>06/01/2017 - 06/30/2017</td>
<td>001CE</td>
<td>Whole effluent toxicity (Monthly Average Minimum)</td>
<td>83 %</td>
<td>&lt;26 %</td>
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<td>07/01/2017 - 09/30/2017</td>
<td>09/01/2017 - 09/30/2017</td>
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<td>47%</td>
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<td>10/01/2017 - 12/31/2017</td>
<td>10/01/2017 - 10/31/2017</td>
<td>001PI</td>
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<td>001PI</td>
<td>Whole effluent toxicity (Monthly Average Minimum)</td>
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<td>&lt;26 %</td>
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<tr>
<td>04/01/2018 - 06/30/2018</td>
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NOTICE OF POTENTIAL PENALTY
REQUEST TO SETTLE (OPTIONAL)

Enforcement Tracking No. WE-PP-19-00100
Agency Interest (AI) No. 1514
Alternate ID No. LAC000868

Respondent: Ingevity South Carolina, LLC
c/o Corporation Service Company
Agent for Service of Process
501 Louisiana Avenue
Baton Rouge, LA 70802

Facility Name: DeRidder Plant
Physical Location: 400 Crosby Road
City, State, Zip: DeRidder, LA 70634
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 33:1.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.