

**ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,
DIVISION OF ENVIRONMENTAL QUALITY**

IN THE MATTER OF:

AFIN: 21-00058

LIS No. 25-060

HARVEST RICE, LLC
1232 HIGH STREET
MCGEHEE, AR 71654

CONSENT ADMINISTRATIVE ORDER

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 *et seq.*, Arkansas Pollution Control and Ecology Commission (APC&EC) Rule 7, now codified at 8 CAR § 10-101 *et seq.*, APC&EC Rule 8 (8 CAR § 11-101 *et seq.*), APC&EC Rule 18 (8 CAR § 40-101 *et seq.*), and APC&EC Rule 19 (8 CAR § 41-101 *et seq.*).

The issues herein having been settled by agreement of Harvest Rice, LLC (Respondent) and the Director of the Division of Environmental Quality (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

FINDINGS OF FACT

1. Respondent owns and operates a rice milling plant located at 1232 High Street in McGehee, Desha County, Arkansas.
2. The Air Permit referenced in this CAO is 0735-AR-11 (the Permit). The Permit was issued on May 30, 2023.

3. Ark. Code Ann. § 8-4-217(a)(3) provides:
 - (a) It shall be unlawful for any person to:
 - ...
 - (3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by DEQ;
4. Ark. Code Ann. § 8-4-103(c)(1)(A) provides, “Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation.”
5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B) as referenced by Ark. Code Ann. § 8-4-304, “Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”
6. On March 12, 2024, DEQ personnel performed a routine compliance inspection and subsequently performed an investigation on April 5, 2024, in response to a complaint received April 3, 2024. The compliance inspection reporting period covered December 1, 2019, through January 31, 2024.
7. Specific Condition 3 of the Permit states that Visible Emissions (VE) may not exceed 0% as measured by EPA Reference Method 9.
8. Specific Condition 4 of the Permit states that Respondent shall not cause or permit the emission of air contaminants, including odors or water vapor and including an air contaminant whose emission is not otherwise prohibited by APC&EC Rule 18, if the emission of the air contaminant constitutes air pollution within the meaning of Ark. Code Ann. § 8-4-303.
9. Specific Condition 5 of the Permit states that Respondent shall not conduct operations in such a manner as to unnecessarily cause air contaminants and other pollutants to become airborne.
10. General Condition 9 of the Permit states that Respondent shall operate equipment,

control apparatus and emission monitoring equipment within their design limitations. Respondent shall maintain in good condition at all times equipment, control apparatus and emission monitoring equipment.

11. During the March 12, 2024 inspection and April 5, 2024 complaint investigation, DEQ personnel observed VEs in excess of 0% at the baghouse (SN-06). Such acts violate Specific Conditions 3, 4, and 5 and General Condition 9 of the Permit and therefore violate Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

12. In correspondence dated April 9, 2024, DEQ informed Respondent of the compliance issues identified during the March 12, 2024 inspection and April 5, 2024 complaint investigation. This was intended to provide Respondent with the opportunity to review the violations and submit any additional information Respondent deemed appropriate regarding the compliance issues.

13. In correspondence dated May 1, 2024, Respondent provided the following regarding the compliance issues:

- a. SN-06 had multiple components malfunctioning. Respondent had, at the time, decided to replace SN-06 at an approximated cost of \$750,000.00. The replacement was estimated to be accomplished thirty-five (35) weeks after May 1, 2024 (January 1, 2025).
- b. VEs were being released from the drag conveyor due to worn equipment in multiple areas of the mechanism. Respondent had decided to replace the drag conveyor. The cost of replacement was approximated at \$110,000.00. The replacement was estimated to be accomplished fourteen (14) weeks after May 1, 2024 (August 7, 2024).

14. In correspondence dated May 23, 2024, DEQ informed Respondent that formal

enforcement action was proceeding regarding this matter.

15. Respondent provided that since October 15, 2024, milling operations at the facility have been suspended and no further emission violations have occurred at the facility.

16. Further, Respondent provided that, after further analysis of the cost of repairs and current market conditions, Respondent decided to continue the suspension of all milling activities at this location. The suspension of all milling operations will ensure no further air emission violations will occur.

ORDER AND AGREEMENT

WHEREFORE, Respondent, neither admitting nor denying the factual and legal allegations contained in this CAO, and DEQ do hereby agree and stipulate as follows:

1. Within thirty (30) calendar days of the effective date of this CAO, Respondent shall submit a request to void the permit.

2. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay a civil penalty of **NINE HUNDRED EIGHTY DOLLARS (\$980.00)**. Payment is due within thirty (30) calendar days after the effective date of this CAO. Such payment shall be made payable to:

DEQ, Fiscal Services
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317.

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.

3. All applicable submissions required by this CAO are subject to approval by DEQ. In the event of any deficiency, Respondent shall, within fifteen (15) calendar days of notification by

DEQ, submit any additional information requested. Failure to respond adequately to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is subject to the civil penalties established in the following Paragraph.

4. Failure to meet the limits, requirements, or deadlines of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any limits, requirements, or deadlines, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

- | | |
|--|----------------|
| (a) First day through the fourteenth day: | \$100 per day |
| (b) Fifteenth day through the thirtieth day: | \$500 per day |
| (c) More than thirty days: | \$1000 per day |

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the requirements of this CAO. DEQ reserves its rights to collect other penalties and fines pursuant to its enforcement authority in lieu of the stipulated penalties set forth above.

5. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

6. DEQ may grant an extension of any provision of this CAO, provided that Respondent

requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous Paragraph of the ORDER AND AGREEMENT, shall be grounds for a denial of an extension.

7. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d), and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period.

8. As provided by APC&EC Rule 8, now codified at 8 CAR § 11-101 *et seq.*, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this CAO is granted by the Commission.

9. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

10. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the responsibilities for obtaining any necessary permits.

11. By virtue of the signature appearing below, the individual represents that he or she is a Managing Member of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than a Managing Member of Respondent shall be accompanied by a resolution granting signature authority to said individual as duly ratified by the governing body of the entity.

SO ORDERED THIS 30 DAY OF July, 2025.

Bailey Taylor
BAILEY TAYLOR
CHIEF ADMINISTRATOR OF ENVIRONMENT AND DEQ DIRECTOR
ARKANSAS DEPARTMENT OF ENERGY & ENVIRONMENT

APPROVED AS TO FORM AND CONTENT:

HARVEST RICE, LLC

BY: [Signature] (Signature)

Richard B. Turner (Typed or printed name)

TITLE: CFO / Managing Member

DATE: 07/02/25