



# FLORIDA DEPARTMENT OF Environmental Protection

Southeast District Office  
3301 Gun Club Road, MSC 7210-1  
West Palm Beach, FL 33406  
561-681-6600

**Ron DeSantis**  
Governor

**Jeanette Nuñez**  
Lt. Governor

**Noah Valenstein**  
Secretary

October 20, 2020

VIA EMAIL: [SandyGrimm@segrocers.com](mailto:SandyGrimm@segrocers.com)

M. Sandlin Grimm  
Vice President, Chief Legal Officer & Secretary  
Southeastern Grocers, Inc.  
8928 Prominence Parkway, Building 200  
Jacksonville, FL 32256

SUBJECT: Department of Environmental Protection vs Southeastern Grocers, Inc.  
OGC File No.: 20-1133  
Southeastern Grocers, Inc.

Mr. Grimm,

Enclosed for your records is a copy of the fully executed and filed Consent Order for the above-styled case. Please familiarize yourself with the compliance dates and terms of the Consent Order so that the complete and timely performance of those obligations may be accomplished.

Thank you for your cooperation in this matter. If you have any questions concerning this matter, please contact Alannah Irwin at 561-681-6626 or Justin Stark at 561-681-6648.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Andreotta", is written above a horizontal line.

Jason Andreotta, Director  
Southeast District  
Florida Department of Environmental Protection

cc: Lea Crandall, OGC, DEP Tallahassee (MS#35)  
Shirley Richards, SED



# FLORIDA DEPARTMENT OF Environmental Protection

Southeast District Office  
3301 Gun Club Road, MSC 7210-1  
West Palm Beach, FL 33406  
561-681-6600

**Ron DeSantis**  
Governor

**Jeanette Nuñez**  
Lt. Governor

**Noah Valenstein**  
Secretary

October 5, 2020

VIA EMAIL: SandyGrimm@segrocers.com

M. Sandlin Grimm  
Vice President, Chief Legal Officer & Secretary  
Southeastern Grocers, Inc.  
8928 Prominence Parkway, Building 200  
Jacksonville, FL 32256

SUBJECT: Department of Environmental Protection vs Southeastern Grocers, Inc.  
OGC File No.: 20-1133  
Southeastern Grocers, Inc.

Mr. Grimm,

The State of Florida Department of Environmental Protection (“Department”) finds that Southeastern Grocers, Inc. (“Respondent”) (collectively, the “Parties”) failed to implement hazardous waste transporter and transfer facility standards, in violation of 40 CFR Parts 262, 263, 273 and 279, as well as Rules 62-710.850 and 62-730.160 of the Florida Administrative Code (F.A.C.). Before sending this letter, the Department requested that the Respondent undertake certain actions to resolve the alleged violations. These actions have since been completed. Due to the nature of the alleged violations, the Department finds that Respondent remains subject to civil penalties. The Respondent is also responsible for costs incurred by the Department during the investigation of this matter. Respondent does not admit any liability to the Department arising out of the alleged violations. The Parties recognize that this settlement, negotiated by the Parties in good faith, will avoid potential litigation between the Parties and that a settlement is fair, reasonable, and in the public interest.

## **The Department’s Offer**

Based on the violations described above, the Department is seeking \$112,974.00 in civil penalties, and \$1,000.00 for costs and expenses the Department has incurred in investigating this matter, which amounts to a total of \$113,974.00.

In lieu of making cash payment of \$113,974.00 in civil penalties and Department costs, Respondent may elect to off-set the civil penalty amount of \$112,974.00 by implementing a Pollution Prevention (P2) Project, which must be approved by the Department. P2 is a process improvement that reduces the amount of pollution that enters the environment; by conserving

resource (including water, raw materials, chemicals, and energy) use, or by minimizing waste generation (including domestic and industrial wastewater, solid and hazardous waste, and air emissions). A P2 Project must reduce pollution or waste within the process beyond what is required by Federal, state, or local law, in order to be eligible for civil penalty off-set under this Order. The approved P2 Project Plan (Plan) for this case can be found incorporated hereinafter as “Exhibit I.”

If any balance remains after the entire P2 credit is applied to the allowable portion of the civil penalty, Respondent shall pay the difference within 30 days of written notification by the Department to Respondent that the balance is due.

### **Respondent’s Acceptance**

If you wish to accept this offer and fully resolve the enforcement matter pending against the Respondent, then within **7 calendar days** of the mailing date of this Order, please sign this letter and return it to the Department at FDEP Southeast District Office, 3301 Gun Club Road, MSC 7210-1, West Palm Beach, FL 33406 or via email at [Justin.Stark@floridadep.gov](mailto:Justin.Stark@floridadep.gov). The Department will then countersign it and file it with a designated clerk of the Department. Once the document is filed with the designated clerk, it will constitute a final order of the Department pursuant to Section 120.52(7), F.S. and will be effective unless a request for an administrative hearing is filed by a third party in accordance with Chapter 120, F.S. and the attached Notice of Rights.

By accepting this offer you, M. Sandlin Grimm:

- (1) certify that you are authorized and empowered to negotiate, enter into, and accept the terms of this offer in the name and on behalf of Respondent;
- (2) acknowledge and waive Respondent’s right to an administrative hearing pursuant to Sections 120.569 and 120.57, F.S., on the terms of this offer, once final;
- (3) acknowledge and waive Respondent’s right to an appeal pursuant to Section 120.68, F.S.; and
- (4) acknowledge that payment of the above amount does not constitute a waiver of the Department’s right, if any, to recover emergency response related costs and expenses for this matter.

The Department acknowledges that the Respondent’s acceptance of this offer does not constitute an admission of liability for the alleged violations referenced above.

### **Respondent’s Performance**

After signing and returning this document to the Department,

1. Respondent shall commence implementation of the approved P2 Project by February 15, 2021 and shall submit a P2 Project Final Report within 180 days of the commencement

date of the project. Your failure to timely start or complete the P2 Project, or timely provide the Department with the Final Report, will cause the P2 Project option to be forfeited and the balance of the civil penalty which is \$112,974.00 shall be due within 10 days of notice from the Department. Similarly, if Respondent fails to timely notify the Department of intent to implement a P2, the full civil penalty shall be due within 10 days of notice from the Department.

2. Respondent must pay \$1,000.00 for the Department costs within 30 calendar days of the effective date of this Order.
3. Respondent shall make all payments required by this Order by cashier's check, money order or on-line payment. Cashier's check or money order shall be made payable to the "Department of Environmental Protection" and shall include both the OGC number assigned to this Order and the notation "Water Quality Assurance Trust Fund." Online payments by e-check can be made by going to the DEP Business Portal at: <http://www.fldepportal.com/go/pay/>. It will take a number of days after this order is final and effective filed with the Clerk of the Department before ability to make online payment is available.

The Department may enforce the terms of this document, once final, and seek to collect monies owed pursuant to Sections 120.69 and 403.121, F.S.

Until clerked by the Department, this letter is only a settlement offer and not a final agency action. Consequently, neither the Respondent nor any other party may request an administrative hearing to contest this letter pursuant to Chapter 120, F.S. Once this letter is clerked and becomes a final order of the Department, as explained above, the attached Notice of Rights will apply to parties, other than the Respondent, whose interests will be substantially affected.

Electronic signatures or other versions of the Parties' signatures, such as .pdf or facsimile, shall be valid and have the same force and effect as originals. No modifications of the terms of this Order will be effective until reduced to writing, executed by both Respondent and the Department, and filed with the clerk of the Department.

Please be aware that if the Respondent declines to respond to the Department's offer, the Department will assume that the Respondent is not interested in resolving the matter and will proceed accordingly.

If you have any questions, please contact Justin Stark at 561-681-6648, [Justin.Stark@floridadep.gov](mailto:Justin.Stark@floridadep.gov).

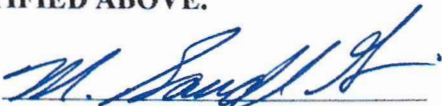
Sincerely,



Jason Andreotta  
Director  
Southeast District Office

FOR THE RESPONDENT:

I, M. Sandlin Grimm, **HEREBY ACCEPT THE TERMS OF THE SETTLEMENT OFFER IDENTIFIED ABOVE.**

By:   
M. Sandlin Grimm

Date: October 19, 2020

Title: Chief Legal Officer & Secretary

**LEGAL: APPROVED**  
**ATTY:**   
**DATE:** 10/19/2020

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**FOR DEPARTMENT USE ONLY**

DONE AND ORDERED this 20th day of October, 2020, in Palm Beach County, Florida.

STATE OF FLORIDA DEPARTMENT  
OF ENVIRONMENTAL PROTECTION



Jason Andreotta  
Director  
Southeast District Office

Filed, on this date, pursuant to section 120.52, F.S., with the designated Department Clerk, receipt of which is hereby acknowledged.



Clerk

October 20, 2020

Date

Attachments: Notice of Rights

Final clerked copy furnished to:  
Lea Crandall, Agency Clerk (lea.crandall@floridadep.gov)

## NOTICE OF RIGHTS

Persons who are not parties to this Order, but whose substantial interests are affected by it, have a right to petition for an administrative hearing under Sections 120.569 and 120.57, Florida Statutes. Because the administrative hearing process is designed to formulate final agency action, the filing of a petition concerning this Order means that the Department's final action may be different from the position it has taken in the Order.

The petition for administrative hearing must contain all of the following information:

- a) The OGC Number assigned to this Order;
- b) The name, address, and telephone number of each petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding;
- c) An explanation of how the petitioner's substantial interests will be affected by the Order;
- d) A statement of when and how the petitioner received notice of the Order;
- e) Either a statement of all material facts disputed by the petitioner or a statement that the petitioner does not dispute any material facts;
- f) A statement of the specific facts the petitioner contends warrant reversal or modification of the Order;
- g) A statement of the rules or statutes the petitioner contends require reversal or modification of the Order; and
- h) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the Department to take with respect to the Order.

The petition must be filed (received) at the Department's Office of General Counsel, 3900 Commonwealth Boulevard, MS# 35, Tallahassee, Florida 32399-3000 within 21 days of receipt of this notice. A copy of the petition must also be mailed at the time of filing to the District Office at the address indicated above. Failure to file a petition within the 21-day period constitutes a person's waiver of the right to request an administrative hearing and to participate as a party to this proceeding under Sections 120.569 and 120.57, Florida Statutes. Mediation under Section 120.573, Florida Statutes, is not available in this proceeding.

## Exhibit I

### P2 Project Summary (Summary)

Southeastern Grocers, Inc.  
8928 Prominence Parkway, Building 200  
Jacksonville, FL 32256

A. **Project Description:** Southeastern Grocers, Inc. will retrofit three of its Florida retail grocery stores, as listed below, from compact florescent lights (“CFLs”) to low emitting diodes (“LEDs”).

**Fresco Store #387**

18801 SW 117th Avenue  
Miami, Florida

**Winn-Dixie Store #2327**

1535 N. Singleton Avenue  
Titusville, Florida

**Winn-Dixie Store #2441**

8837 N. 56th Street  
Temple Terrace, Florida

Retrofits will include replacement of both canopy (ceiling) and shelving lights. Canopy LED lights are anticipated to have wattages of between 21-28W each, and shelf LED lights are anticipated to have wattages between 2.5W and 10W, depending upon the application.

The LED retrofits at each of the three stores shall be commenced prior to February 15, 2021 and shall be completed by no later than March 15, 2021. **The capital investment for each LED retrofit is anticipated be \$52,000, for an aggregate investment of \$156,000 for all three stores.**

B. **Environmental and Economic Benefits:** The LED retrofits at each of the three stores are expected to reduce annual energy demand by between 8-10%, or about 225 kWh/year per store, for a reduction in energy usage of approximately 675 kWh/year. The LED retrofits are also expected to reduce waste generation at the three stores. The typical lamp life of the replacement LEDs is 50,000 hours, which is approximately 5 times longer than the lamp life of a typical CFL (~10,000 hours). Further, unlike CFLs, LEDs do not contain toxic mercury.

In addition to the environmental benefits, the LED retrofits at each the three identified stores are anticipated to achieve annual costs savings, primarily through improved energy efficiency, of between \$15,000/yr and \$20,000/yr, for an aggregate annual cost savings of approximately \$51,000/year. Additional information is provided in the following summary tables:

**Fresco Store #387 – LED Retrofit**

**Annual Resource Consumption Comparison**

Item	Quantity Used (gal/lb/kwh-specify)			Purchasing Cost (\$)			Percent (%) Reduction
	Before	After	Reduction	Before	After	Reduction	
Water	-	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Energy	2,087 MWh	1,862 MWh	225,000 kWh	-	-	\$17,213	7.8%
<b>Total Annual Cost Savings = \$17,213</b>							

**Annual Waste Generation Comparison**

Item	Quantity Generated (gal/lb/tons-specify)			Disposal Cost (\$)			Percent (%) Reduction
	Before	After	Reduction	Before	After	Reduction	
Hazardous/ Universal Waste	730 lamps (CFL)	146 lamps (LED)	80%	-	-	\$1,000	80%
Industrial Wastewater	-	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	-	-
Air Emissions	-	-	-	-	-	-	-
<b>Total Annual Cost Savings = \$1,000</b>							

**Total Annual Avoided Cost Savings = \$18,213**



**Winn-Dixie Store #2327 – LED Retrofit**

**Annual Resource Consumption Comparison**

Item	Quantity Used (gal/lb/kwh-specify)			Purchasing Cost (\$)			Percent (%) Reduction
	Before	After	Reduction	Before	After	Reduction	
Water	-	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Energy	3,233 MWh	3,008 MWh	225,000 kWh	-	-	\$15,075	7.0%
<b>Total Annual Cost Savings = \$15,075</b>							

**Annual Waste Generation Comparison**

Item	Quantity Generated (gal/lb/tons-specify)			Disposal Cost (\$)			Percent (%) Reduction
	Before	After	Reduction	Before	After	Reduction	
Hazardous/ Universal Waste	730 lamps (CFL)	146 lamps (LED)	80%	-	-	\$1,000	80%
Industrial Wastewater	-	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	-	-
Air Emissions	-	-	-	-	-	-	-
<b>Total Annual Cost Savings = \$1,000</b>							

**Total Annual Avoided Cost Savings = \$16,075**

**Winn-Dixie Store #2441 – LED Retrofit**

**Annual Resource Consumption Comparison**

Item	Quantity Used (gal/lb/kwh-specify)			Purchasing Cost (\$)			Percent (%) Reduction
	Before	After	Reduction	Before	After	Reduction	
Water	-	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Energy	2,087 MWh	1,862 MWh	225,000 kWh	-	-	\$19,238	10.8%
<b>Total Annual Cost Savings = \$19,238</b>							

**Annual Waste Generation Comparison**

Item	Quantity Generated (gal/lb/tons-specify)			Disposal Cost (\$)			Percent (%) Reduction
	Before	After	Reduction	Before	After	Reduction	
Hazardous/ Universal Waste	730 lamps (CFL)	146 lamps (LED)	80%	-	-	\$1,000	80%
Industrial Wastewater	-	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	-	-
Air Emissions	-	-	-	-	-	-	-
<b>Total Annual Cost Savings = \$1,000</b>							

**Total Annual Avoided Cost Savings = \$20,238**

**Summary of All P2 Projects**

**Annual Resource Consumption Comparison**

Item	Quantity Used (gal/lb/kwh-specify)			Purchasing Cost (\$)			Percent (%) Reduction
	Before	After	Reduction	Before	After	Reduction	
Water	-	-	-	-	-	-	-
Chemicals	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-
Energy	8,204 MWh	7,334 MWh	675 kWh	-	-	\$51,525	8.2%
<b>Total Annual Cost Savings = \$51,525</b>							

**Annual Waste Generation Comparison**

Item	Quantity Generated (gal/lb/tons-specify)			Disposal Cost (\$)			Percent (%) Reduction
	Before	After	Reduction	Before	After	Reduction	
Hazardous/ Universal Waste	2,190 lamps (CFL)	438 lamps (LED)	80%	-	-	\$3,000	80%
Industrial Wastewater	-	-	-	-	-	-	-
Solid Waste	-	-	-	-	-	-	-
Air Emissions	-	-	-	-	-	-	-
<b>Total Annual Cost Savings = \$3,000</b>							

**Total Annual Avoided Cost Savings = \$54,525**

C. **Project Cost:** (Include per Project the itemized, subtotal and Project total costs. A projected payback period in months or years needs to be included.

The capital investment for each LED retrofit is anticipated be \$52,000, for an aggregate investment of \$156,000 for all three stores. These investment costs are based on average values for prior LED retrofit projects in other SEG stores. The average cost breakdown per store follows:

- |  |                       |
|--|-----------------------|
| • Cost of Materials/LED Replacement Bulbs<br><i>LED Retrofits will involve the replacement of approximately 2,500 CFL bulbs with energy efficient LED bulbs at each Store.</i> | \$30,244/Store        |
| • Contractor/Labor Costs   | \$16,233/Store        |
| • Waste/Recycling Costs<br><i>Costs for the proper disposal of replaced CFL bulbs.</i>   | \$1,000/Store         |
| • Miscellaneous/Ancillary Costs  | \$5,380/Store         |
| • <b>TOTAL COSTS</b>   | <b>\$52,857/Store</b> |

The total investment cost for all three stores is estimated to be \$158,571. Costs savings associated with reduced annual energy and waste disposal costs at the three stores is estimated to be approximately \$54,500/year and the overall payback period for the full estimated investment is anticipated to be just over 3 years.

D. **Project Reporting:**

1. Within 180 days of completing the LED retrofits at all three stores (the “Project”), the Respondent shall submit to the Department a P2 Project Final Report that includes the following:

- a.
  - i. A statement indicating the date the Project was started and also the date completed.
  - ii. A confirmation that the information presented in Sections A-C of the Summary is unchanged (or an updated version with the sections changed appropriately).
  - iii. A statement that the Project was/were implemented successfully; and
  - iv. An explanation of any problems encountered, and corrections applied.

b. Attached expense reports, receipts, purchasing instruments and other documents itemizing costs expended on preparing and implementing the Project.

2 The Department shall review the P2 Project Final Report and determine:

- a. Whether the project was properly implemented; and

b. Which expenses apply toward pollution prevention credits.

3. A \$1.00 pollution prevention credit for each \$1.00 spent on applicable costs will be applied against the portion of the civil penalty that can be offset.

a. The following costs *are applicable as P2 credits* toward the civil penalty offset amount:

- i. Preparation of the Project;
- ii. Design of the Project;
- iii. Installation of equipment for the Project;
- iv. Construction of the Project;
- v. Testing of the Project;
- vi. Training of staff concerning the implementation of the Project; and
- vii. Capital equipment needed for the Project.

b. The following costs *shall not apply as P2 credits* toward the civil penalty offset amount:

- i. Costs incurred in conducting a waste audit;
- ii. Maintenance and operation costs involved in implementing the Project;
- iii. Monitoring and reporting costs;
- iv. Salaries of employees who perform their job duties;
- v. Costs expended to bring the facility into compliance with current law, rules and regulations;
- vi. Costs associated with a Project that is not implemented;
- vii. Costs associated with a Project that has not been approved by the Department; and
- viii. Legal costs.

c. If any balance remains after the entire Project credit is applied to the allowable portion of the civil penalty, Respondent shall pay the difference within 30 days of written notification by the Department to the Respondent that the balance is due.

4. The Department may terminate the Project at any time during the development or implementation of it, if the Respondent fails to comply with the requirements in this document, act in good faith in preparing and implementing the Project, or develop and implement the Project in a timely manner. The Respondent may terminate the Project at any time during its development or implementation.

5. If the Project is terminated for any reason, Respondent shall pay the full balance of the allowable portion of the civil penalty within 10 days of written demand by the Department