

STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:

PBS LUMBER MANUFACTURING, LLC

AI # 85068

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

* Settlement Tracking No.
* SA-AE-13-008
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* Enforcement Tracking No.
* AE-CN-10-00211
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SETTLEMENT

The following Settlement is hereby agreed to between PBS Lumber Manufacturing, 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 Corporation that owned and/or operated a lumber saw mill and lumber drying and planing facility located in Winnfield, Winn Parish (“the Facility”).

II

On September 10, 2010, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. AE-CN-10-00211, which was based upon the following findings of fact:

The Respondent owns and/or operates Winnfield Sawmill, (the facility), a lumber sawmill and lumber drying and planing facility located at 229 Thomas Mill Road in Winnfield, Winn Parish, Louisiana. The facility operated with Title V Permit No. 3240-00024-V1, which was issued on or about July 10, 2006, and expired on or about December 1, 2008. The facility operated without any air permit from December 2, 2008 to May 7, 2009. The facility currently operates under Air Permit No. 3240-00024-00, issued on or about May 8, 2009. The Respondent has submitted a Title V Permit application with fee received on or about August 19, 2009.

On or about March 12, 2010, a file review of the facility was performed to determine the degree of compliance with the Act and the Air Quality Regulations.

The following violations were noted during the course of the file review:

- A. Title V Permit No. 3240-00024-V1 expired on or about December 1, 2008. Air Permit No. 3240-00024-00 was issued on or about May 8, 2009. Therefore, the facility operated from December 2, 2008 until May 7, 2009 without a permit. Operation of a facility, without a valid permit, which contains any emission sources which will, or ultimately may, result in emission of air contaminants is a violation of LAC 33:III.501.C.2, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).
- B. In correspondence dated February 16, 2009, the facility submitted an application for a Minor Source Air permit. The application included an inaccurate and incomplete Emission Inventory Questionnaire (EIQ) for Air Permit No. 3240-00024-00. The facility operated as a major source since December 2, 2008 and continues to operate as a major source after the minor source permit was issued on or about May 8, 2009. The failure to accurately and completely list each emission source in submitting an EIQ is a violation of LAC 33:III.501.C.1, LAC 33:III.919.B, and La. R.S. 30:2057(A)(2).
- C. The Respondent operated the facility as a major source after December 2, 2008 and thus all the Title V regulations apply to the facility. The Respondent failed to submit the Title V renewal application by the due date of June 1, 2008, six months prior to the expiration date of Title V Permit No. 3240-00024-V1 on December 1, 2008. The failure to timely renew the permit is a violation of Part 70 General Condition A, LAC 33:III.501.C.1, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).
- D. In correspondence dated June 18, 2010, the Respondent submitted the hours of operation for Boiler 2 (EQT002) and Boiler 3 (EQT003) for 2009 and 2010:

Emission source	Hours operated 2009	Hours operated 2010*	Hours permitted
Boiler 2	6943	2572	2500
Boiler 3	5833	2740	0

*until 5/26/2010

Boiler 2 exceeded the permitted hours of operation in 2009 and on or about May 26, 2010, and thereafter, exceeded the permitted hours of operation for the entire year 2010. Boiler 3 operated for 5,833 totally unpermitted hours in 2009, and on or about May 26, 2010, and thereafter, had operated for 2,740 totally unpermitted hours in 2010. The failure to restrict Boiler 2 to the permitted hours of operation is a violation of Air Permit No. 3240-00024-00, LAC 33:III.501.C.2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). The failure to operate Boiler 3 with a properly approved permit is a violation of LAC

33:III.501.C.1, LAC 33:III.501.C.2, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

E. In correspondence dated June 18, 2010, the Respondent submitted the hours of operation for Kiln 2 (EQT0018) and Kiln 3 (EQT0019) for 2009 and for 2010:

Emission source	Hours operated in 2009	Hours operated 2010*	Hours permitted
Kiln 2	7109	2376	2500
Kiln 3	7109	3105	2500

*until 5/26/2010

Kiln 2 and Kiln 3 exceeded the permitted hours of operation in 2009, and Kiln 3 exceeded the permitted hours of operation for 2010. Each failure to restrict each kiln to the permitted hours of operation is a violation of Air Permit No. 3240-00024-00, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

F. The facility reported criteria pollutant emissions for Boiler 2 and Boiler 3 in the facility's 2009 Emission Inventory Statement (EIS):

Boiler 2, tons per year		
Pollutant	Permit 3240-00024- 00	EIS 2009
PM ₁₀	11.30	6.57
SO ₂	0.78	2.00
NO _x	15.38	42.71
CO	18.83	52.00
VOC	0.53	1.00

Boiler 3, tons per year		
Pollutant	Permit 3240-00024- 00	EIS 2009
PM ₁₀	0.00	2.74
SO ₂	0.00	0.91
NO _x	0.00	17.82
CO	0.00	21.82
VOC	0.00	0.62

Boiler 2 exceeded the permitted limit of four of the five criteria pollutants allowed by Air Permit No. 3240-00024-00 in 2009. Each failure to restrict Boiler 2 to the permitted level for each criteria pollutant is a violation of Air Permit No. 3240-00024-00, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2). Boiler 3 operated during 2009 emitting the listed totally unpermitted criteria pollutants. Each failure to restrict Boiler 3 to the permitted level for each criteria pollutant is a violation of LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

G. The facility reported criteria pollutant emissions for Kiln 2 and Kiln 3 in the facility's 2009 Emission Inventory Statement (EIS):

Emission source	Permit 3240-00024- 00	EIS 2009
Kiln 2, tons VOC per year	28.20	42.73
Kiln 3, tons VOC per year	28.20	42.73

Kiln 2 and Kiln 3 exceeded the permitted limit of VOC in 2009. Each failure to restrict each kiln to the permitted level for VOC is a violation of Air Permit No. 3240-00024-00, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(1) and 30:2057(A)(2).

H. In correspondence dated March 31, 2009, the Respondent submitted the facility's 2008 Annual Compliance Certification, reporting no deviations for the year 2008, when, in actuality, the deviations cited above should have been reported. The failure to submit an accurate and complete Annual Compliance Certification is a violation of Part 70 General Condition M, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

In correspondence dated June 17, 2009, the Respondent requested authorization to operate emission points and/or emit certain quantities of pollutants under Interim Limits until such time as an appropriate Title V Permit is issued.

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 FOURTEEN THOUSAND FOUR HUNDRED AND NO/100 DOLLARS (\$14,400.00) of which Nine Hundred Ten and 84/100 Dollars (\$910.84) 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), 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

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

IX

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).

X

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

XI

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.

PBS LUMBER MANUFACTURING, LLC

BY: [Signature]
(Signature)

Bob Schutte
(Printed)

TITLE: CEO

THIS DONE AND SIGNED in duplicate original before me this 13th day of June, 20 15, at Winnfield, La.

[Signature]
NOTARY PUBLIC (ID # 60900)

[Signature]
(stamped or printed)
Jason L. Tarver

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

BY: [Signature]
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THIS DONE AND SIGNED in duplicate original before me this 16th day of August, 20 15, at Baton Rouge, Louisiana.

[Signature]
NOTARY PUBLIC (ID # 40539)

Ted R. Bradley, II
(stamped or printed)

Approved: [Signature]
Cheryl Sonnier Nolan, Assistant Secretary