



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY
SOUTHWEST REGIONAL OFFICE

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STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION ORDER BY CONSENT ISSUED TO Royal Mouldings Limited Registration No. 10284

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1 – 1301, 1307, 1309, 1316 and 10.1 – 1184, between the State Air Pollution Control Board and Royal Mouldings Limited for the purpose of resolving certain alleged violations of State Air Pollution Control Board Regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meanings assigned to them below:

1. "Va. Code" means the Code of Virginia (1950), as amended.
2. "Board" means the State Air Pollution Control Board, a collegial body of the Commonwealth of Virginia described in § 10.1-1301 and § 10.1-1184 of the Code.
3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Code § 10.1-1183.
4. "Director" means the Director of the Department of Environmental Quality.
5. "Regional Office" means the Southwest Regional Office of the Department.
6. "Order" means this document, also known as a Consent Order.
7. "Regulations" means the "State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution", which have been incorporated into Title 9 of the Virginia Administrative Code (VAC).

8. "Company" means Royal Mouldings Limited, Hwy 11 and Bear Creek Rd, Marion, VA 24354.

SECTION C: Findings of Facts and Conclusions of Law

1. Royal Mouldings Limited produces plastic and wood mouldings using polyvinyl chloride (PVC), styrene, and cellular polyvinyl chloride (CPVC). The Company operates under an amended Stationary Source Permit to Construct and Operate issued 8-29-06 and a TV Permit effective 12-20-04 and modified 8-23-05, reflecting changes in NSR permit dated 2-9-05.
2. Reports and correspondence were reviewed as submitted from March 1, 2007 to December 7, 2007 for the 2006 emission statement information and 2006 TV Compliance Certification. The following items describe the staff's factual observations and identify the applicable legal requirements.
 - a. Permit Condition III. A. 5. of Royal Moulding's TV Federal Operating Permit modified August 23, 2005 states, "The volatile organic compound throughput for the roll applicator print machines (1-12) shall not exceed 3.04 tons per year, as a combined total, calculated monthly as the sum of each consecutive 12 month period. (9 VAC 5-80-110 and Condition 7 of 2/9/05 NSR permit)" 2006 record keeping to demonstrate compliance with condition was inadequate. Reported VOC in paint mixed for 2006 minus waste percentage calculated by Royal Mouldings Limited indicates that the VOC throughput was not exceeded.
 - b. Permit Condition III. A. 6. of Royal Moulding's TV Federal Operating Permit modified August 23, 2005 states, "Emissions from the operation of Roll Coaters 1 through 12, as a combined total, shall not exceed the limits specified below:

Volatile Organic Compounds	3.04 tons/yr
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- These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of the exceedance of emission limits. (9 VAC 5-80-10, 9 VAC 5-50-260 and Condition 21 of 2/9/05 NSR permit)" 2006 record keeping to demonstrate compliance with condition was inadequate. Reported VOC emissions for 2006 minus waste percentage calculated by Royal Moldings Limited indicates that the VOC emission limit was not exceeded.
- c. Permit Condition No. 5 of Royal Mouldings Limited's Stationary Source Permit to Construct, Modify and Operate approved 2-9-05, amended 8-29-06 states, "The volatile organic compound throughput for the two Allied Metals paint application fan coater spray system shall not exceed 40 tons per year, as a combined total, calculated monthly as the sum of each consecutive 12 month period. (9 VAC 5-80-1180 D)" 2006 record keeping to demonstrate compliance with condition was inadequate. Reported VOC in paint mixed for 2006 minus waste percentage calculated by Royal Mouldings Limited indicates that the VOC throughput was not exceeded.

- d. Permit Condition No. 7 of Royal Mouldings Limited's Stationary Source Permit to Construct , Modify and Operate approved 2-9-05, amended 8-29-06 states, "The volatile organic compound throughput for the roll applicator print machines (1-12) shall not exceed 3.04 tons per year, as a combined total, calculated monthly as the sum of each consecutive 12 month period. (9 VAC 5-80-1180D)"
2006 record keeping to demonstrate compliance with condition was inadequate. Reported VOC in paint mixed for 2006 minus waste percentage calculated by Royal Mouldings Limited indicates that the VOC throughput was not exceeded.
- e. Permit Condition No. 8 of Royal Mouldings Limited's Stationary Source Permit to Construct , Modify and Operate approved 2-9-05, amended 8-29-06 states, "The volatile organic compound throughput for Coating Lines 3 through 6 shall not exceed 90 tons per year, as a combined total, calculated monthly as the sum of each consecutive 12 month period. (9 VAC 5-80-1180D)"
2006 record keeping to demonstrate compliance with condition was inadequate. Reported VOC in paint mixed for 2006 minus waste percentage calculated by Royal Mouldings Limited indicates that the VOC throughput was not exceeded.
- f. Permit condition No. 15 of Royal Mouldings Limited's Stationary Source Permit to Construct , Modify and Operate approved 2-9-05, amended 8-29-06 states, "Emissions from the operation of the two Allied Metals paint application fan coater systems, as a combined total, shall not exceed the limits specified below:

Particulate Matter	2.87 lb/hr	7.84 tons/yr
PM-10	2.87 lb/hr	7.84 tons/yr
Volatile Organic Compounds	23.15 lb/hr	40.0 tons/yr

These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Conditions 3, 5 and 6. (9 VAC 5-80-1180 and 9 VAC 5-50-260)"

2006 record keeping to demonstrate compliance with condition was inadequate. Reported VOC emissions for 2006 minus waste percentage calculated by Royal Moldings Limited indicates that the VOC emission limit was not exceeded.

- g. Permit condition No. 16 of Royal Mouldings Limited's Stationary Source Permit to Construct , Modify and Operate approved 2-9-05, amended 8-29-06 states, "Emissions from the operation of Coating Lines 3 through 6, as a combined total, shall not exceed the limits specified below:

Particulate Matter	22.43 lb/hr	10.73 tons/yr
PM-10	22.43 lb/hr	10.73 tons/yr
Volatile Organic Compounds		90.0 tons/yr

These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Conditions 3, 8 and 9. (9 VAC 5-80-1180 C)"

2006 record keeping to demonstrate compliance with condition was inadequate. Reported VOC emissions for 2006 minus waste percentage calculated by Royal Mouldings Limited indicates that the VOC emission limit was not exceeded.

- h. Permit condition No. 18 of Royal Mouldings Limited's Stationary Source Permit to Construct , Modify and Operate approved 2-9-05, amended 8-29-06 states, "Emissions from the operation of the solvent-based Coating Lines 7 and 8, as a combined total, shall not exceed the limits specified below:

Particulate Matter	3.29 lb/hr	6.28 tons/yr
PM-10	3.29 lb/hr	6.28 tons/yr
Volatile Organic Compounds	37.95 lb/hr	72.45 tons/yr

These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Conditions 3 and 12. (9 VAC 5-80-1180 C)"

2006 record keeping to demonstrate compliance with condition was inadequate. Reported PM10 emissions for 2006 were 9.64 tons.

- i. Permit condition No. 21 of Royal Mouldings Limited's Stationary Source Permit to Construct , Modify and Operate approved 2-9-05, amended 8-29-06 states, "Emissions from the operation of Roll Coaters 1 through 12, as a combined total, shall not exceed the limits specified below:

Volatile Organic Compounds	3.04 tons/yr
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These emissions are derived from the estimated overall emission contribution from operating limits. Exceedance of the operating limits shall be considered credible evidence of the exceedance of emission limits. Compliance with these emission limits may be determined as stated in Condition 7. (9 VAC 5-80-1180 C and 9 VAC 5-50-260)"

2006 record keeping to demonstrate compliance with condition was inadequate. Reported VOC emissions for 2006 minus waste percentage calculated by Royal Mouldings Limited indicates that the VOC emission limit was not exceeded.

3. On September 18, 2007, DEQ sent a Notice of Violation Letter (NOV No. 9-3-SWRO-2007) by Certified Mail-Return Receipt Requested, to Royal Mouldings Limited, informing the Company that DEQ had reason to believe that the violations referenced in (2)(a-i) had occurred.

4. The following regulations may be applicable in part or whole to the above listed permit deficiencies : 9 VAC 5-170-160 A – (Conditions on Approvals) of the Commonwealth of Virginia State Air Pollution Control Board Regulations for the Control and Abatement of Air Pollution states in part: "The board may impose conditions upon permits and other approvals which may be necessary to carry out the policy of the Virginia Air Pollution Control Law, and which are consistent with the regulations of the board. Except as otherwise specified, nothing in this chapter shall be understood to limit the power of the board in this regard. If the owner or other person fails to adhere to the conditions, the board may automatically cancel the permit or approvals. This section shall apply, but not be limited, to approval of variances, approval of control programs, and granting of permits".

9 VAC 5-80-10	Permits – New and modified stationary sources
9 VAC 5-80-110	Permit Procedures – Permit content
9 VAC 5-50-260	Permit Procedures - Enforcement
9 VAC 5-80-1180	Permit Procedures – Standards & conditions for granting permits

5. On October 1, 2007, DEQ was contacted by Royal Mouldings Limited in response to the NOV. A meeting was scheduled for October 9, 2007, at the DEQ office in Abingdon, to discuss the issues of the enforcement action. A permit application was submitted to DEQ on August 24, 2007.
6. On November 13, 2007, calculations and supporting documentation were submitted by ERA Environmental Consulting, Inc., for consideration for final 2006 emissions information per line. A teleconference was held on November 14, 2007 with ERA Environmental Consulting, Inc., Royal Mouldings Limited personnel and DEQ concerning analysis of the submitted calculations and supporting documentation.
7. Upon review of the submitted calculations and supporting documentation (reports submitted 11-13-07) it was determined that the percentage of waste amounts per line can not be verified since individual waste records are not available. However, all waste from the permitted lines at the entire facility have been included in the '2006 Hazardous Waste Activity Report'. Individual line record keeping violations are evident due to lack of internal procedures for tracking waste.

SECTION D: Agreement and Order

1. By virtue of the authority granted it pursuant to Va. Code §§ 10.1 – 1309 and 10.1-1316 and upon consideration of Va. Code § 10.1 – 1186.2, the Board orders Royal Mouldings Limited, Inc. and Royal Mouldings Limited voluntarily agrees, to a civil charge of \$25,531 in settlement of the violations cited in this Order. Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia", delivered to:

Receipts Control
Department of Environmental Quality
Post Office Box 1104
Richmond, Virginia 23218

The payment shall include Royal Mouldings Limited Federal ID number and shall identify that payment is being made as a result of this Order. The payment shall be made within 30 days of the effective date of this Order.

2. Royal Mouldings Limited shall submit monthly throughput and emissions calculations for the two Allied Metals paint application fan coater spray systems, the roll applicator print machines (1-12), the Coating Lines 3 through 6, solvent-based Coating Lines 7 and 8, PVC resin to the extrusion operations, polystyrene resin to the extrusion operations and silo loading. Additionally, throughput in gallons of Valspar 1436W00226 White Styrene PVC Basecoat, or equivalent, to the two solvent-based Coating Lines 7 and 8. These monthly reports will be due by the 15th of each month following the issuance of this Consent Order and will continue for 6 months and will be submitted to DEQ-SWRO.
3. Royal Mouldings Limited shall submit revised 2006 emission statement and supporting calculations, 2006 annual update, 2006 TV Compliance Certification and 2006 2nd half semi-annual deviation report (7-1-06 to 12-31-06) within 30 days of the effective date of this Order. Reports shall be submitted to DEQ SWRO and the revised 2006 TV Compliance Certification shall be submitted to EPA as stated in the TV Permit effective 12-20-04, modified 8-23-05.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Royal Mouldings Limited for good cause shown by the Company, or on its own motion after notice and opportunity to be heard.
2. Nothing herein shall be construed as altering, modifying, or amending any term or condition contained in the Company's Stationary Source Permit to Construct, Modify and Operate approved 2-9-05 and amended 8-29-06 and a TV Permit effective 12-20-04 and modified 8-23-05, reflecting changes in NSR permit dated 2-9-05.
3. This Order addresses only those violations specifically identified herein. This Order shall not preclude the Board or Director from taking any action authorized by law, including, but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of Royal Mouldings Limited as may be authorized by law; and/or (3) taking subsequent action to enforce the terms of this Order. Nothing herein shall affect appropriate enforcement actions by other federal, state, or local regulatory authority, whether or not arising out of the same or similar facts.
4. By entering into this Order, Royal Mouldings Limited admits jurisdictional allegations, but does not admit nor deny factual findings, or conclusions of law contained herein. For purposes of this Order and subsequent actions with respect to this Order, Royal Mouldings Limited agrees not to challenge the jurisdictional allegations.
5. Royal Mouldings Limited consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.

6. **Royal Mouldings Limited declares it has received fair and due process under the Administrative Process Act, Code §§ 9-6.14:1 *et seq.*, and the State Air Pollution Control Law, and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board or Director to enforce this Order.**
 7. **Failure by Royal Mouldings Limited to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.**
 8. **If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.**
 9. **Royal Mouldings Limited shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other act of God, war, strike, or such other occurrence. Royal Mouldings Limited must show that such circumstances resulting in noncompliance were beyond its control and not due to a lack of good faith or diligence on its part. Royal Mouldings Limited shall notify the Director, Southwest Regional Office of DEQ within 24 hours with a follow-up in writing within seven days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of this Order. Such notice shall set forth:**
 - a. **the reasons for the delay or noncompliance;**
 - b. **the projected duration of such delay or noncompliance;**
 - c. **the measures taken and to be taken to prevent or minimize such delay or noncompliance; and**
 - d. **the timetable by which such measures will be implemented and the date full compliance will be achieved.**
- Failure to so notify the Director, Southwest Regional Office of DEQ within 24 hours of learning of any condition listed above, which the Company intend to assert will result in the impossibility of compliance, shall constitute waiver of any claim of inability to comply with a requirement of this Order.**
10. **This Order is binding on the parties hereto, their successors in interest, designees, and assigns, jointly and severally.**
 11. **This Order shall become effective upon execution by both the Director or his designee and Royal Mouldings Limited. Notwithstanding the foregoing, the Company agrees to be bound by any compliance date, which precedes the effective date of this Order.**

12. **This Order shall continue in effect until the Director or the Board terminates the Order in his or its sole discretion upon 30 days written notice to Royal Mouldings Limited. Termination of this Order, or of any obligation imposed in this Order, shall not operate to relieve Royal Mouldings Limited from its obligation imposed in this Order, shall not operate to relieve Royal Mouldings Limited from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable**

13. By its signature below, Royal Mouldings Limited voluntarily agrees to the issuance of this Order.

And it is ORDERED this 30th day of January, 2008

Dallas R. Sizemore
Dallas Sizemore, Regional Director
Department of Environmental Quality

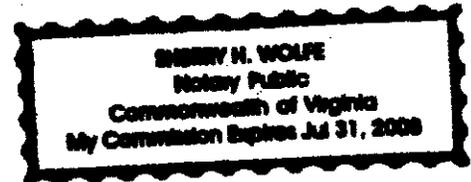
Royal Mouldings Limited voluntarily agrees to the issuance of this Order.

Brandon Nadler
Brandon Nadler
General Manager – U.S. Extrusion Operations
Royal Mouldings Limited

Date: 1-29-08

Commonwealth of Virginia

City/County of Smyth



The foregoing document was signed and acknowledged before me this 29 day of January, 2008 by Brandon Nadler on behalf of Royal Mouldings Limited.

Date 1-29-08

Sherry H. Wolfe
Notary Public

My commission expires: July 31, 2008

169880 - notary reg #