

July 7, 2005

**STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION
ORDER BY CONSENT
ISSUED TO**

**Columbia Forest Products – Chatham Facility
Registration Number: 30120**

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code § 1300 *et seq.* and 10.1-1185, between the State Air Pollution Control Board and Columbia Forest Products - Chatham for the purpose of resolving certain violations of environmental law and/or regulations.

SECTION B: Definitions

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

1. "Board" means the State Air Pollution Control Board, a permanent collegial body of the Commonwealth of Virginia as described in Code §§ 10.1-1301 and 10.1-1184.
2. "Columbia Forest Products" means Columbia Forest Products Company, certified to do business in Virginia and its affiliates, partners, subsidiaries, and parents.
3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia as described in Va. Code § 10.1-1183.
4. "Director" means the Director of the Department of Environmental Quality.

5. “Facility” means Columbia Forest Products, located at 100 Paul Road SW in the Town of Chatham, Pittsylvania County, Virginia.
6. Order” means this document, also known as a Consent Order.
7. “Permit” means the Stationary Source Permit to Operate a hardwood panel consolidation facility on August 28, 2003.
8. “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).
9. “Va. Code” means the Code of Virginia (1950), as amended.

SECTION C: Findings of Fact and Conclusions of Law

1. Columbia Forest Products owns and operates a facility in the Town of Chatham, Virginia. The Department designated registration number for this facility is 30120.
2. Columbia Forest Products was issued a Stationary Source Permit to Operate a hardwood panel consolidation facility on August 28, 2003.
3. Condition #17 of the permit states the following:

“Visible emissions from the boiler shall not exceed 20 percent opacity as determined by EPA Method 9 (reference 40 CFR 60, Appendix A), except during one six-minute period in any one hour in which visible emissions shall not exceed 30 percent opacity. This condition applies at all times except during start-up, shutdown, or malfunction. (9 VAC 5-50-80 of State Regulations)”
4. On February 10, 2005, DEQ staff met with Columbia Forest Products personnel at the facility for the purpose of discussing ongoing complaints from the Chatham community to the DEQ regarding excessive smoke from the facility’s boiler stack. DEQ and Columbia Forest Products personnel discussed a variety of remedies and what steps the facility has already taken to improve operation of the facility’s boiler.
5. On February 18, 2005, 5:15 pm, DEQ received a complaint of excessive smoke coming from the facility’s boiler stack
6. In response to the complaint, visible emissions evaluations were performed by DEQ staff in conformity with EPA Method 9 on Sunday, February 20, 2005 between the times of 8:34 am and 11:15 am EST. Visible emissions from the

wood-fired boiler stack were observed and opacity readings were recorded. Multiple 6-minute averages as high as 37% opacity were recorded between 10:15 am and 11:15 am.

7. On February 25, 2005, Columbia Forest Products was issued a Notice of Violation (NOV) for exceeding the opacity limit contained in permit condition #17.
8. On March 4, 2005, Columbia Forest Products responded to the NOV by telephone to inform the DEQ that the tasks discussed in the meeting of February 10, 2005 were 75-80% complete and to decline another meeting.
9. On March 7, 2005, Columbia Forest Products again responded to the NOV by telephone to discuss its written response to the NOV and a compliance schedule. The facility informed DEQ that it would limit boiler operations on weekends until tasks to improve opacity were complete.
10. On March 8, 2005, Columbia Forest Products informed DEQ by telephone that the facility had installed a Programmable Logic Control System on the boiler and its calibration could potentially cause excess visible emissions.
11. On March 15, 2005, Columbia Forest Products responded in writing to the NOV and provided a detailed compliance schedule (Appendix A). In the letter, the facility asserts that it hired a consultant on January 25, 2005 to provide recommendations on bringing the boiler's opacity level into compliance. The tasks listed in the compliance schedule were initiated before the opacity violation was observed on February 20, 2005.
12. On May 31, 2005, Columbia Forest Products submitted an application for the installation of a new boiler at the Chatham Facility.

SECTION D: Agreement and Order

Accordingly, the Board, by virtue of the authority of §§ 10.1-1307 D., 10.1-1309, 10.1-1184, 10.1-1316 C., and 10.1-1186.2 orders and Columbia Forest Products agrees that:

1. Columbia Forest Products shall pay a civil charge of \$385.00 dollars for the violations described in Section C of this Order.
2. Columbia Forest Products shall make a payment to the Department of \$385.00 of this civil charge within 30 days of the effective date of this Order. Payment shall be by check, certified check, money order, or cashier check payable to "Treasurer of the Commonwealth of Virginia" and sent to:

Receipts Control
Department of Environmental Quality
PO Box 10150
Richmond, Virginia 23240

Columbia Forest Products shall include its Federal Identification Number with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this paragraph.

3. Columbia Forest Products shall comply with the terms and conditions of Appendix A.
4. By August 1, 2005, Columbia Forest Products shall submit to the DEQ South Central Regional Office a completion report containing detailed descriptions of all measures taken to assure that at all load levels, the boiler stack visible emissions meet opacity limits contained in the August 28, 2003 permit.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Columbia Forest Products for good cause shown by Columbia Forest Products or on its own motion after notice and opportunity to be heard.
2. This Order only addresses and resolves those violations specifically identified herein, including those matters addressed in the Notice of Violation issued to Columbia Forest Products by DEQ on February 25, 2005. This Order shall not preclude the Board or the 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 the facility as may be authorized by law; or (3) taking subsequent action to enforce the Order. This Order shall not preclude appropriate enforcement actions by other federal, state, or local regulatory authorities for matters not addressed herein.
3. For purposes of this Order and subsequent actions with respect to this Order, Columbia Forest Products admits the jurisdictional allegations, factual findings, and conclusions of law contained herein.
4. Columbia Forest Products consents to venue in the Circuit Court of the City of Richmond for any civil action taken to enforce the terms of this Order.
5. Columbia Forest Products declares it has received fair and due process under the Administrative Process Act, Va. 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 any 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 to enforce this Order.

6. Failure by Columbia Forest Products 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.
7. 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.
8. Columbia Forest Products 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 acts of God, war, strike, or such other occurrence. Columbia Forest Products shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Columbia Forest Products shall notify the DEQ Regional Director in writing when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:
 - a. the reasons for the delay or noncompliance;
 - b. the projected duration of any 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.

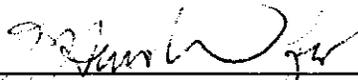
Failure to so notify the Regional Director within 24 hours of learning of any condition above, which the parties intend to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.
10. This Order shall become effective upon execution by both the Director or his designee and Columbia Forest Products. Notwithstanding the foregoing, Columbia Forest Products agrees to be bound by any compliance date, which precedes the effective date of this Order.
11. This Order shall continue in effect until the Director or Board terminates the Order in his or its sole discretion upon 30 days written notice to Columbia Forest Products. Termination of this Order, or any obligation imposed in this Order,

shall not operate to relieve Columbia Forest Products, from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. By its signature below Columbia Forest Products voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day of 7/28, 2005.



Director
Department of Environmental Quality

Columbia Forest Products Company voluntarily agrees to the issuance of this Order.

By: David A. Abts

Date: 7/14/05

Commonwealth of Virginia
City/County of Pittsylvania

The foregoing document was signed and acknowledged before me this 14 day of

July, 2005, by David A. Abts, who is
(name)

General Manager of Columbia Forest Products Company on behalf of the
Corporation.
(title)



Notary Public

My commission expires: 11/30/2006.

Attachments: Appendix A

APPENDIX A

Scheduled Corrective Actions:

1. Installed programmable logic control (PLC) system with inputs and outputs required to run multiple Proportional Integral Derivative (PID) loops. Completed during the weekend of February 20, 2005.
2. Installed variable frequency drives for PID control of induced draft (ID) fan, under fire air fan, fuel feed auger drive, and possibly others. Completed during the weekend of February 27, 2005.
3. Installed sensors with analog output for steam pressure, furnace pressure, steam usage, and possibly furnace temperature. AJI sensors were installed over the weekend of March 6, 2005, except for the furnace temperature sensor.
4. Installed and run wiring and conduit for power and sensors (same as Item 3).
5. Programmed the PLC to safely control the system in low-fire and high-fire conditions. The ID fan portion was completed and running under test mode during the week of March 11, 2005. Craig Nicol was notified by Doane Cowan regarding the facility in test mode.
6. Evaluated ID fan performance with PLC and replaced if needed. The decision to keep the ID fan was made in March 2005.
7. If needed, move all controls to PLC and test system capability, impact on opacity, and consistency of operation. The decision not to complete migration control was made in June 2005.
8. The source made application to SCRO for a permit to construct and operate a replacement boiler on May 31, 2005.

Ongoing: Visual inspections to periodically monitor the boiler emissions. At present, maintenance personnel inspect the boiler operation and stack emissions multiple times a shift.