COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

W. Tayloe Murphy, Jr.
Secretary of Natural Resources

West Central Regional Office
3019 Peters Creek Road, Roanoke, Virginia 24019
Telephone (540) 562-6700, Fax (540) 562-6725
www.deq.state.va.us

Robert G. Burnley
Director

Steven A. Dietrich
Regional Director

STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION
A SPECIAL ORDER BY CONSENT
ISSUED TO
WOLVERINE GASKET DIVISION
Cedar Run Plant

SECTION A: Purpose

This is a Consent Special Order issued under the authority of Va. Code § 10.1-1307.D, 10.1-1309, and 10.1-1184, and § 10.1-1316.C, between the State Air Pollution Control Board and Wolverine Gasket Division, for the purpose of resolving certain violations of State Air Pollution Control Laws and regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning 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 permanent collegial body of the Commonwealth of Virginia as described in Code §§ 10.1-1301 and 10.1-1184

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. "Order" means this document, also known as a Consent Order.

6. "Wolverine Gasket Division" means the operating division of EaglePicher Incorporated, the corporation certified to do business in Virginia and its affiliates, partners, subsidiaries, and parents.

7. "Facility" means the structure at 3175 State Street located in Blacksburg, Virginia.

8. "WCRO" means the West Central Regional Office of DEQ, located in Roanoke, Virginia.

9. "Permit" means the Stationary Source Permit, which became effective January 23, 2001.

10. "Title V Permit" means the Title V Permit, which became effective January 1, 1999 and expires January 1, 2004.

11. "O&M" means operations and maintenance.

SECTION C: Findings of Fact and Conclusions of Law

1. Wolverine Gasket Division owns and operates a facility in the Blacksburg, Virginia. This facility is the subject of the Permit, the Title V Permit, and 40 CFR 60 Subpart TT.

2. DEQ has noted an apparent violation of the Air Pollution Control Law and Regulations. This apparent violation, noted in a Notice of Violation issued by DEQ March 17, 2003, includes:

   On March 6, 2003, DEQ staff conducted a Partial Compliance Evaluation of the facility. During this evaluation, staff observed the following:

   The operators of the Coating Stations, on the Metal Coil Coating Lines (CL5 and CL6), were operating the stations with the permanent enclosures doors open. These doors are to remain closed during the operation of the equipment to prevent the release of Volatile Organic Compound emissions into the atmosphere. The Permit, the Title V Permit, and 40 CFR 60 Subpart TT require that permanent total enclosure be maintained during the operation of the lines.

   The observations above are cited under the following regulations and the applicable Permit Conditions:

   Condition II.D.2.b, of the Title V Permit, states that the Volatile Organic Compound emissions from the CL5 metal coil coating line shall be controlled by permanent total enclosure and a catalytic incinerator having a 95% destruction efficiency. The facility shall continuously use the VOC capture system and control device to comply with the VOC emission limits specified in this permit whenever the CL5 coating line is online or otherwise emitting VOC.

Condition 3, of the Permit, states that the Volatile Organic Compound emissions from the CL6A and CL6B metal coil coating lines shall be controlled by permanent total enclosures and routed to catalytic oxidizer/thermal incinerators.

3. The facility has implemented a policy that requires the coating station's doors to remain closed during normal operation. By implementing this policy, the facility feels that compliance with the Permit will be ensured.

SECTION D: Agreement and Order

Accordingly the State Air Pollution Control Board, by virtue of the authority granted it pursuant to Va. Code §§10.1-1309 and 10.1-1316, and after consideration of the factors set forth in Va. Code § 10.1-1186.2, orders Wolverine Gasket Division, and Wolverine Gasket Division agrees, to perform the actions described below and in Appendices A and B of this Order. In addition, the Board orders Wolverine Gasket Division, and Wolverine Gasket Division voluntarily agrees to pay a civil charge of **$10,500.00** in settlement of the violations cited in this Order.

1. **$105.00** of this civil charge shall be paid within 30 days of the effective date of 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 10150
   Richmond, Virginia 23240

The payment shall include Wolverine Gasket Division's Federal ID number and shall state that it is being tendered in payment of the civil charges assessed under this Order.

2. **$10,395.00** of this civil charge shall be satisfied upon completion by Wolverine Gasket Division of a Pollution Prevention Project (P2) pursuant to Virginia Code 10.1-1186.2 and as described in Appendix B of this Order.

3. The Department has the sole discretion to:
   a. authorize any alternate SEP/P2 proposed by the Facility; and
   b. determine whether the SEP/P2, or alternate SEP/P2, has been completed in a satisfactory manner.

4. Should the Department determine that the SEP/P2, or alternate SEP/P2, has not been completed in a satisfactory manner, the Department shall notify Wolverine Gasket Division of such determination in writing. Within 30 days of such notification, Wolverine Gasket Division shall pay the amount specified in Paragraph 2 above in accordance with the procedures specified in Paragraph 1 above.

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend the Order with the consent of Wolverine Gasket Division, for good cause shown by Wolverine Gasket Division, 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 Wolverine Gasket Division by DEQ on March 17, 2003. 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, Wolverine Gasket Division admits the jurisdictional allegations, factual findings, and conclusions of law contained herein.

4. Wolverine Gasket Division 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. Wolverine Gasket Division declares it has received fair and due process under the Administrative Process Act, Va. Code §§ 9-6.14:1 *et seq.*, and the 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 Wolverine Gasket Division 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. Wolverine Gasket Division 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. Wolverine Gasket Division shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Wolverine Gasket Division 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 Wolverine Gasket Division. Notwithstanding the foregoing, Wolverine Gasket Division 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 Wolverine Gasket Division. Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Wolverine Gasket Division 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, Wolverine Gasket Division voluntarily agrees to the issuance of this Order.

And it is so ORDERED this day 16 of DECEMBER, 2003.

Steven A. Ostrich for
Robert G. Burnley, Director
Department of Environmental Quality

Wolverine Gasket Division voluntarily agrees to the issuance of this Order.

By: D. J. Ruisen

Date: 12/8/03

Commonwealth of Virginia
City/County of Montgomery

The foregoing document was signed and acknowledged before me this 8th day of December, 2003, by T. R. Ruisen, who is
(name)

Plant Manager of Wolverine Gasket Division, on behalf of the Corporation.
(title)

Gwen L. Martin
Notary Public

My commission expires: 11/30/06.

APPENDIX A

Wolverine Gasket Division shall:

1. Within **60 days** from the effective date of the Order, submit to the DEQ accurate documentation demonstrating that a revised written operations procedures has been implemented to establish good operating practices for the coating systems.

2. Within **60 days** from the effective date of the Order, submit to the DEQ accurate documentation demonstrating that all associated employees have been trained in the revised written operations procedures for the coating systems.

APPENDIX B

SUPPLEMENTAL ENVIRONMENTAL PROJECT

1. The SEP/P2s to be performed by Wolverine Gasket Division are as follows:

   SEP/P2 Project:
   Installation and operation of a filter system on the wastewater discharge from the Metal Coil Coating Line #6 (CL6) in order to reuse the water and reduce the water discharge by seventy percent (70%).

   This SEP/P2 is to be performed by Wolverine Gasket Division to offset Ninety-nine (99%) percent of the remainder of the credit amount.

2. Wolverine Gasket Division shall submit a plan within thirty (30) days of the effective date of this Order. The plan should include the following:

   a. specify the location of each proposed project;

   b. include a construction schedule and itemized costs;

3. Wolverine Gasket Division shall begin implementation of the aforementioned SEP/P2s within thirty (30) days of receipt of the Department's approval of the plan.

4. The SEP/P2s shall be completed within the schedule specified in Section 2 and no later than **15 months** of the effective date of this order.

5. Wolverine Gasket Division certifies that they have not commenced performance of any of the aforementioned SEP/P2 prior to the identification of the violations cited in this Consent Order and the approval of the SEP/P2 by the Department.

   _____
   Wolverine Gasket Division

6. The net cost of the SEP/P2s to Wolverine Gasket Division shall not be less than **$10,395.00**. In the event that the final net cost of the SEP/P2s is less than this amount, Wolverine Gasket Division shall pay the remainder of the amount.

   The remainder of the amount shall be paid within thirty (30) days of the project completion date to the Commonwealth of Virginia, in accordance with Paragraph D. 1. of this Order. Net costs shall mean the costs of the project minus any tax savings, grants and first-year operation cost reductions or other efficiencies.

7. Wolverine Gasket Division acknowledges that it is solely responsible for completion of the SEP/P2s. Any transfer of funds, tasks, or otherwise by Wolverine Gasket Division to a third party, shall not relieve Wolverine Gasket Division of its responsibility to complete the SEP/P2s as contained in this Order.

8. Wolverine Gasket Division shall provide the Department with written verification of completion or progress reports of the SEP/P2s by providing a work schedule showing a timetable for completion. The project completion or progress reports verification must be submitted to the Department on a quarterly basis, due the 10th day of each quarter. The first report shall be due within **30 days** of the effective date of the Order. The completion report shall be due no later than **15 months** of the effective date of the order.

9. Wolverine Gasket Division shall submit written verification to the Department in the form of a certified statement itemizing costs, invoices and proof of payment, or similar documentation of the final overall and net cost of the SEP/P2s within **thirty days** of the project completion date. For the purposes of this submittal, net costs can be either the actual final net costs or the projected net costs if such projected net costs statement is accompanied by a CPA certification or certification from Wolverine Gasket Division's Chief Financial Officer concerning the projected tax savings, grants or first-year operation cost reductions or other efficiencies.

10. In the event that Wolverine Gasket Division publicizes the SEP/P2s or the results of the SEP/P2s, Wolverine Gasket Division shall state in a prominent manner that the project is part of a settlement for an enforcement action.

11. Documents to be submitted to the Department, other than the civil charge payment described in Section D of the Order, shall be sent to:

    Robert W. Saunders
    Department of Environmental Quality
    West Central Regional Office
    3019 Peters Creek Road
    Roanoke, VA 24019

SUPPLEMENTAL ENVIRONMENTAL PROJECT
ANALYSIS ADDENDUM
VA CODE §10.1-1186.2.A

Case Name: *Wolverine Gasket Division*

Project Description:

Project 2 - Installation and operation of a filter system on the wastewater discharge from the Metal Coil Coating Line #6 (CL6) in order to reuse the water and reduce the water discharge by seventy percent (70%).

Explain how the project is environmentally beneficial:

Seventy percent (70%) of the wastewater generated by CL6 will be reduced with the implementation of this project.

Initial Penalty Computation, Cost of SEP/P2 and Final Penalty:

Initial Penalty	=	*$10,500.00*
Estimated cost of SEP/P2	=	*$10,500.00*
SEP/P2 Credit	=	*$10,395.00*
Final Penalty	=	*$ 105.00*

The estimated cost for this project is between $9,000 and $11,000 per system upgrade. Records of actual costs will be submitted to the WCRO and credited against the amount of the civil penalty that can be offset with SEP/P2 projects.

P2 Project Not Otherwise Required by Law:

By performing the P2 project upgrade to the wastewater discharge for Metal Coil Coating Line #6 (CL6), the source will reduce the wastewater discharge, that is currently regulated as a categorical discharge source, by seventy percent (70%).

Is there reasonable geographic nexus? If YES, explain:

The proposed projects will occur at the Wolverine Gasket facility in Blacksburg, VA, and the environmental benefits will impact the immediately surrounding area.

Check all the qualifying categories that may apply:

- ☐ public health
- ☐ environmental restoration and protection
- ☐ environmental compliance promotion
- ☒ pollution reduction
- ☐ emergency planning and preparedness
- ☒ pollution prevention

Each of the following factors MUST be considered. Respond to each:

☒ Net costs (zero out all government loans, grants, tax credits for project). Explain:

No government loans, grants or tax credits will be secured for this project. The exact cost for this project has not been determined. The estimated cost is between $9,000 and $11,000 per system upgrade. Wolverine Gaskets Division will provide records of actual costs to the WCRO upon completion of the project.

☒ Benefits to the public or the environment. Explain:

Seventy percent (70%) of the wastewater generated by CL6 will be reduced with the implementation of this project.

☐ Innovation. Explain:

N/A

☐ Impact on minority or low income populations. Explain:

N/A

☒ Multimedia impact. Explain:

Seventy percent (70%) of the wastewater generated by CL6 will be reduced with the implementation of this project. A small amount of solid waste will be generated from the periodic removal of solids captured in the filters. However, the net benefit to the environment from reducing wastewater discharge exceeds the small increase in solid waste generation.

☒ Pollution prevention. Explain

By reducing the amount of water used at the facility, wastewater discharges are also reduced at the source. This pollution prevention activity will result in reduced water usage, thus reduced wastewater discharges.