



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY VALLEY REGIONAL OFFICE

Molly Joseph Ward
Secretary of Natural Resources

P.O. Box 3000, Harrisonburg, Virginia 22801
(540) 574-7800 Fax (540) 574-7878
located at 4411 Early Road, Harrisonburg, VA
www.deq.virginia.gov

David K. Paylor
Director

Amy Thatcher Owens
Regional Director

STATE AIR POLLUTION CONTROL BOARD ENFORCEMENT ACTION - ORDER BY CONSENT ISSUED TO NORTHLAND FOREST PRODUCTS, INC. Registration No. 40731

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and -1316, between the State Air Pollution Control Board and Northland Forest Products, Inc., for the purpose of resolving certain violations of the Virginia Air Pollution Control Law, the Permit and applicable 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 citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.
2. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.
3. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.
4. "Facility" means the Northland Forest Products, Inc. facility located at 220 Zion Park Road, Troy, Fluvanna County, Virginia, that is a hardwood lumber kiln drying and millwork facility.

5. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.
6. "Northland" means Northland Forest Products, Inc., a corporation authorized to do business in Virginia, and its affiliates, partners, and subsidiaries. Northland Forest Products, Inc. is a "person" within the meaning of Va. Code § 10.1-1300.
7. "NSR Permit" means one of the New Source Review permits which were issued under the Virginia Air Pollution Control Law and the Regulations to Northland on October 11, 2006 and May 5, 2016.
8. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the Virginia Air Pollution Control Law.
9. "PCE" means Partial Compliance Evaluation by DEQ staff.
10. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" means 9 VAC 5 chapters 10 through 80.
11. "Va. Code" means the Code of Virginia (1950), as amended.
12. "VAC" means the Virginia Administrative Code.
13. "Virginia Air Pollution Control Law" means Chapter 13 (§ 10.1-1300 *et seq.*) of Title 10.1 of the Va. Code.

SECTION C: Findings of Fact and Conclusions of Law

1. Northland Forest Products Inc. (Northland) is subject to two DEQ Air program permits: Minor New Source Review permits dated October 11, 2006 and May 5, 2016.
2. On April 15, 2016, DEQ staff conducted a PCE of information submitted with a Form 7 permit application, received by DEQ on February 2, 2016, which stated that the following equipment is installed and operating: A second pre-dryer (PD2), a seventh lumber kiln (K7), a new planer (P2), trim saw (TS1), and a new/larger block grinder (G2) to replace the previously permitted wood grinder (WG).
3. DEQ Permitting staff determined that a significant amendment to the existing permit is required for the new block grinder (G2), with its increased throughput limit and changes in associated control equipment as compared to the existing block grinder (WG).
4. 9 VAC 5-80-1120.A. states: "No owner or other person shall begin actual construction of, or operate, any new stationary source or any project subject to this article without first obtaining from the board a permit under the provisions of this article."

5. 9 VAC 5-80-1210.A. states: "Any owner who constructs or operates a source subject to this section not in accordance with the terms and conditions of any permit to construct or operate, or any owner of a source subject to this section who commences construction or operation without receiving a permit hereunder shall be subject to appropriate enforcement action including, but not limited to, any specified in this section."
6. On April 21, 2016, the Department issued Notice of Violation (NOV) No. AVRO000384-001 to Northland for the violations described in paragraphs 2 through 5 above.
7. On May 5, 2016, DEQ issued a significant amendment to the Facility's October 23, 2006 NSR permit which included the new equipment listed in C(2) above, correcting the violations cited in C(2) through C(5) above.
8. On May 9, 2016, the facility submitted a written response to the NOV in which they stated that they needed to expand capacity due to increased orders, and that in the rush to install the new equipment, they simply forgot to apply for the air permit.
9. Based on the results of the April 15, 2016 PCE, the Board concludes that Northland has violated 9 VAC 5-80-1120.A as described in paragraphs C(2) through C(5) above.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §§ 10.1-1309 and -1316, the Board orders Northland, and Northland agrees to:

Pay a civil charge of **\$5,460.00** within 30 days of the effective date of the Order 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," and delivered to:

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

Northland shall include its Federal Employer Identification Number (FEIN) with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF).

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of Northland for good cause shown by Northland, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.

2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. 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; or (3) taking subsequent action to enforce the Order.
3. For purposes of this Order and subsequent actions with respect to this Order only, Northland admits the jurisdictional allegations, and agrees not to contest, but neither admits nor denies, the findings of fact and conclusions of law in this Order.
4. Northland consents to venue in the Circuit Court of the City of Richmond, Virginia for any civil action taken to enforce the terms of this Order.
5. Northland declares it has received fair and due process under the Administrative Process Act and the Virginia 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 modify, rewrite, amend, or enforce this Order.
6. Failure by Northland 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. Northland 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. Northland shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Northland shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days 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 verbally within 24 hours and in writing within three business days, of learning of any condition above, which Northland intends 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 Northland. Nevertheless, Northland agrees to be bound by any compliance date which precedes the effective date of this Order.
11. This Order shall continue in effect until:
 - a. The Director or his designee terminates the Order after Northland has completed all of the requirements of the Order;
 - b. Northland petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or
 - c. The Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to Northland.

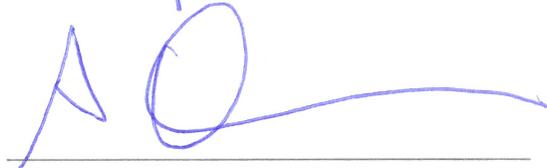
Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Northland from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. Any plans, reports, schedules or specifications attached hereto or submitted by Northland and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.
13. The undersigned representative of Northland certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Northland to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Northland.
14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no

representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.

15. By its signature below, Northland Forest Products, Inc. voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 22nd day of July, 2016

A handwritten signature in blue ink, appearing to be 'A.O.', written over a horizontal line.

Amy T. Owens, Regional Director
Department of Environmental Quality

Northland Forest Products, Inc. voluntarily agrees to the issuance of this Order.

Date: 7/21/2016 By: [Signature], EXECUTIVE VICE PRESIDENT
Name Title
Northland Forest Products, Inc.

~~Commonwealth of Virginia~~
City/County of Rockingham

The foregoing document was signed and acknowledged before me this 21 day of July, 2016, by Matthew J. Gilchrist who is Executive Vice Pres. of Northland Forest Products, Inc., on behalf of Northland Forest Products, Inc..

[Signature]
Notary Public

Registration No. _____

My commission expires: 6/04/2019

Notary seal:

