

**Minutes
Public Hearing
of the
Louisville Metro Air Pollution Control Board
June 19, 2013**

A public hearing of the Louisville Metro Air Pollution Control Board was called to order on June 19, 2013, at 10:02 a.m. in the Board Room of the Louisville Metro Air Pollution Control District, 850 Barret Avenue, Louisville, Kentucky, by the Chairman, Dr. Robert Powell.

General Statement, Rules and Purpose

The Chairman read the opening announcements, rules and purpose of the public hearing, which was to review Agreed Board Orders with Eckart America Corporation and Reynolds Consumer Products, Inc.

1. Agreed Board Order with Eckart America Corporation

Ms. Terri Phelps, Enforcement Manager, asked the Board to consider and adopt a proposed Agreed Board Order requiring Eckart America Corporation to pay a penalty for alleged violations of its Title V construction permit. The Company agreed to the terms of the order.

In October 2011, Eckart and the District entered into an Agreed Board Order after it was discovered that there had been significant non-compliance issues over the previous five years that included failure to monitor emissions, recordkeeping issues, failure to report accurately and truthfully, failure to obtain District permits for certain equipment, failure to install certain control equipment required by the permit, exceedance of VOC emission limits on six occasions, and exceedance of an aluminum emission limit on one occasion. In addition, the 2011 Agreed Board Order included a compliance plan that required completion of an engineering study and evaluation of certain equipment and controls by the end of 2012.

The company agreed to and paid an administrative settlement of \$668,250 in 2011, but also agreed that an additional component, the economic benefit component of the penalty, would be assessed after completion of the engineering study and equipment and control evaluation. The economic benefit component is the portion of the penalty that seeks to recover the economic benefit of non-compliance such as the benefit of delayed or avoided costs. The amount was not known until the company determined what type of equipment or controls would be required. Ms. Phelps said the economic benefit of the penalty had been assessed at \$330,000.

Statements

Mr. Mark Westwell, General Manager at the Eckart facility in Louisville, stated the company did not deliberately intend to violate permit requirements or avoid investment costs. The company had made significant investments prior to the violations being discovered and worked diligently with the District to resolve the issues after they were discovered. Eckart met the objectives outlined in the 2011 Agreed Board Order and the company was in compliance and fully committed to remain so in the future.

2. Agreed Board Order with Reynolds Consumer Products, Inc.

Ms. Phelps asked the Board to consider and adopt a proposed Agreed Board Order with Reynolds Consumer Products, Inc. that revised an earlier Board Order with the company by extending the deadline for submitting a PSD application.

As proposed, the Agreed Board Order extends the time for the company to act under a September 2012 Agreed Board Order. During the summer of 2012, Reynolds notified the District that it had discovered that it was close to exceeding an annual permit limit on volatile organic compounds (VOC) and had ceased operation of its rolling mill and annealing process. The District and the company agreed that it would resume operations at the plant and if emissions were to exceed its VOC limits, the company would apply for a PSD (prevention of significant deterioration) permit. The PSD is a federal permitting program that requires certain major sources of emissions to install best available control technology (BACT) and to demonstrate that emissions would not cause adverse impacts in certain areas. Facilities that were in existence when the PSD program was adopted were grandfathered and were not required to comply as long as they did not modify their plant so as to increase emissions above a threshold amount. Reynolds VOC limit of 1,298 tons per year was established to prevent the company's emissions from exceeding the VOC threshold.

Ms. Phelps stated that the Board's 2012 Agreed Board Order required the company to submit a PSD application to the District by July 1, 2013, if it was determined that the plant's emissions exceeded its annual VOC limits. Since that time, the company and the District have exchanged information and engaged in productive discussions relative to the District's determination as to whether the plant had exceeded its VOC limits. As a result, the company and the District were now proposing that the Board should adopt a revision to the September 2012 Board Order extending the date for the PSD application until six months after a determination is made that the VOC limit has been exceeded, if such a determination is made. As part of the proposal, the District agreed not to issue a written determination before November 1, 2013, to allow for further discussion and exchange of information between the parties. The proposed Order would also extend the Board and the District's agreement not to pursue criminal penalties or other criminal sanctions before the six month deadline.

Statement

Mr. Carl Horneman, a representative for Reynolds Consumer Products, introduced Scott Russ, plant manager for the company's plant in Louisville; and Jon Kappelusch, the environmental and safety manager for its facilities. Mr. Horneman said the company appreciated the District's willingness to understand the complexity of their operations and to help them work through the analysis required in the September 2012 Board Order. The company has made progress, supports the proposed Agreed Board Order, and recommends that the Board approve it.

Adjourn

The public hearing adjourned at 10:12 a.m.

Robert W. Powell, M.D.
Chairman

Rachael Hamilton
Secretary-Treasurer