

AGREED BOARD ORDER NO. 10-04

LOUISVILLE METRO AIR POLLUTION CONTROL BOARD

**Incident Nos. 04634, 04605, 04824, 04831,
04969, 05220, 04345 & 04253**

This Order is issued by the Louisville Metro Air Pollution Control Board (Board) pursuant to Kentucky Revised Statutes Chapter 77 (Air Pollution Control). This Agreement is made by and between the Board and Cemex, Inc., a Louisiana corporation doing business as Kosmos Cement Company ("Company"), and is effective on the date of its adoption by the Board.

COMPANY: Kosmos Cement Company
15301 Dixie Highway
Louisville, KY 40272

REGULATIONS INVOLVED:

- 1.14 Control of Fugitive Emissions
- 2.03 Permit Requirements — Non-Title V Construction and Operating Permits and Demolition/Renovation Permits
- 2.16 Title V Operating Permits

NOTICE OF VIOLATION LETTERS: No. 01829, dated January 17, 2007;
No. 01860, dated April 2, 2007; and
No. 01993, dated July 8, 2010

BACKGROUND AND DISCUSSION:

Company operates a Portland cement manufacturing facility subject to the District's Title V Operating Permit No. 156-97-TV and various construction permits.

The District alleges that on nineteen days between July 2006 and November 2008, Company allowed fugitive particulate emissions from its equipment and processes to become airborne and to be transported off property. The District requested, and the Company agreed to, an independent review of the facility's equipment and processes to evaluate potential reductions in particulate emissions. Company contracted with Smith Management Group to conduct this review and submitted its report to the District in June, 2007. The report included specific recommendations for reductions in particulate emissions.

Beginning in 2006 and continuing through the present, Company has spent over \$5,000,000 on paving and other measures to reduce fugitive particulate emissions by implementing the recommendations, which include:

- Basic improvements to the clinker handling and cement grinding areas and upgrades and additions to the dust collection system;
- Paving haul roads and process areas and improving plant buildings and structures;
- Implementing Best Management Practices for plant haul roads;
- Implementing an aggressive system of housekeeping measures; and
- Maintaining and improving landscaping and vegetative cover to reduce fugitive dust emissions.

Since the beginning of 2009, events of off-property particulate emissions from the plant have been greatly reduced.

In 2009, the District conducted a full compliance evaluation of the plant, including an on-site inspection and a review of reports required by the Company's operating and construction permits. The District alleges a number of instances of noncompliance, including: deviations in stack testing protocols and notifications; deviations in mechanical integrity inspections, visual emission observations, and from the operations and maintenance plan; failure to thoroughly report deviations under the Portland Cement MACT (40 CFR 63, Subpart LLL); and slight exceedances of the SO₂ limit.

In four instances of deviations from the operations and maintenance plan, the District alleges that the Company may have operated plant equipment without a functioning dust collector for over 24 hours because of the failure of a fan belt. The last such event occurred in December, 2007.

To fully address the violation of District Regulations 1.14, 2.03 and 2.16 alleged above, the parties agree to this Order requiring revisions to the Company's Operations & Maintenance Plan and assessing against Company an administrative settlement of \$89,250. On December 15, 2010, a public hearing was held before the Board on this proposed Order. Based upon the information presented at that hearing, the Board determines that the proposed resolution and requirements contained in this Order are reasonable under the circumstances.

NOW, THEREFORE BE IT ORDERED THAT:

1. Company has paid \$89,250 to the Louisville Metro Air Pollution Control District by December 14, 2010.
2. Company shall submit to the District for approval a revised Operations and Maintenance Plan providing for prompt replacement of parts necessary to the operation of dust control equipment, by January 17, 2011.
3. Company has reviewed this Order and consents to all its requirements and terms. Company agrees to pay the cost of publishing legal notice of the public hearing.
4. In the event that it is necessary for the District to seek a court order to enforce this Order, Company agrees to pay filing fees and costs of such action.

5. This Order fully resolves the violations alleged in District Incident Nos. 04634, 04605, 04824, 04831, 04969, 05220, 04345 and 04253, as alleged above in this Order.

6. Neither this Order nor the actions taken hereunder shall constitute an admission by Company of any wrongdoing regarding any of the matters referenced in this Order.

Louisville Metro Air Pollution Control Board

Kosmos Cement Company

By: _____
Robert W. Powell, M.D., Chair

By: _____
Ricardo Quiroga
Plant Manager

Date: _____

Louisville Metro Air Pollution Control District

By: _____
Paul Aud
Air Pollution Control Officer

Date: _____

Approved as to form and legality:

By: _____
Stacy Fritze Dott
Assistant County Attorney