

AGREED BOARD ORDER NO. 13-03

LOUISVILLE METRO AIR POLLUTION CONTROL BOARD

Incident Nos. 05964, 06019

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 Eckart America Corporation (Company), a Delaware company, and is effective on the date of its adoption by the Board.

COMPANY: Eckart America Corporation
4101 Camp Ground Road
Louisville, KY 40211

REGULATIONS INVOLVED:

District Regulation 2.16: Title V Operating Permits
District Regulation 2.03: Permit Requirements - Non-Title V Construction and Operating Permits and Demolition/Renovation Permits

NOTICE OF VIOLATION LETTER: No. 02291, dated July 12, 2011
No. 02327, dated October 3, 2011

BACKGROUND AND DISCUSSION:

Company is a manufacturer of metallic pigments and is subject to the requirements of Louisville Metro Air Pollution Control District (District) Title V Permit No. 143-97-TV. On October 19, 2011, Company entered into Agreed Board Order 11-11 to settle the gravity component of penalties associated with Notice of Violation Letters 02291 and 02327. The gravity component of the penalty was based on the District's allegations that Company failed to conduct required visual emissions surveys, mechanical integrity inspections and other monitoring required by its permits, and operated equipment that utilized condensers that exceeded permitted temperature limits, resulting in several exceedances of volatile organic compound emission limits. Company also failed to obtain District permits for certain equipment, failed to install controls on certain equipment, and failed to certify information truthfully, accurately, and completely in its Title V compliance certifications.

The District and Company agreed that an assessment of the economic benefit component of the penalty, which addresses the savings Company realized due to the non-compliance with District regulations, would take place after Company had conducted an engineering study and implemented additional compliance measures required by the District. In December 2012, the

District determined that Company had successfully completed the engineering study and implemented all required compliance measures. The District subsequently calculated Company's realized savings, utilizing the United States Environmental Protection Agency's BEN computer model, and determined an appropriate economic benefit penalty to be \$330,000.

On June 19, 2013, 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 shall pay \$330,000 to the Louisville Metro Air Pollution Control District by July 15, 2013.
2. 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.
3. 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.
4. This Order fully resolves all violations alleged in Incident Nos. 05964 and 06019, and in this Order.
5. 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

Eckart America Corporation

By: Robert W. Powell, M.D.
Robert W. Powell, M.D.
Chairman

By: Mark Westwell
Mark Westwell
General Manager

Date: June 19, 2013

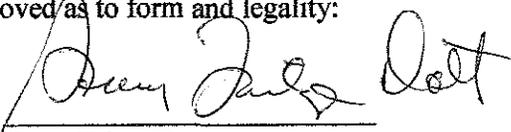
Date: 6/4/13

Louisville Metro Air Pollution Control District

By: Paul Aud, P.E.
Paul Aud, P.E.
Air Pollution Control Officer

Date: 6/5/13

Approved as to form and legality:

By: 

Stacy Fritze Dott
Assistant County Attorney