

**AGREED BOARD ORDER NO. 14-01**

**LOUISVILLE METRO AIR POLLUTION CONTROL BOARD**

**Incident No. 06519**

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 BAE Systems Land and Armaments L.P. (Company), a Delaware company, and is effective on the date of its adoption by the Board.

**COMPANY:** BAE Systems Land and Armaments L.P.  
163 Rochester Drive  
Louisville, KY 40214

**REGULATIONS INVOLVED:**

District Regulation 1.05: Compliance with Emissions Standards and Maintenance Requirements  
District Regulation 2.03: Authorization to Construct or Operate; Demolition/Renovation Notices and Permit Requirements

**NOTICE OF VIOLATION LETTER:** No. 02507, dated September 23, 2013

**BACKGROUND AND DISCUSSION:**

Company manufactures products for air, land and naval forces at its facility located on Rochester Drive pursuant to District Title V Permit No. 142-97-TV (R3). On March 6, 2013, Company conducted a stack test on a blasting booth baghouse. On May 6, 2013, the Louisville Metro Air Pollution Control District (District) received the stack test report which indicated an average mass particulate matter (PM) emission rate of 9.53 lb/hr, which is in excess of the permitted 2.47 lb/hr PM limit of District Construction Permit No. 31207-11-C. The stack test also reported that the hexavalent chromium emission rate was 3.17E-04 lb/hr and the removal efficiency rate was 94%, which is below the permitted removal efficiency rate of 99.9%.

On April 11, 2013, Company removed the blasting booth from service and conducted a post-test investigation. The investigation revealed that several reconditioned filters installed in the baghouse were damaged. The District requested information regarding the filters and discovered that Company was using filters that were not guaranteed to meet the required efficiency rate, then replaced them with the reconditioned filters, which provided no efficiency guarantee.

The results of the stack test also demonstrated non-compliance with the District's Strategic Toxic Air Reduction (STAR) requirements. In lieu of modeling, District permits allowed a control efficiency of 99.9% to be used to derive the 1,330 hours annual operation limit. The de minimis levels in the STAR regulations for hexavalent chromium are 0.000045 lb/hr and 0.040 lb/yr. The stack test result of 0.000317 lb/hr of hexavalent chromium exceeded the hourly de minimis level. The company submitted air dispersion modeling on November 13, 2013, demonstrating that though the de minimis level had been exceeded, the plant had operated below the risk-based environmental acceptability goals at all times. On May 8, 2013, Company conducted a retest of the system using filters guaranteed by the manufacturer of the baghouse with results that demonstrated compliance with permit limits and environmental acceptability goals.

To fully address the violations of District Regulations 1.05 and 2.03 alleged above, the parties agree to this Order assessing against Company an administrative settlement of \$105,000. On February 19, 2014, a public hearing was held before the Board on this proposed Order. Based upon the information presented at the 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 \$105,000 to the Louisville Metro Air Pollution Control District by February 28, 2014.
2. Company shall use filters guaranteed by baghouse manufacturer to achieve 99.9% efficiency rate in blasting booth baghouse.
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 No. 06519, and 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

BAE Systems Land and Armaments L.P.

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

By: Greg Malyszek  
Greg Malyszek  
Operations Manager

Date: Feb. 19, 2014

Date: 2/12/14

Louisville Metro Air Pollution Control District

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

Date: 2-11-14

Approved as to form and legality:

By: Stacy Fritze Dott  
Stacy Fritze Dott  
Assistant County Attorney