

January 30, 2012

Ms. Kathleen Billings
Superintendent
United States Department of the Interior
Kaloko-Honokohau National Historical Park
73-4786 Kanalani Street, Suite 14
Kailua-Kona, Hawaii 96740

12-079E CAB
File 0258

Dear Ms. Billings:

**Subject: Renewal of Covered Source Permit (CSP) No. 0258-01-C
Renewal Application No. 0258-06
Minor Modification Application No. 0258-07
Grace Pacific Corporation
325 TPH Hot Mix Asphalt (HMA) Plant
Located at: Honokohau Quarry, Honokohau, Island of Hawaii**

Thank you for your comments on the subject air permit. The covered source permit renewal was recently approved by the Department of Health subsequent to the 30-day public comment period and 45-day U.S. Environmental Protection Agency (U.S. EPA) review period. Enclosed is a copy of the signed covered source permit and the Department of Health's responses to your comments on the draft permit.

Pursuant to Hawaii Administrative Rules, Section 11-60.1-100, you may also petition the Administrator of the U.S. EPA in accordance with 40 CFR 70.8(d) or petition the Department of Health for a contested case hearing. The petition to the Department of Health for a contested case hearing should be made within ninety (90) days of the date of permit issuance and mailed to:

Director of Health
Department of Health
P.O. Box 3378
Honolulu, Hawaii 96801-3378

Should you have any questions, please contact Mr. Kevin Kihara of the Clean Air Branch at (808) 586-4200.

Sincerely,

NOLAN S. HIRAI
Acting Manager, Clean Air Branch

KK:nn
Enclosures

c: Joseph Shacat, Grace Pacific

**SUMMARY OF PUBLIC COMMENTS RECEIVED
ON THE DRAFT COVERED SOURCE PERMIT RENEWAL FOR
GRACE PACIFIC CORPORATION – 325 TPH HOT MIX ASPHALT PLANT
LOCATED AT HONOKOHAU QUARRY, HONOKOHAU, ISLAND OF HAWAII**

OVERVIEW

Pursuant to Hawaii Administrative Rules (HAR), Chapter 11-60.1, a 30-day public comment period was afforded from November 8, 2011 to December 8, 2011. The purpose was to receive comments on an amendment to Covered Source Permit (CSP) No. 0258-01-C. Approval of the air permit will allow Grace Pacific Corporation (hereinafter, referred to as “Grace Pacific”) to continue operation of a 325 ton per hour (tph) hot mix asphalt plant at the Honokohau Quarry on the island of Hawaii. The permit also incorporates the addition of equipment to increase the production of asphalt using reclaimed asphalt pavement.

During the 30-day public comment period, the Department of Health (hereinafter, referred to as the “Department”) received comments from the National Park Service. The National Park Service comment is summarized below, followed by the response from the Department.

Comment

The National Park Service requests that the permit renewal require a reduction of fugitive dust to the extent feasible to protect resources and visitors of Kaloko-Honokohau National Historical Park. In addition, the National Park Service requests that Grace Pacific be required to take all reasonable precautions to prevent fugitive dust from becoming airborne.

Response:

The issuance of this permit will allow Grace Pacific to increase the amount of reclaimed asphalt paving used in new asphalt production, reducing the amount of virgin aggregate used in the process, minimizing the quarrying of aggregate and reducing fugitive emissions of particulate matter. The existing diesel engine generator (DEG) permit conditions have also been updated to reflect that the DEG is subject to recently promulgated federal emission standards for compression ignition internal combustion engines.

The facility will remain subject to the following permit conditions with regards to fugitive dust.

“Fugitive Dust Control

- a. The permittee shall take measures to control and minimize fugitive dust (e.g., wet suppression, enclosures, dust screens, etc.) at the screen, material transfer points, stockpiles, plant roads, loading and unloading operations, and throughout the facility. The Department of Health may at any time require the permittee to further abate fugitive dust emissions if an inspection indicates poor or insufficient control.
- b. A water spray truck shall be maintained and utilized on the facility grounds to minimize fugitive dust from vehicle travel, stockpiles, and material transfer points (including loading and unloading operations).

- c. The permittee shall not cause or permit fugitive dust to become airborne without taking reasonable precautions and shall not cause or permit the discharge of fugitive dust beyond the lot line of the property on which the emissions originate.”

To insure that adequate measures are being taken to control fugitive dust, Grace Pacific has installed a flow meter on the water truck to record the amount of water used for dust control on a daily basis. Also, the pressure differential across the baghouse is monitored to make sure the baghouse filter bags are in proper working condition, and drop heights during loading and unloading activities are being minimized.

It should also be noted that if it is determined that Grace Pacific is in violation of any permit condition, civil and administrative fines may be imposed in an amount of not more than \$25,000.00 per day per violation.