

RE
'00 SEP 27 02 57

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

IN THE MATTER OF:

Sparta Manufacturing
Company, Incorporated
Sparta, Wisconsin

Respondent.

) Docket No. **CAA-5-2000-010**
)
)
) **Proceeding to Assess an**
) **Administrative Penalty**
) **under Section 113(d) of the**
) **Clean Air Act,**
) **42 U.S.C. § 7413(d)**
)

Consent Agreement and Final Order

1. Complainant, the Director of the Air and Radiation Division, United States Environmental Protection Agency, Region 5 (U.S. EPA), brought this administrative action seeking a civil penalty under Section 113(d) of the Clean Air Act (the Act), 42 U.S.C. § 7413(d).

2. On May 19, 2000, U.S. EPA filed the complaint in this action against Sparta Manufacturing Company, Incorporated (Respondent). The complaint alleges that Sparta violated certain terms of a permit to construct issued under the Prevention of Significant Deterioration (PSD) regulations at 40 C.F.R. § 52.21 and the Wisconsin State Implementation Plan (SIP), at its facility in Sparta, Wisconsin.

3. Respondent filed an answer and requested a hearing under Section 113(d)(2) of the Act, 42 U.S.C. § 7413(d)(2).

Stipulations

4. Respondent admits the jurisdictional allegations in the complaint and neither admits nor denies the factual allegations in the complaint.

5. Respondent waives its right to contest the allegations in the complaint, and waives its right to appeal under Section 113(d) of the Act, 42 U.S.C. § 7413(d).

6. Respondent certifies that it is complying fully with the terms and conditions of its permits 95-MWH-051 and 98-RV-120.

7. The parties consent to the terms of this consent agreement and final order (CAFO).

8. The parties agree that settling this action without further litigation, upon the terms in this CAFO, is in the public interest.

Civil Penalty

9. In consideration of Respondent's location in a PSD Class II area rather than Class I area as initially assumed, Respondent's good faith efforts to comply, and Respondent's agreement to perform a supplemental environmental project, U.S. EPA agrees to mitigate the proposed penalty of \$57,400 to \$18,489.

10. Respondent must pay the \$18,489 civil penalty by cashier's or certified check payable to the "Treasurer, United

States of America," within 30 days after the effective date of this CAFO.

11. Respondent must send the check to:

U.S. Environmental Protection Agency
Region 5
P.O. Box 70753
Chicago, Illinois 60673

12. A transmittal letter, stating Respondent's name, complete address, the case docket number, and the billing document number must accompany the payment. Respondent must write the case docket number and the billing document number on the face of the check. Respondent must send copies of the check and transmittal letter to:

Attn: Regional Hearing Clerk, (R-19J)
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3590

Attn: Compliance Tracker, (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3590

Alan Walts, (C-14J)
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3509

13. This civil penalty is not deductible for federal tax purposes.

14. If Respondent does not pay timely the civil penalty or any stipulated penalties due under paragraph 28, below, U.S. EPA

may bring an action to collect any unpaid portion of the penalty with interest, handling charges, nonpayment penalties and the United States' enforcement expenses for the collection action under Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

15. Interest will accrue on any overdue amount from the date payment was due at a rate established under 26 U.S.C. § 6621(a)(2). Respondent will pay a \$15 handling charge each month that any portion of the penalty is more than 30 days past due. Respondent will pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue according to Section 113(d)(5) of the Act, 42 U.S.C. § 7413(d)(5). This nonpayment penalty will be 10 percent of the aggregate amount of the outstanding penalties and nonpayment penalties accrued from the beginning of the quarter.

Supplemental Environmental Project

16. Sparta Manufacturing Company, Incorporated must complete a supplemental environmental project (SEP) designed to protect the environment and public health by providing improved parametric monitoring of the functioning of the cupola and cupola controls.

17. At its Sparta, Wisconsin, facility, Respondent must complete the SEP as follows:

a. Cupola Afterburners (within four months of the effective date of this CAFO). Eliminate the relays and minicontrollers currently used for the Eclipse Torches and replace this control system with a Process Limiting Controller (PLC). Perform all design engineering and training, including further development of the Remote Scanning Acquisition Computer Monitoring (SCADA), necessary for installation and launch.

b. Cupola Emissions Quencher (within four months of the effective date of this CAFO). Eliminate the current controller/chart recorder and the valve train for modulating water flow and replace with new components that will be controlled by the PLC. Perform all design engineering and training, including further development of the Remote Scanning Acquisition Computer Monitoring (SCADA), necessary for installation and launch.

c. Continuous Improvement Data Collection for North and Central Baghouses (within four months of the effective date of this CAFO). Purchase and install sensors to detect airflow in dust collection ductwork, and to detect baghouse performance characteristics including differential pressure across the bags or compartments. Display data on a SCADA screen to enable audit at any time for purposes of system improvement. Data will be used as deemed appropriate to a) analyze trends pertinent to scheduling maintenance, and b) evaluate opportunities for continuous improvement.

d. Periodic Reports. Within fifteen months of the effective date of this CAFO, and then each twelve months thereafter until 2004, submit a report that (1) describes any operating problems and the actions taken to correct the problems; and (2) provides itemized costs of goods and services used to carry out the SEP documented by copies of invoices, purchase orders, or canceled checks that specifically identify and itemize the individual costs of the goods and services.

18. Respondent must spend at least \$40,000 to purchase and install the equipment, and to adequately train personnel in SCADA monitoring. Respondent agrees not to deduct any SEP expenditures for federal tax purposes.

19. Respondent must continuously use or operate the Process Limiting Controller and SCADA as described in Paragraph 17, when the monitored processes are in operation, for at least three years following its installation.

20. Respondent certifies that it is not required to perform or develop the SEP by any law, regulation, grant, order, or agreement, or as injunctive relief as of the date it signs this CAFO. Respondent further certifies that it has not received, and is not negotiating to receive, credit for the SEP in any other enforcement action.

21. U.S. EPA may inspect the facility at any time to monitor Respondent's compliance with this CAFO's SEP requirements.

22. Respondent must submit the reports required by Paragraph 17 to U.S. EPA according to the schedule provided in Paragraph 17.

23. Respondent must submit a SEP completion report to U.S. EPA by April 30, 2001. This report must contain the following information:

- a. detailed description of the SEP as completed;
- b. description of any operating problems and the actions taken to correct the problems;
- c. itemized costs of goods and services used to complete the SEP documented by copies of invoices,

purchase orders, or canceled checks that specifically identify and itemize the individual costs of the goods and services;

d. certification that Respondent has completed the SEP in compliance with this CAFO; and

e. description of the environmental and public health benefits resulting from the SEP (quantify the benefits and pollution reductions, if feasible).

24. Respondent must submit all notices and reports required by this CAFO by first class mail to:

Attn: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5
77 West Jackson Blvd.
Chicago, Illinois 60604-3590

25. In each report that Respondent submits as provided by this CAFO, it must certify that the report is true and complete by including the following statement signed by one of its officers:

I certify that I am familiar with the information in this document and that, based on my inquiry of those individuals responsible for obtaining the information, the information is true and complete to the best of my knowledge. I know that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations.

26. Following receipt of the SEP completion report described in paragraph 23 above, U.S. EPA must notify Respondent in writing that:

- a. It has satisfactorily completed the SEP and the SEP report;
- b. There are deficiencies in the SEP as completed or in the SEP report and U.S. EPA will give Respondent 30 days to correct the deficiencies; or
- c. It has not satisfactorily completed the SEP or the SEP report and U.S. EPA will seek stipulated penalties under paragraph 28.

27. If U.S. EPA exercises option b. above, Respondent may object in writing to the deficiency notice within 10 days of receiving the notice. The parties will have 30 days from U.S. EPA's receipt of Respondent's objection to reach an agreement. If the parties cannot reach an agreement, U.S. EPA will give Respondent a written decision on its objection. Respondent will comply with any requirements that U.S. EPA imposes in its decision. If Respondent does not complete the SEP as required by U.S. EPA's decision, Respondent will pay stipulated penalties to the United States under paragraph 28 below.

28. If Respondent violates any requirement of this CAFO relating to the SEP, Respondent must pay stipulated penalties to the United States as follows:

- a. Except as provided in subparagraph b, below, if Respondent did not complete the SEP satisfactorily according to this CAFO, Respondent must pay a stipulated penalty of \$31,911.

b. If Respondent did not complete the SEP satisfactorily, but U.S. EPA determines that Respondent: (i) made good faith and timely efforts to complete the SEP; and (ii) certified, with supporting documents, that it spent at least 90 percent of the required amount on the SEP, Respondent will not be liable for any stipulated penalty.

c. If Respondent satisfactorily completed the SEP, but spent less than 90 percent of the required amount on the SEP, Respondent must pay a stipulated penalty of \$7,978.

d. If Respondent failed to submit timely the SEP completion report required by paragraph 23 above, Respondent must pay a stipulated penalty of \$25 for each day after the report was due until it submits the report.

e. If Respondent failed to submit timely any periodic report required by paragraph 17 above, Respondent must pay a stipulated penalty of \$25 for each day after the report was due until it submits the report.

29. U.S. EPA's determinations of whether Respondent satisfactorily completed the SEP and whether it made good faith, timely efforts to complete the SEP will bind Respondent.

30. Respondent must pay any stipulated penalties within 15 days of receiving U.S. EPA's written demand for the penalties. Respondent will use the method of payment specified in paragraphs 10 through 12 above, and will pay interest, handling charges, and nonpayment penalties on any overdue amounts.

31. Any written public statement that Respondent makes referring to the SEP must include the following language, "Respondent undertook this project under the settlement of the United States Environmental Protection Agency's enforcement

action against Respondent for alleged violations of air pollution control permit conditions established under the Wisconsin State Implementation Plan."

32. If an event occurs which causes or may cause a delay in completing the SEP as required by this CAFO:

a. Respondent must notify U.S. EPA in writing within 10 days after learning of an event which caused or may cause a delay in completing the SEP. The notice must describe the anticipated length of the delay, its cause(s), Respondent's past and proposed actions to prevent or minimize the delay, and a schedule to carry out those actions. Respondent must take all reasonable actions to avoid or minimize any delay. If Respondent fails to notify U.S. EPA according to this paragraph, Respondent will not receive an extension of time to complete the SEP.

b. If the parties agree that circumstances beyond the control of Respondent caused or may cause a delay in completing the SEP, the parties will stipulate to an extension of time no longer than the period of delay.

c. If U.S. EPA does not agree that circumstances beyond the control of Respondent caused or may cause a delay in completing the SEP, U.S. EPA will notify Respondent in writing of its decision and any delays in completing the SEP will not be excused.

d. Respondent has the burden of proving that circumstances beyond its control caused or may cause a delay in completing the SEP. Increased costs for completing the SEP will not be a basis for an extension of time under subparagraph b, above. Delay in achieving an interim step will not necessarily justify or excuse delay in achieving subsequent steps.

General Provisions

33. This CAFO settles U.S. EPA's claims for civil penalties for the violations alleged in the complaint.

34. Nothing in this CAFO restricts U.S. EPA's authority to seek Respondent's compliance with the Act and other applicable laws and regulations.

35. This CAFO does not affect Respondent's responsibility to comply with the Act and other applicable federal, state and local laws, and regulations.

36. This CAFO constitutes an "enforcement response" as that term is used in "U.S. EPA's Clean Air Act Stationary Source Civil Penalty Policy" to determine Respondent's "full compliance history" under Section 113(e) of the Act, 42 U.S.C. § 7413(e).

37. The terms of this CAFO bind Respondent and its successors and assigns.

38. Each person signing this consent agreement certifies that he or she has the authority to sign this consent agreement for the party whom he or she represents and to bind that party to its terms.

39. Each party agrees to bear its own costs and fees in this action.

40. This CAFO constitutes the entire agreement between the parties.

**U.S. Environmental Protection
Agency, Complainant**

Date: 9-21-00

By: 
Bharat Mathur, Director
Air and Radiation Division
U.S. Environmental Protection
Agency, Region 5 (A-18J)

**Sparta Manufacturing Company,
Incorporated, Respondent**

Date: 9/12/00

By: 
Steven T. Holtan, President
Sparta Manufacturing Company, Inc.

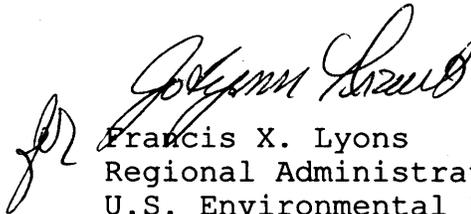
CONSENT AGREEMENT AND FINAL ORDER
Sparta Manufacturing Company, Incorporated
Docket No. *CAA-5-2000-010*

Final Order

It is ordered as agreed to by the parties and as stated in the consent agreement, effective immediately upon filing of this CAFO with the Regional Hearing Clerk.

Date:

9/26/00



Francis X. Lyons
Regional Administrator
U.S. Environmental Protection
Agency, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

CERTIFICATE OF SERVICE

I, Shanee Rucker, certify that I hand delivered the original of the Consent Agreement and Final Order, docket number CAA-5-2000-010 to the Regional Hearing Clerk, Region 5, United States Environmental Protection Agency, and that I mailed correct copies by first-class, postage prepaid, certified mail, return receipt requested, to Sparta Manufacturing Company, Incorporated and Sparta Manufacturing Company, Incorporated's Counsel by placing them in the custody of the United States Postal Service addressed as follows:

Steven T. Holtan, President
Sparta Manufacturing Company, Incorporated
445 Holtan Street
Sparta, Wisconsin 54656

Linda H. Bochert, Esq.
Michael, Best, & Friedrich, LLP
One South Pinckney Street, Suite 700
P.O. Box 1806
Madison, Wisconsin 53701

on the 27 day of September, 2000.

Shanee Rucker
Shanee Rucker
AECAS (MI/WI)

CERTIFIED MAIL RECEIPT NUMBER: P140 897 057

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SEP 27 12:57
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