



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JUN 30 2006

REPLY TO THE ATTENTION OF

(AE-17J)

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Docket #'s:

CAA-05-2006-0024
RCRA-05-2006-0014
MM-05-2006-0011

John Newell, President
Pollution Control Industries, Inc.
4343 Kennedy Avenue
East Chicago, Indiana 46312

Dear Mr. Newell:

Enclosed is a file stamped Consent Agreement and Final Order (CAFO) which resolves Pollution Control Industries, Inc. (PCI). CAA Docket No. (See above). As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on 6/30/06.

Pursuant to paragraph 21 of the CAFO, (PCI) must pay the \$25,000 civil penalty within 30 days of the date the CAFO was filed, 6/30/06. The check must display the case docket number, (See above), and the billing document number, 2750606M010.

Please direct any questions regarding this case to Richard Nagel, Associate Regional Counsel, (312)353-8222.

Sincerely yours,

Brent Marable, Chief
Air Enforcement and Compliance Assurance Section (IL/IN)

Enclosure

cc: David McIver, Manager
Office of Enforcement Air Section
Indiana Department of Environmental Management

Standard bcc's: Official file copy w/ attachment(s)
Originating Organization reading file
w/attachment(s)

Other bcc's: Richard Nagle, ORC (C-14J)
Bernice Morris/Steve Slone, MF*10J (with cover
letter)

Creation Date:	June 29, 2006
Filename:	C:\CAFO letter etc for PCI
Legend:	ARD:AECAB:AECAS(IL/IN):Betty Williams

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
BEFORE THE ADMINISTRATOR**

In the Matter of)
Pollution Control Industries, Inc.)
4343 Kennedy Avenue)
East Chicago, Indiana)
Respondent.)

CAA-05-2006-0024
RCRA-05-2006-0014
Docket No. **MM-05-2006-0011**

CONSENT AGREEMENT AND FINAL ORDER

Facts and Background

1. This is an administrative action commenced and concluded under Section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d), Section 3008(a) of the Solid Waste Disposal Act, as amended, (RCRA), 42 U.S.C. § 6928(a), and Sections 22.1(a)(2) and (4), 22.13(b), and 22.18(b) of the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits* (Consolidated Rules) as codified at 40 C.F.R. Part 22 (2005).

2. Complainant is the Director of the Air and Radiation Division, United States Environmental Protection Agency, Region 5 (U.S. EPA).

3. Respondent is Pollution Control Industries, Inc., (Respondent or PCI) a corporation doing business in Indiana.

4. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a Consent Agreement and Final Order (CAFO). 40 C.F.R. § 22.13(b) (2005).

5. The parties agree that settling this action without the filing of a complaint or the

adjudication of any issue of fact or law is in their interest and in the public interest.

6. Respondent consents to entry of this CAFO and the assessment of the specified civil penalty, and agrees to comply with the terms of the CAFO.

Jurisdiction and Waiver of Right to Hearing

7. PCI admits the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations in this CAFO.

8. Respondent's entry into this CAFO shall not constitute a waiver of any defense, legal or equitable, which Respondent may have in any future administrative or judicial proceeding, except a proceeding to enforce this CAFO.

9. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations that are identified in this CAFO except as provided in paragraph 8 above, and its right to appeal this CAFO.

Statutory and Regulatory Background

10. On December 6, 1994, U.S. EPA approved Indiana State Implementation Plan (SIP) Rules 326 IAC 2-3 and 2-1 as part of the federally enforceable SIP for the State of Indiana. 59 Fed. Reg. 51108 (1994). On July 5, 1995, U.S. EPA approved Indiana SIP Rule 326 IAC 8-7 as part of the federally enforceable SIP for the State of Indiana. 60 Fed. Reg. 34856 (1995).

11. On January 31, 1986 (effective January 31, 1986), Indiana initially received final authorization to implement the RCRA hazardous waste management program. 51 Fed. Reg. 3953 (1986). U.S. EPA granted final authorization for changes to Indiana's hazardous waste program on October 31, 1986, effective December 31, 1986 [51 Fed. Reg. 39752 (1986)]; January 5, 1988, effective January 19, 1988 [53 Fed. Reg. 128 (1988)]; July 13, 1989, effective

September 11, 1989 [54 Fed. Reg. 29557 (1989)]; July 23, 1991, effective September 23, 1991 [56 Fed. Reg. 33717 (1991)]; July 24, 1991, effective September 23, 1991 [56 Fed. Reg. 33866 (1991)]; July 29, 1991, effective September 27, 1991 [56 Fed. Reg. 35831 (1991)]; July 30, 1991, effective September 30, 1991 [56 Fed. Reg. 36010 (1991)]; August 20, 1996, effective October 21, 1996 [61 Fed. Reg. 43018 (1996)]; September 1, 1999, effective November 30, 1999 [64 Fed. Reg. 47692 (1999)]; January 4, 2001, effective January 4, 2001 [66 Fed. Reg. 733 (2001)]; December 6, 2001, effective December 6, 2001 [66 Fed. Reg. 63331 (2001)]; October 29, 2004, effective October 29, 2004 [69 Fed. Reg. 63100 (2004)]; and November 23, 2005, effective November 23, 2005 [70 Fed. Reg. 70740 (2005)]. Indiana's federally-authorized hazardous waste program includes the vast majority of the federal hazardous waste program including, but not limited to, the base RCRA program, permitting authority, miscellaneous units, and Subparts AA, BB, and CC requirements.

12. The Indiana SIP contains requirements for sources constructed in nonattainment areas that EPA alleges were not met. Specifically, EPA alleges that the treatment, storage, and/or disposal facility operated by PCI, 4343 Kennedy Avenue, East Chicago, Indiana, has violated Indiana SIP Rules 326 IAC 2-1, 326 IAC 2-3 and 326 IAC 8-7, governing construction permits, New Source Review (NSR) and volatile organic compounds (VOC) emissions.

13. The owner or operator of an existing affected source was required to comply with the governing construction permits, New Source Review (NSR) and volatile organic compounds (VOC) emissions requirements of the SIP by May 31st, 1995.

14. The Administrator of U.S. EPA (the Administrator) may assess a civil penalty of up to \$27,500 per day of violation up to a total of \$220,000 for SIP violations that occurred from January 31, 1997 through March 15, 2004, and may assess a civil penalty of up to \$32,500 per

day of violation up to a total of \$270,000 for violations that occurred after March 15, 2004 under Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19 (2004).

15. On March 4, 1999, U.S. EPA issued a Notice and Opportunity to Show Cause letter (Letter) to PCI alleging that it may have violated certain requirements of its 1991 Indiana-issued hazardous waste management permit, RCRA, as amended, or applicable regulations. The alleged violations identified in U.S. EPA's Letter included: (a) managing hazardous waste in the aerosol, tower shredder, and metal wash units which were not authorized by PCI's hazardous waste permit; (b) failure to go through closure for a centrifuge/tumbler unit; (c) failure to notify the Regional Administrator of planned changes to the aerosol, tower shredder, metal wash, and centrifuge/tumbler units; (d) failure to inform the Commissioner of the Indiana Department of Environmental Management that PCI had constructed or modified its facility by making changes or adding the aerosol, tower shredder, metal wash, and centrifuge/tumbler units; (e) failure to submit permit modifications for alterations of PCI's facility; (f) failure to comply with its waste analysis plan; (g) failure to comply with certain Subpart CC requirements; and (h) failure to update its inspection plan to include Subpart CC requirements. PCI responded to U.S. EPA's Letter on June 30, 1999.

16. Respondent, before filing an Answer and requesting a hearing pursuant to, Sections 22.1(a)(2) and (4) and 22.13 of the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits," 40 C.F.R. Part 22 (hereinafter the Consolidated Rules), has agreed to this settlement.

17. This CAFO shall apply to and be binding upon Respondent, its officers, directors, servants, employees, agents, successors and assigns, including, but not limited to, subsequent

purchasers so long as this CAFO remains in effect.

Terms of Settlement

18. Pursuant to § 113 of the CAA, § 3008 of RCRA, the nature of the violations, Respondent's agreement to perform the Supplemental Environmental Projects (SEPs) identified in paragraph 23 below and other relevant factors, U.S. EPA has determined that an appropriate civil penalty to settle this action is in the amount of twenty-five thousand dollars (\$25,000).

19. Respondent consents to the issuance of the CAFO and consents for the purposes of settlement of the alleged violations that are contained herein to the payment of the civil penalty cited in the foregoing paragraph and to the performance of the SEPs identified in paragraph 23 below.

20. This CAFO shall be effective (effective date) when it is approved and signed by the Respondent, approved and signed by the Complainant or his designee, and filed with the Regional Hearing Clerk. This CAFO shall have no force or effect until the effective date.

21. Within thirty (30) days of the effective date of this CAFO, Respondent shall mail a cashier's or certified check, to the order of the "Treasurer, United States of America," in the amount of twenty-five thousand dollars (\$25,000), to:

U.S. EPA - Region 5
P.O. Box 371531
Pittsburgh, PA 15251-7531

Respondent shall provide a copy of the check to:

Regional Hearing Clerk (E-19J)
U.S. EPA - Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604,

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 60604-3511,

and

Richard L. Nagle (C-14J)
U.S. EPA - Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604

Interest and late charges shall be paid as specified in Paragraph 36, below

22. The penalty specified in Paragraph 21, above, shall represent civil penalties assessed by EPA and shall not be deductible for purposes of Federal taxes.

23. Respondent shall complete the following SEPs, which the parties agree are intended to secure significant environmental or public health protection and improvements. Within thirty (30) days the effective date of this CAFO, Respondent shall submit applicable permit modification requests to the Indiana Department of Environmental Management for the SEPs or, if no permit modification is required for an individual SEP, create conceptual designs and send the designs out for bid for the following pollution control and management devices to the SDS recycling unit and Tanks 6 and 7 at the PCI facility in East Chicago, Indiana, as specified below:

a. For the SDS recycling unit:

(i) a chilled auger, to cool the post-processing char generated by the SDS unit;

and

(ii) a shaker screen baghouse, to capture particulate matter.

b. For Tanks 6 and 7:

(i) an air cooled heat exchanger to condense VOCs present in the vacuum exhaust.

The projects will be implemented in accordance with the Scope of Work that is included as Attachment A.

24. The total expenditure for the SEPs shall be not less than a total of \$117,120. This total expenditure consists of the estimated individual expenditures for capital costs and labor and equipment for all three SEPs. The estimated individual expenditures are: 1) chilled auger = \$52,000 in capital costs, \$14,660 in labor and equipment, and \$7,500 in annual maintenance; 2) shaker screen baghouse = \$25,000 in capital costs, \$5,380 in labor and equipment, and \$7,500 in annual maintenance and waste disposal costs; and 3) air cooled heat exchanger = \$16,000 in capital costs, \$4,080 in labor and equipment, and \$7,500 in annual maintenance, in accordance with the specifications and schedule set forth in the Scope of Work. Respondent shall include documentation of the expenditures made in connection with the SEPs as part of the SEP Completion Report.

25. Respondent hereby certifies that, as of the effective date of this CAFO, Respondent is not required to perform or develop the SEPs by any federal, state or local law or regulation; nor is Respondent required to perform or develop the SEPs by agreement, grant or as injunctive relief in this or any other case. Respondent further certifies that it has not received, and is not presently negotiating to receive, credit in any other enforcement action for the SEPs.

26. Reporting Requirements

a. Respondent shall complete installation of the SEPs equipment and mail a SEP Construction Completion Report to EPA by sixty (60) days following the commencement of

operations of all three SEPs identified in paragraph 23 above. The SEP Construction Completion Report shall contain the following information:

- (i) A detailed description of the SEPs as implemented;
- (ii) A description of any operating problems encountered and the solutions thereto;
- (iii) Itemized costs, documented by, for example, copies of purchase orders, work orders, and/or receipts or canceled checks;
- (iv) Certification that the SEPs have been fully implemented pursuant to the provisions of this CAFO; and
- (v) A description of the environmental and public health benefits resulting from implementation of the SEPs (with a quantification of the benefits and pollutant reductions, if feasible).

b. Respondent shall mail annual reports starting one year after the submission of the SEP Construction Completion Report until this CAFO is no longer in effect. The annual report will summarize any operating problems encountered and the solutions thereto, itemized costs, documented by, for example, copies of purchase orders, work orders, and/or receipts or canceled checks, and a description of the environmental and public health benefits resulting from implementation of the SEPs (with a quantification of the benefits and pollutant reductions, if feasible).

c. Respondent agrees that failure to submit the SEP Completion Report or any Periodic Report required by subsections a) and b) above shall be deemed a violation of this CAFO and Respondent shall become liable for stipulated penalties pursuant to paragraph 32

below.

d. Respondent shall mail all notices and reports required by this CAFO to Richard L. Nagle, Assistant Regional Counsel, U.S. EPA Region 5, 77 W. Jackson Blvd., Chicago, Illinois, 60604, Mail Code C-14J, by first class mail.

27. Respondent agrees that EPA may inspect the facility at any time during regular business hours until this CAFO is no longer in effect, in order to confirm that the SEPs are being undertaken in conformity with the representations made herein.

28. Respondent shall continuously use or operate the systems installed as the SEPs on the SDS recycling unit when the SDS recycling unit is operating and associated with Tanks 6 and 7 when material is being added to or removed from either or both of those tanks for not less than 5 years after installation except for periods of maintenance, emergency, improvements to the SDS recycling unit, Tanks 6 and 7, and/or the controls to the SDS recycling unit or Tanks 6 and 7 that result in comparable environmental or public health protection and improvements as the SEPs identified in paragraph 23 above, or Respondent's decision to no longer operate either the SDS recycling unit and/or Tanks 6 and 7.

29. Respondent shall maintain legible copies of documentation of the underlying research and data for any and all documents or reports submitted to EPA pursuant to this CAFO, and Respondent shall provide the documentation of any such underlying research and data to EPA within twenty-one days following its receipt of a request for such information. In all documents or reports, including, without limitation, the SEP Report, submitted to EPA pursuant to this CAFO, Respondent shall, by its officers, sign and certify under penalty of law that the information contained in such document or report is true, accurate, and complete by signing the following statement:

determined by EPA, stipulated penalties shall be due and payable by Respondent to EPA in accordance with paragraph 32 herein unless Respondent disputes the determination pursuant to paragraph 31 below.

31. For each of the EPA notifications identified in paragraphs 30.a, 30.b, 33, and 39.c herein, Respondent retains the right to file a dispute of that determination with the Air Division Director, Region 5, within 30 days of service of such action. If Respondent files a dispute as provided herein, Complainant's ability to obtain and Respondent's requirement to pay stipulated penalties shall be stayed until resolution of the dispute. Furthermore, should a final resolution of the dispute by the Air Division Director be adverse to Respondent, the Parties agree that the payment of stipulated penalties identified in paragraph 32.b below shall not be due until 30 calendar days after Respondent's receipt of the decision resolving the appeal.

32. If Respondent violates any requirement of this CAFO relating to the SEPs, Respondent must pay stipulated penalties to the United States as follows except as provided in paragraphs 30 and 31 above:

a. If Respondent spent less on the SEP than the total expenditures identified in paragraph 24, above, Respondent must pay a stipulated penalty equal to the difference between the amount it spent on the SEPs and the amount set forth in paragraph 24.

b. If Respondent has completed the SEPs but the SEPs are not satisfactory, Complainant shall provide Respondent with written notification identifying the reasons the SEPs are not satisfactory. Following receipt of Complainant's written notification, Respondent must pay \$30,000 in addition to any penalty required under subparagraph a, above, unless Respondent files an appeal of Complainant's determination as provided in paragraph 31 above.

c. If Respondent halts or abandons work on the SEPs, Respondent must pay a stipulated penalty of \$60,000 in addition to any penalty required under subparagraph a, above. The penalty will accrue as of the date for completing the SEPs or the date performance ceases, whichever is earlier.

d. If Respondent fails to comply with the schedule in Attachment A for implementing the SEPs unless such failure is subject to the Force Majeure provisions in paragraph 39 below, fails to timely mail the SEP completion report required by paragraph 26.a, above, or fails to submit timely any other report required by paragraph 26.b, above, Respondent must pay stipulated penalties for each failure to meet an applicable milestone, as follows:

<u>Penalty per violation per day</u>	<u>Period of violation</u>
\$100	1 st through 14 th day
\$200	15 th through 30 th day
\$500	31 st day and beyond

These penalties will accrue from the date Respondent was required to meet each milestone until it achieves compliance with the milestone.

33. U.S. EPA's determinations of whether Respondent satisfactorily completed the SEPs and whether it made good faith, timely efforts to complete the SEPs will bind Respondent unless Respondent files an appeal of such determination as provided in paragraph 31 above.

34. Respondent must pay any stipulated penalties within 15 days of receiving U.S. EPA's written demand for the penalties unless Respondent has filed an appeal of the determination as provided in paragraph 31 above. Respondent will use the method of payment specified in paragraph 21, above, and will pay interest, handling charges, and nonpayment penalties on any overdue amounts.

35. Except for the alleged violations that are included in this CAFO, nothing in this

agreement shall be construed as prohibiting, altering or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this CAFO or of the statutes and regulations upon which this agreement is based, or for Respondent's violation of any applicable provision of law.

36. Interest will accrue on any overdue amount from the date payment was due at a rate established under 31 U.S.C. § 3717. 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.

37. Any public statement, oral or written, in print, film, or other media, made by Respondent during the time period in which this CAFO is in effect making reference to the SEPs shall include the following language, "This project was undertaken in connection with the settlement of an enforcement action taken by the U.S. Environmental Protection Agency for alleged violations of the Clean Air Act."

38. Except for the alleged violations that are included in this CAFO, this CAFO shall not relieve Respondent of its obligation to comply with all applicable provisions of federal, state or local law, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state or local permit, nor shall it be construed to constitute EPA approval of the equipment or technology installed by Respondent in connection with the SEPs under the terms of this CAFO.

39. Force Majeure.

a. If any event occurs which causes or may cause delays in the completion of the SEPs as required under this CAFO, Respondent shall notify Complainant in writing within 10 days of the delay or Respondent's knowledge of the anticipated delay, whichever is earlier. The notice shall describe in detail the anticipated length of the delay, the precise cause or causes of the delay, the measures taken and to be taken by Respondent to prevent or minimize the delay, and the timetable by which those measures will be implemented. The Respondent shall adopt all reasonable measures to avoid or minimize any such delay. Failure by Respondent to comply with the notice requirements of this paragraph shall render this paragraph void and of no effect as to the particular incident involved and constitute a waiver of the Respondent's right to request an extension of its obligation under this CAFO based on such incident.

b. If the parties agree that the delay or anticipated delay in compliance with this CAFO has been or will be caused by circumstances entirely beyond the control of Respondent, the time for performance hereunder may be extended for a period no longer than the delay resulting from such circumstances. In such event, the parties shall stipulate to such extension of time.

c. In the event that the EPA does not agree that a delay in achieving compliance with the requirements of this CAFO has been or will be caused by circumstances beyond the control of the Respondent, EPA will notify Respondent in writing of its decision and any delays in the completion of the SEPs shall not be excused unless Respondent files a dispute of the determination as provided in paragraph 31 above.

d. The burden of proving that any delay is caused by circumstances entirely beyond the control of the Respondent shall rest with the Respondent. Increased costs or expenses associated with the implementation of actions called for by this CAFO shall not, in any event, be

agreement shall be construed as prohibiting, altering or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this CAFO or of the statutes and regulations upon which this agreement is based, or for Respondent's violation of any applicable provision of law.

36. Interest will accrue on any overdue amount from the date payment was due at a rate established under 31 U.S.C. § 3717. 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.

37. Any public statement, oral or written, in print, film, or other media, made by Respondent during the time period in which this CAFO is in effect making reference to the SEPs shall include the following language, "This project was undertaken in connection with the settlement of an enforcement action taken by the U.S. Environmental Protection Agency for alleged violations of the Clean Air Act."

38. Except for the alleged violations that are included in this CAFO, this CAFO shall not relieve Respondent of its obligation to comply with all applicable provisions of federal, state or local law, nor shall it be construed to be a ruling on, or determination of, any issue related to any federal, state or local permit, nor shall it be construed to constitute EPA approval of the equipment or technology installed by Respondent in connection with the SEPs under the terms of this CAFO.

39. Force Majeure.

a basis for changes in this CAFO or extensions of time under section (b) of this paragraph. Delay in achievement of one interim step shall not necessarily justify or excuse delay in achievement of subsequent steps.

40. Respondent hereby agrees that any funds expended in the performance of the SEPs shall not be deductible as a business expense for purposes of Federal taxes. In addition, Respondent hereby agrees that, within thirty (30) days of the date it submits its Federal tax reports for the calendar year in which the above-identified SEPs are completed, it will submit to Richard L. Nagle, Assistant Regional Counsel, at the address provided in Paragraph 21 above, certification that any funds expended in the performance of the SEPs have not been deducted from Federal taxes.

41. This CAFO constitutes a settlement by EPA of all claims for civil penalties pursuant to the Clean Air Act that are alleged in the CAFO. Nothing in this CAFO is intended to nor shall be construed to operate in any way to resolve any criminal liability of the Respondent. Compliance with this CAFO shall not be a defense to any actions subsequently commenced pursuant to Federal laws and regulations administered by EPA except for those resolved by this CAFO, and it is the responsibility of Respondent to comply with such laws and regulations.

43. This CAFO shall expire at the termination of the SEP obligations of the Respondent as approved by EPA.

44. Each undersigned representative of the parties to this CAFO certifies that he or she is fully authorized by the party represented to enter into the terms and conditions of this CAFO and to execute and legally bind that party to it.

46 Each party shall bear its own costs and attorneys' fees in connection with the action resolved by this CAFO

For Complainant:

William L. MacDowell for
Stephan Rothblatt, Director
Air Division
U.S. Environmental Protection
Agency, Region 5
Date: 6/30/06

Catherine R. Fox
Assistant Regional Counsel
Date: 6-30-06

For Respondent:

John Newell
John Newell, President
Pollution Control Industries, Inc
Date: 6/19/06

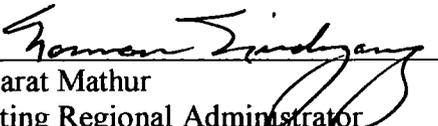
Paul F. Lewis, Esq
Barnes & Thornburgh
Date: 6/21/06

CAA-05-2006-0024
RCRA-05-2006-0014
MM-05-2006-0011

III ORDER

The foregoing Consent Agreement In the Matter of Pollution Control Industries, Inc , is hereby approved and incorporated by reference into this Order. The Respondent is hereby ordered to comply with the terms of the above Consent Agreement, effective upon filing of this CAFO with the Regional Hearing Clerk and Respondent's receipt of the fully signed and file stamped CAFO.

Date: 6/30/06

Bm

Bharat Mathur
Acting Regional Administrator
U.S. Environmental Protection Agency Region 5

CAA-05-2006-0024
RCRA-05-2006-0014
MM-05-2006-0011

U.S.
PROTEC
REGION 5

6 JUN 30 P 4:08

RECEIVED

ATTACHMENT A

STATEMENT OF WORK FOR Pollution Control Industries Supplemental Environmental Projects

Article I. I. PURPOSE

The purpose of this action at Pollution Control Industries in East Chicago, Indiana is to design, construct and implement Supplemental Environmental Projects for its Solid Distillation System (“SDS”) and its tank farm as relates to the process of vacuuming liquid hazardous waste from containers. This Statement of Work (SOW) shall be followed in designing and implementing the projects.

There are two SDS projects, which both relate to the flow of materials (combination of metal and fine carbon dust) exiting the SDS kiln. The SDS projects significantly reduce one production process waste stream (Chilled Auger Project) and greatly reduce a second PM fugitive emission source (Shaker Screen Baghouse Project).

The Tank Farm Project relates to PCI processing of liquid hazardous waste by vacuuming material from drums and other containers, generally to be processed into fuels. Exhaust gases from the vacuum mechanism drawn from the heads of certain tanks contain volatile organics, which will be recaptured by implementation of the Tank Farm Project, reducing the reliance on carbon filters.

II. SEP PROJECTS

A. SDS Chilled Auger Project.

PCI will install two 12” diameter trough chilled jacketed auger systems (each approximately 16’ in length) to convey the carbon char both before and after separation from the metals. The equipment required is a new exterior jacket to enclose the current trough (inside of which current trough material is conveyed by the auger). A cooling agent (water or glycol, depending on final design) will circulate in between the new exterior jacket and the current trough. Heat from the char being conveyed inside the current trough will be transferred by conduction through the existing trough wall into the cooling agent circulating between the existing trough and the new outer jacket. The cooling agent will pass through a chiller, which will reduce the temperature prior to recirculation.

The SDS Chilled Auger Project timetable is:

Task 1 - Within sixty (60) days of the effective date of the CAFO associated with this SOW, PCI shall submit any applicable permit modification requests associated with this project. If a permit modification is required, PCI shall perform the following activities within fifteen (15) days following its receipt of a final permit modification unless said permit modification is appealed. If the permit modification is appealed, PCI shall perform the following activities within fifteen (15) days of its receipt of a final, unappealed decision of the appeal. PCI will create a conceptual design and send the design out for bid for the equipment required. The jacket will be either an S. Howes Model 12U16 Horizontal Jacket or a functional equivalent. The chiller unit will be approximately 10 tons of cooling capacity to reduce the temperature of the cooling agent from anticipated 135 degrees (f) to 70-80 degrees prior to recirculation.

Task 2 - Thirty (30) days following the deadline for Task 1: Accept bid, order required parts

Task 3 - Seventy-five (75) days following the deadline for Task 2: Install equipment, either using PCI personnel or labor from equipment manufacturer

Task 4 - Fifteen (15) days following the deadline for Task 3: Perform testing to determine effectiveness and integrity

Task 5 - One (1) day following the deadline for Task 4: Commence operations

Costs. 2 auger Jackets @ \$18,500 per unit	\$37,000
1 Chiller (10 ton)	\$15,000
Miscellaneous Parts	\$2,500
Labor	<u>\$12,160</u>
Total	\$66,660

Annual Maintenance on the above equipment is anticipated to be \$7,500

The addition of the chilled augers is anticipated to reduce the volume of bag disposal.

Bag waste is presently variable, based on the quantity and type of material being processed, and PCI does not presently quantify use. Accordingly, prior to installation of the project, PCI will monitor the ratio of SDS through-put to tons of bag waste created and bag replacements. Bag waste volume and replacement reductions will be calculated for purpose of SEP reports based on this ratio after implementation of the SEP.

B. SDS Shaker Screen Project

PCI will install a curtain around the SDS shaker screen which separates metal from carbon char after treatment in the SDS kiln and attach the necessary duct work to convey the air captured inside the curtain to a new baghouse. The equipment required is an aluminum hood approximately 12' x 6' above the shaker-screen unit, which will support a curtain of overlapping PVC strips (each approximately 12") extending 10' down from the hood to the floor. The hood will be connected to approximately a 30' of 12" aluminum ductwork leading to a baghouse dust collector. A collection receptacle will be placed underneath the baghouse to catch material.

periodically purged from the baghouse filters with a rotary valve.

The SDS Shaker Screen Project timetable is

Task 1 - Within sixty (60) days of the effective date of the CAFO associated with this SOW, PCI shall submit any applicable permit modification requests associated with this project. If a permit modification is required, PCI shall perform the following activities within fifteen (15) days following its receipt of a final permit modification unless said permit modification is appealed. If the permit modification is appealed, PCI shall perform the following activities within fifteen (15) days of its receipt of a final, unappealed decision of the appeal. PCI will create a conceptual design and send the design out for bid for the equipment required. The baghouse will be either a Donaldson Downflow dust collector, or equivalent, capable of handling approximately 3000 cfm.

Task 2 - Thirty (30) days following the deadline for Task 1. Accept bid, order required parts

Task 3 - Seventy-five (75) days following the deadline for Task 2: Install equipment, using PCI personnel

Task 4 - Fifteen (15) days following the deadline for Task 3: Perform testing to determine effectiveness and integrity

Task 5 - One (1) day following the deadline for Task 4: Commence operations

Costs. 1 Baghouse dust collector	\$25,000
Hood, Curtin & Ductwork	\$6,000
Miscellaneous Parts	\$500
Labor	<u>\$1,080</u>
Total	\$32,580

Annual Maintenance on the above equipment and waste disposal cost is anticipated to be \$7,500.

C. Tank Farm Project.

PCI will install an air cooled heat exchanger (chiller) to condense the volatile organic compounds ("VOCs") in the exhaust from vacuuming material from drums and other containers back to a liquid state. The equipment required is 30' of 4" piping, valves and fittings running from the exhaust of the tank 6 & 7 vacuum pump running to a new stainless steel tube and shell heat exchanger with a condensate drain for organics to be captured with condensation. The exhaust gases will pass from the heat exchanger through approximately 30' of 4" piping, valves and fittings running back to the current carbon units just outside the tank farm. The heat exchanger will be cooled by a cooling agent (water or glycol, depending on final design) The cooling agent will pass through a chiller, which will reduce the temperature prior to recirculation

The Tank Farm Project Timetable is

Task 1 - Within sixty (60) days of the effective date of the CAFO associated with this SOW, PCI shall submit any applicable permit modification requests associated with this project. If a permit modification is required, PCI shall perform the following activities within fifteen (15) days following its receipt of a final permit modification unless said permit modification is appealed. If the permit modification is appealed, PCI shall perform the following activities within fifteen (15) days of its receipt of a final, unappealed decision of the appeal. PCI will create a conceptual design and send out for bid by Pneutech Engineering, Inc for final engineering design, labor and equipment required.

Task 2 - Forty-five (45) days following the deadline for Task 1. Accept bid, order required parts.

Task 3 - Seventy-five (75) days following the deadline for Task 2. Install equipment, either using PCI personnel or labor from engineering firm or contractor.

Task 4 - Fifteen (15) days following the deadline for Task 3. Perform testing to determine effectiveness and integrity.

Task 5 - Two (2) days following the deadline for Task 4: Commence operations.

Costs: 1 Heat Exchanger	\$8,000
1 Chiller	\$8,000
Pipes, valves & fittings	\$3,000
Labor	<u>\$2,000</u>
Total	\$21,000

Annual Maintenance on the above equipment is anticipated to be \$7,500.

The addition of equipment involved in the Tank Farm Project is anticipated to reduce the volume of solid waste in the form of spent carbon filters currently attached specifically to Tanks 6 and 7.

Spent carbon filter waste and carbon replacement is presently highly variable, based on the quantity and type of material being processed, and PCI does not presently quantify use. Accordingly, prior to installation of the project, PCI will monitor the ratio of gallons of liquid through-put, to tons of spent carbon filter waste created and carbon replacement. Spent carbon filter waste volume reductions and carbon replacements will be calculated for purposes of SEP reports based on this ratio after implementation of the SEP.

III. PROJECT REPORTS

A. Construction Completion Report.

With respect to the individual projects, PCI shall file a single, combined SEP Construction Completion Report, which shall contain the following information:

- (i) A detailed description of the SEPs as implemented,

- (ii) A description of any operating problems encountered and the solutions thereto;
- (iii) Itemized costs, documented by, for example, copies of purchase orders, work orders, and/or receipts or canceled checks,
- (iv) Certification that the SEPs have been fully implemented pursuant to the provisions of this CAFO, and
- (v) A description of the environmental and public health benefits resulting from implementation of the SEPs (with a quantification of the benefits and pollutant reductions, if feasible)

B. Annual Report. With respect to the individual projects, PCI shall file a single, combined annual report which will summarize any operating problems encountered and the solutions thereto, itemized costs, documented by, for example, copies of purchase orders, work orders, and/or receipts or canceled checks, and a description of the environmental and public health benefits resulting from implementation of the SEPs (with a quantification of the benefits and pollutant reductions, if feasible).

C. Final Report. With respect to the individual projects, at the conclusion of the five year SEP period, PCI will file a single, combined Final Report, summarizing the prior Annual Reports

CONSENT AGREEMENT AND FINAL ORDER
Pollution Control Industries, Inc., East Chicago, Indiana
Docket No. **CAA-05-2006-0024 RCRA-05-2006-0014 MM-05-2006-0011**

CERTIFICATE OF MAILING

I, Betty Williams, certify that I hand delivered the original of the Consent Agreement and Final Order, docket number _____ 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 Pollution Control Industries, Inc. and [Name's] Counsel by placing them in the custody of the United States Postal Service addressed as follows:

John Newell, President
Pollution Control Industries, Inc.
4343 Kennedy Avenue
East Chicago, Indiana 46312

Micheal T. Scanlon
Barnes & Thornburgh
11 S. Meridian Street
Indianapolis, IN 46204-3535

RECEIVED
JUN 30 P4.07

I also certify that a copy of the CAFO was sent by first-class mail to:

David McIver, Chief
Office of Enforcement Air Section
Indiana Department of Environmental Management
100 North Senate Avenue
Indianapolis, Indiana 46206-2251

on the 30th day of June 2006.

Betty Williams
Betty Williams, Secretary
AECAS (IL/IN)

CERTIFIED MAIL RECEIPT NUMBER: 7001 0320 0006 1455 0501
CERTIFIED MAIL RECEIPT NUMBER: 7001 0320 0006 1455 0518