South Coast Air Quality Management District

Statement of Basis

Proposed Title V Renewal Permit

Facility Name:	Fontana Paper Mills, Inc.
Facility ID:	011716
SIC Code:	2592
Equipment Location:	13773 Valley Blvd. Fontana, CA 92335
Application No.:	498636
Application Submittal Date:	10/27/04
AQMD Contact Person:	Michael Solis
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1. Introduction and Scope of Permit

Title V is a national operating permit program for air pollution sources. Facilities subject to Title V must obtain a Title V permit and comply with specific Title V procedures to modify the permit. This permit replaces the facility's other existing permits. Title V does not necessarily include any new requirements for reducing emissions. It does, however, include new permitting, noticing, recordkeeping, and reporting requirements.

Pursuant to Title V of the Federal Clean Air Act and Air Quality Management District (AQMD) Rule 3004(f), a Title V permit shall expire five years from the date of issuance unless such permit has been renewed. Accordingly, each facility is required to submit a Title V renewal application and request the AQMD to renew their Title V permit. The proposed permit incorporates updates to the facility information provided in the facility's Title V renewal application and all rules and regulations that are currently applicable to the facility.

The AQMD implements Title V through Regulation XXX – Title V Permits, adopted by the AQMD Governing Board in order to comply with Environmental Protection Agency's (EPA) requirement that local air permitting authorities develop a Title V program. Regulation XXX was developed with the participation of the public and affected facilities through a series of public workshops, working group meetings, public hearings and other meetings.

The Title V major source threshold for a particular pollutant depends on the attainment status of the pollutant. CO, NO_2, SO_2, and lead are in attainment with federal standards. The status for PM-10 is serious nonattainment. The status for ozone is currently extreme nonattainment.

A Title V renewal permit is proposed to be issued to cover the operations of Fontana Paper Mills, Inc. located at 13733 Valley Blvd. Fontana, CA 92335. This facility is subject to Title V requirements because it is a major source.

2. Facility Description

This is an existing facility applying for a Title V permit renewal that is in the business of producing asphalt roofing materials. The facility's main areas of operation are asphalt storage, ground limestone handling and storage, sand and granules handling and storage, coating asphalt mixing, and web saturating.

3. Construction and Permitting History

The facility has active permits issued since 1992. Numerous permits to construct and permits to operate have been issued to the facility. Since the issuance of the initial Title V permit in 2000, several permit revisions were subsequently issued to this facility.

4. Regulatory Applicability Determinations

Applicable legal requirements for which this facility is required to comply are required to be identified in the Title V permit (for example, Sections D, E, and H of the proposed Title V permit). Applicability determinations (i.e., determinations made by the District with respect to what legal requirements apply to a specific piece of equipment, process, or operation) can be found in the Engineering Evaluations. This facility is not subject to any NSPS or NESHAP requirements.

5. Monitoring and Operational Requirements

Applicable monitoring and operational requirements for which the facility is required to comply are identified in the Title V permit (for example, Sections D, F, and J and Appendix B of the proposed Title V permit). Discussion of any applicable operational requirements can be found in the Engineering Evaluations. All periodic monitoring requirements were developed using strict adherence to the following applicable guidance documents: SCAQMD Periodic Monitoring Guidelines for Title V Facilities (November 1997); California Air Pollution Control Officer's Association/California Air Resources Board/Environmental Protection Agency (CAPCOA/CARB/EPA) Region IX Periodic Monitoring Recommendations for Generally Applicable Requirements in State Implementation Plan (SIP) (June 1999); and CAPCOA/CARB/EPA Region IX Recommended Periodic Monitoring for Generally Applicable Grain Loading Standards in the SIP: Combustion Sources (July 2001). The potential pre-control VOC emissions of asphalt filler coating operations exceed the major source threshold of 10 tons per year. As a result, the control device (afterburner) is subject to the Compliance Assurance Monitoring (CAM) requirements of 40 CFR Part 64. Permit conditions have been added to satisfy the CAM requirements. Such permit conditions were developed using the design criteria and other pertinent requirements identified in 40 CFR 64 - Compliance Assurance Monitoring and Technical Guidance Document and in the August 1998 Revised Draft CAM.

6. Permit Features

Permit Shield

A permit shield is an optional part of a Title V permit that gives the facility an explicit protection from requirements that do not apply to the facility. A permit shield is a provision in a permit that states that compliance with the conditions of the permit shall be deemed compliance with all identified regulatory requirements. To incorporate a permit shield into the Title V permit involves submission of applications for change of conditions for each equipment affected by the permit shield. Facility has not applied for a permit shield.

Streamlining Requirements

Some emission units may be subject to multiple requirements which are closely related or redundant. The conditions may be streamlined to simplify the permit conditions and compliance. Emission limits, work practice standards, and monitoring, recordkeeping, and reporting requirements may be streamlined. Compliance with a streamlined condition will be deemed compliance with the underlying requirements whether or not the emission unit is actually in compliance with the specific underlying requirement. This facility has not applied for any streamlined conditions.

7. Summary of Emissions and Health Risks

Criteria Pollutant Emissions (tons/year)
Annual Reported Emissions for Reporting Period 2009

Pollutants	Emissions (tons/year)
CO	2.114
NOX	1.855
ROG	4.567
SOX	0.036
PM	1.908

Toxic Air Contaminants Emissions (TAC)
Annual Reported Emissions for Reporting Period 2009

The Following TACs Were Reported	Emissions,
1,3-Butadiene	32.305
Ammonia	385.072
Arsenic	<.001
Benzene	46.052
Cadmium	<.001
Chromium (VI)	<.001
Chrysene	0.051
Formaldehyde	4.601
Lead (inorganic)	.001
Naphthalene	25.556
Nickel	0.066
PAHs, total, with components not reported	0.018

Health Risk from Toxic Air Contaminants

The facility is subject to review by the Air Toxics Information and Assessment Act (AB2588). The AQMD has determined that this facility is pending submittal of the Health Risk Assessment.

8. Compliance History

As noted, the facility has been in constant operation with a Title V permit since 2000. The facility has been subject to both self-reporting requirements and AQMD inspections. The facility has had one citizen complaint filed in the last two years. The complaint was investigated by a District Inspector and was found to be operating in compliance. In the last two years, the facility had two Notices to Comply to conduct proper missing data procedures for the Emergency ICE D59 and to adjust natural gas usage correction factor to included pressure and temperature on all in-house uncorrected meters. The facility was also issued one Notice of Violation for late submittal of a QCER report in 2008. Facility is currently operating in compliance with all applicable rules and regulations.

9. Compliance Certification

By virtue of the Title V permit application and issuance of this permit, the reporting frequency for compliance certification for the facility shall be annual.