OHIO E.P.A.

DEC 19 2006

ENTERED DIRECTOR'S JOURNAL

BEFORE THE

OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

National Lime & Stone Company 551 Lake Cascades Parkway Findlay, Ohio 45839	: : :	Director's Final Findings and Orders

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

By: [signature] Date: 12-19-06

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to National Lime & Stone Company ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or of the facility as identified in Finding 1 shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3704 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent owns and operates a facility located at 4580 Bethel Road, Bucyrus (Crawford County), Ohio ("Bucyrus Plant") (Facility ID: 0317010115). The facility is a "Title V source," as defined in Ohio Administrative Code ("OAC") Rule 3745-77-01(LL) and is subject to the requirements of ORC Chapter 3704 and OAC Chapter 3745-77. Respondent mines and produces broken limestone and various aggregate products. At this facility, Respondent employs crushers, screens and conveyors to transfer the broken limestone between processes and out of the quarry. The limestone is screened for various sizes and placed onto storage piles. A portion of the limestone is washed for sand and agricultural lime production and another portion is dried in a fluidized bed dryer.

2. At the Bucyrus Plant, Respondent operates a 160 tons per hour fluidized bed limestone dryer (hereinafter "emissions unit P002"), an aggregate processing plant (hereinafter "emissions unit P901"), and a dried limestone re-grind system (hereinafter "emissions unit P005"), all of which are "air contaminant sources" as defined by OAC Rule 3745-15-01(C) and (W) and "new sources" as defined by OAC Rule 3745-31-01. A Title V permit was issued for the Bucyrus Plant on January 30, 2002.

3. ORC § 3704.05(A) prohibits any person from allowing any emission from any source in excess of that permitted in any rule adopted by the Director of Ohio EPA.

4. ORC § 3704.05(C) prohibits any person from violating the terms and conditions of any permit issued by the Director of Ohio EPA.

5. ORC § 3704.05(J)(2) prohibits the violation of any term and condition of a Title V permit.

6. ORC § 3704.05(G) prohibits any person from violating any rule adopted by the Director of Ohio EPA.

7. OAC Rule 3745-15-06(B)(1) requires that in the event that any emission source or air pollution control equipment located at a facility breaks down in such a manner as to cause the emission of air contaminants in violation of any applicable law, the facility shall immediately notify Ohio EPA of such failure or breakdown and provide the Agency with the information as required in OAC Rule 3745-15-06(B)(1).

Fluidized Bed Limestone Dryer (Emissions Unit P002)

8. The Title V permit for Respondent's Bucyrus Plant, effective on January 30, 2002, requires Respondent to perform stack testing on emissions unit ("EU") P002 within six months of the issuance of the Title V permit (i.e., by July 30, 2002). Respondent failed to conduct the required stack testing for EU P002 until November 4, 2003. This is a violation of the terms and conditions of the Title V permit and ORC § 3704.05(C) and (J)(2). Respondent was required to submit the stack test report by December 4, 2003 and did not submit it to Ohio EPA, Northwest District Office ("NWDO") until December 16, 2003. Since Respondent failed to submit the stack test report within 30 days of testing, it was in violation of the Title V permit and ORC § 3704.05(C) and (J)(2).

9. The Title V permit for Respondent's Bucyrus facility requires Respondent to comply with specific emission limitations. The stack testing performed for EU P002 on November 4, 2003 revealed that the actual particulate emissions [i.e., 250 pounds per hour ("lbs/hr")] for EU P002 exceeded the particulate emission limitation (i.e., 157 lbs/hr) due to a leak in the rotoclone, which is the air pollution control equipment serving EU P002. This is a violation of OAC Rule 3745-17-11(B)(2), the Title V permit and ORC § 3704.05(A), (C), (G) and (J)(2). Also, from January 30, 2002 to September 3, 2003, Respondent failed to perform and record daily visible emission checks of the control equipment serving EU P002, in violation of the Title V permit and ORC § 3704.05(C) and (J)(2).

10. On August 11, 2003, NWDO issued a Notice of Violation ("NOV") letter to Respondent for violations of the terms and conditions of its Title V permit. Specifically, Respondent failed to perform a required stack test for EU P002. The NOV requested submittal of a compliance plan and schedule by no later than September 8, 2003.

11. By letter dated September 5, 2003, Respondent submitted a response to the August 11, 2003 NOV. The response indicated that Respondent intended to schedule a stack test for EU P002. Furthermore, Respondent stated that it would submit an Intent-to-Test notification form to Ohio EPA by September 26, 2003.

12. By letter dated December 15, 2003, Respondent submitted the stack test report for EU P002. The stack test for EU P002 was performed on November 4, 2003.

13. By letter dated December 19, 2003, NWDO replied to Respondent indicating that the stack test submitted by Respondent with its letter of December 15, 2003 demonstrated that EU P002 was not in compliance with its allowable particulate emission rate (i.e., 157 lbs/hr) and was tested at only 70.06% of its maximum process weight rate. The test report revealed that EU P002 was operating with an actual particulate emission rate of 250.8 lbs/hr. NWDO concluded by requiring Respondent to retest EU P002.

14. By letter dated January 27, 2004, Respondent submitted the semi-annual report for July-December 2003 for the Bucyrus facility as required by its Title V permit. In this report, Respondent indicated that as a result of a stack test done on EU P002 on November 4, 2003, it was determined that a hole had developed in the rotoclone that allowed a portion of the exhaust stream to by-pass an emission control portion of the unit. This resulted in noncompliance with the emission limitation for EU P002. Respondent concluded by stating that the leak had been repaired by January 12, 2004.

15. On January 28, 2004, NWDO issued an NOV to Respondent, for violations of the terms and conditions of the Title V permit. Specifically, Respondent, in part: (1) operated EU P002 in such a manner that exceeded its particulate emission limitation, and (2) failed to submit the stack test to Ohio EPA within 30 days of the completed test.

16. By letter dated February 9, 2004, Respondent replied to the January 28, 2004 NOV issued by Ohio EPA. In this letter, Respondent outlined steps that it took to address the problem with the rotoclone of EU P002 and the time frames relating to those activities. Respondent concluded the letter with a commitment to perform a stack test on February 19, 2004 to confirm that the repairs have succeeded in preventing further emission limitation exceedances.

17. On March 12, 2004, Respondent submitted the results of a stack test performed for EU P002 on February 19, 2004. In the letter accompanying the stack test results, Respondent asserted that the results show that EU P002 was again operating within the particulate emission limitation established in its Title V permit.

18. On March 26, 2004, NWDO issued an NOV to Respondent. In the NOV, Ohio EPA acknowledged that the stack testing submitted by Respondent for EU P002 provided sufficient evidence that the unit was now operating in compliance with the particulate emission limitation in Respondent's Title V permit.

Dried Limestone Re-Grind System (EU P005)

19. The Title V permit for Respondent's facility requires Respondent to monitor and record the pressure drop across the baghouse serving EU P005 on a weekly basis. During an inspection conducted by Ohio EPA on March 26, 2004, it was determined that baghouse pressure drops were not monitored and the resulting readings were not recorded for EU P005 since the Title V permit was issued on January 30, 2002. This finding constitutes violations of the Title V permit and ORC § 3704.05(C) and (J)(2).

20. On March 26, 2004, NWDO issued an NOV to Respondent citing it for failing to monitor and record pressure drops for EU P005 as required in its Title V permit.

Aggregate Processing Plant (EU P901)

21. The Title V permit for Respondent's facility requires Respondent to perform and record daily visible emission checks of the fugitive emission points and baghouse serving EU P901 and to monitor and record the pressure drops for the baghouse serving EU 901.

22. From January 30, 2002 to September 3, 2003, Respondent failed to perform and record daily visible emission checks of the fugitive emission points and control equipment serving EU P901, in violation of PTI #03-13758, the Title V permit and ORC § 3704.05(C), G) and (J)(2). Also, from February 27, 2003 to September 3, 2003, Respondent failed to monitor and record the pressure drops for the baghouse serving EU P901, in violation of the Title V permit and ORC § 3704.05(C) and (J)(2).

23. Respondent failed to immediately notify Ohio EPA of the malfunction of the control equipment associated with EU P901 that occurred on September 3, 2003 and provide the additional information required in OAC Rule 3745-15-06(B)(1), and continued to operate EU P901 after the malfunction was discovered and reported to Ohio EPA on July 7, 2004, in violation of OAC Rule 3745-15-06(B)(1), the Title V permit and ORC § 3704.05(C), (G) and (J)(2). The malfunction was due to a breakdown of the fan and motor of the control equipment serving this emissions unit.

24. The Director has given consideration to, and based in determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Pursuant to ORC § 3704.06, Respondent is assessed a civil penalty in the amount of one hundred twenty-eight thousand one hundred dollars ($128,100) in settlement of Ohio EPA's claims for civil penalties. Within thirty (30) days after the effective date of these Orders, Respondent shall pay Ohio EPA the amount of twenty thousand nine hundred and ninety-six dollars ($20,996) of the total penalty amount. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for $20,996. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

A copy of the check shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, at the following address:

Ohio EPA
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049

2. In lieu of paying the remaining one hundred seven thousand one hundred and four dollars ($107,104) of the civil penalty, Respondent shall fund the supplemental environmentally beneficial projects ("SEPs") identified in Orders 3 and 4. Of the $107,104, $25,620 shall be used to fund the project in Order 3, and $81,484 shall be used to fund the project in Order 4. In the event Respondent defaults or otherwise fails to complete any of the projects as specified in Orders 3 and 4, the $25,620 for the project in Order 3 and/or the $81,484 for the project in Order 4, whichever is (are) applicable, shall immediately become due and payable to Ohio EPA. Such payment shall be made by an official check made payable to "Treasurer, State of Ohio" and sent to Brenda Case, or her successor, together with a letter identifying the Respondent, to the above-stated address. A copy of the check shall be sent to James A. Orlemann, or his successor, at the above-stated address.

3. Respondent shall fund a SEP by making a contribution in the amount of twenty-five thousand six hundred and twenty dollars ($25,620) to Ohio EPA's Clean Diesel School Bus Fund (Fund 5CD). Respondent shall make payment within thirty (30) days after the effective date of these Orders by an official check made payable to "Treasurer, State of Ohio" for $25,620. The official check shall specify that such monies are to be deposited into Fund 5CD established by Ohio EPA for the Clean Diesel School Bus

Program. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent, to the above-stated address. A copy of this check shall also be sent to James A. Orlemann, or his successor, at the above-stated address.

4. Respondent shall fund a SEP by spending at least eighty-one thousand four hundred and eighty-four dollars ($81,484) to reconfigure part of its Carey, Ohio limestone aggregate processing operation to reduce fugitive particulate emissions. At present, limestone aggregates are produced in the quarry pit and finished products are hauled about 2.1 miles (one way) and across two public roads by 70-ton GVW trucks to the rail and customer truck load-out areas. The reconfigured operation shall incorporate a conveyor system that will carry the limestone aggregates from the primary crusher, located on the quarry floor, through an underground culvert being installed under County Road 16, to a surge pile. The limestone aggregates shall then be transported by conveyor to an aggregate processing plant that will be located at the rail and truck load-out areas. Fugitive particulate emissions from the conveyors and equipment shall be controlled by the high moisture content inherent in the aggregate and by the use of wet suppression on an as-needed basis. Implementation of this SEP will provide an estimated actual fugitive particulate emission reduction of 54.58 tons per year from the elimination of trucking alone. The estimated cost of the project is in excess of three million dollars.

5. The SEP in Order 4 shall be completed in accordance with the following schedule:

	Milestone	Completion Date
a.	cease operation of the existing aggregate operation in the C-2 quarry by	March 2007
b.	install the new conveyor system by	December 2007
c.	cease the trucking of the remaining aggregates (approximately 800,000 tons) from the existing C-2 processing area to the new load-out area by	December 2008

6. Unless otherwise directed by Ohio EPA, Respondent shall submit a written progress report to Ohio EPA by not later than thirty (30) days after the end of each calendar quarter beginning with the quarter ending on March 31, 2007, and stopping with

the quarter ending on December 31, 2008. The reports shall describe the status of the work and describe any difficulties encountered. Also, the reports shall provide the completion date for the milestones identified in Order 5.

7. Installation and operation of the reconfigured part of the Carey, Ohio limestone aggregate processing operation shall be in accordance with the requirements of OAC Rules 3745-31-02 and 3745-77-02, and any PTI or Title V permit.

8. By not later than January 1, 2008, Respondent shall submit documentation to Ohio EPA showing that the total installed cost of the SEP in Order 4 exceeded $81,484.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Air Pollution Control acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a responsible official is the person authorized to sign in OAC Rule 3745-35-02(B)(1) for a corporation or a duly authorized representative of Respondent as that term is defined in the above-referenced rule.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. NOTICE

All documents required to be submitted by the Respondent pursuant to these Orders shall be addressed to:

Division of Air Pollution Control
Northwest District Office
347 North Dunbridge Road
Bowling Green, Ohio 43402
Attention: Don Waltermeyer

and to:

Ohio Environmental Protection Agency
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049
Attention: Thomas Kalman

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

X. MODIFICATIONS

These Orders may be modified by agreement of the parties. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XII of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that she or he is fully authorized to enter into these Orders and to legally bind such party to this document.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

Joseph P. Koncelik
Director

12-14-06
Date

IT IS SO AGREED:

National Lime & Stone Company

Signature

12/8/06
Date

Kevin D. Hahn
Printed or Typed Name

Vice President - Administration
Title