



State of Ohio Environmental Protection Agency

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P.O. Box 1049
Columbus, OH 43216-1049

CERTIFIED MAIL

7007 0220 0000 7613 0575

November 20, 2007

**Re: Director's Final Findings & Orders
Caraustar Mill Group
Rittman Paperboard
Waiver OHR 000 016 257**

Mr. Tom Dawson, Vice President
Caraustar Mill Group
Rittman Paperboard
100 Industrial Avenue
Rittman, Ohio 44270

Dear Mr. Dawson:

Here are the Director's Final Findings and Orders (Orders) – Waiver in Connection with Temporary Discontinuance of Regulated Operations issued to Caraustar Mill Group, Rittman Paperboard on November 20, 2007. These Orders are effective today.

If you have any questions concerning compliance with these Orders, do not hesitate to contact Ralph McGinnis at (614) 644-3065.

Sincerely,

David A. Sholtis, Assistant Chief
Division of Hazardous Waste Management

Attachments

cc: Michael A. Savage, Chief, DHWM
Harry Sarvis, Mgr., CAS, DHWM
Todd Anderson, Legal
Heidi Greismer, PIC
Frank Popotnik, Supervisor, DHWM, NEDO
Ralph McGinnis, Supervisor, CAS, DHWM
Karen A. Winters, Squire, Sanders & Dempsey, L.L.P.

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Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

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OHIO E.P.A.

NOV 20 2007

ENTERED DIRECTOR'S JOURNAL

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Caraustar Industries, Inc.
5000 Austell-Powder Springs Road
Suite 300
Austell, Georgia 30168-0115

Applicant

**Director's Final
Findings and Orders
Waiver in Connection with
Temporary Discontinuance
of Regulated Operations**

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: 11-20-07

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to Caraustar Industries, Inc. (Applicant) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under §§ 3745.01 and 3752.10 of the Ohio Revised Code (ORC).

II. PARTIES BOUND

These Orders shall apply to and be binding upon Applicant and successors in interest liable under Ohio law. No change in ownership of the Applicant or of the Facility shall in any way alter Applicant's obligations under these Orders.

III. DEFINITIONS

1. Unless otherwise stated, all terms in these Orders shall have the same meaning as defined in ORC Chapter 3752, and rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Pursuant to ORC § 3752.10 and Ohio Administrative Code (OAC) rule 3745-352-40, the Director, by issuance of an order, shall approve an application for a waiver in connection with the temporary discontinuance of regulated operations, only if the application and accompanying interim maintenance and operation plan demonstrate to the Director's satisfaction that the measures set forth in the plan meet the requirements set forth in the statute. Additionally, pursuant to ORC § 3752.10 and OAC rule 3745-352-40, the Director may include in an order approving a waiver

application any terms and conditions the Director considers necessary or appropriate to protect public health or safety or the environment during the period of the temporary discontinuance of all regulated operations.

2. Applicant is a "person" as defined in ORC § 3752.01(R).
3. Applicant owns and operates Rittman Paperboard, where it recycled waste paper into paperboard for cartons, located at 100 Industrial Avenue, in Rittman, Ohio (Facility).
4. The Facility is a "reporting facility" as that term is defined in ORC § 3752.01(V) and OAC rule 3745-352-05(E).
5. At the Facility, Applicant has engaged in the "cessation of regulated operations" as that term is defined in ORC § 3752.01(C) and OAC rule 3745-352-05.
6. On September 8, 2006, Applicant filed with Ohio EPA a 30/45 Day Permanent/Temporary Cessation of Regulated Operations and Contact Person form. Applicant identified August 2, 2006, as the date when regulated operations were temporarily ceased. Applicant also designated August 2, 2007, as the date for resuming regulated operations at the Facility.
7. Pursuant to ORC § 3752.09(A)(2) and OAC rule 3745-352-20(B)(2), an owner or operator who has made a written certification under ORC § 3752.09(A)(1) and OAC rule 3745-352-20(B)(1) thereafter fails to resume regulated operations at the Facility within 365 days after the date on which those operations were discontinued as indicated in the certification, the owner or operator shall designate a contact person in connection with the Facility in accordance with ORC § 3752.05 and OAC rule 3745-352-35 within 30 days after anniversary date on which those operations were discontinued and maintain such a contact person; comply with ORC § 3752.06(A)(1) to (6) and OAC rule 3745-352-20(A)(2) within 90 days after that anniversary date unless the owner or operator has obtained an extension of time under ORC § 3752.06(B) and OAC rule 3745-352-20(A)(3); and secure each building or structure at the Facility where regulated operations occurred and that contains or is contaminated with regulated substances and each outdoor location of operation in compliance with ORC § 3752.07 and OAC rule 3745-352-30 within 30 days after that anniversary date; or the owner or operator shall apply for and comply with a waiver in accordance with OAC rule 3745-352-40.
8. Applicant has temporarily ceased regulated operations at the Facility for greater than 365 days as of August 2, 2007.
9. On June 27, 2007, Applicant submitted to Ohio EPA an application for a waiver in connection with temporary discontinuance of all regulated operations pursuant to ORC § 3752.10 and OAC rules 3745-352-20 and 3745-352-40. The Applicant temporarily discontinued regulated operations at the Facility to exit from the coated recycled paperboard business and sell the Facility to a buyer for continued operation as a paper mill. As part of the application for a waiver, the Applicant filed with Ohio

EPA a 30/45 Day Permanent/Temporary Cessation of Regulated Operations and Contact person form dated June 22, 2007, which designates August 2, 2009 as the date when operations will resume.

10. The Applicant's waiver application was accompanied by an interim maintenance and operation plan for the Facility. The Applicant's interim maintenance and operation plan included all the information required to be submitted under ORC § 3752.10 and OAC rule 3745-352-40. The interim maintenance and operation plan contains the date by which regulated operations are to be resumed at the Facility, a demonstration that those operations will be resumed, a plan to prevent entry by unauthorized persons into each building or structure at the Facility where regulated operations occurred and that contains or is contaminated with regulated substances and each outdoor location during the period that the operations are discontinued, and a plan for preventing the occurrence of air and water pollution and soil contamination at the Facility during the period that those operations are discontinued.
11. Pursuant to ORC § 3752.10 and OAC rule 3745-352-40, the Director has decided to approve Applicant's request for a waiver in connection with the temporary discontinuance of regulated operations. The waiver application and interim maintenance and operation plan demonstrate to the Director's satisfaction that the measures set forth in the interim maintenance and operation plan effectively will prevent unauthorized entry into buildings and structures at the Facility where regulated operations occurred and that contain or are contaminated with regulated substances and outdoor locations of operation, and prevent the occurrence of air and water pollution and soil contamination at the Facility, during the period of temporary discontinuance of all regulated operations, and that regulated operations will resume at the Facility on or before August 2, 2009, as specified in the 30/45 Day Permanent/Temporary Cessation of Regulated Operations and Contact Person form. The Director has determined that should Applicant comply with the Orders as set forth herein, it is unlikely that public health or safety or the environment will be adversely affected.

V. ORDERS

1. In accordance with ORC § 3752.10 and OAC rule 3745-352-40, the Director hereby grants Applicant's request for a waiver in connection with temporary discontinuance of regulated operations.
2. Applicant shall comply with the approved application for a waiver from temporary discontinuance and the interim maintenance and operation plan which is attached to these Orders and incorporated herein as Attachment A.
3. No later than 15 days prior to executing any instrument conveying any interest in the Facility, including but not limited to deeds, leases and mortgages, Applicant shall provide written notice to Ohio EPA of the conveyance in accordance with Section IX. of these Orders.

4. No later than 15 days prior to resuming regulated operations at the Facility, Applicant shall provide written notice to Ohio EPA in accordance with Section IX. of these Orders.

VI. 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 relating to, the operation of Applicant's Facility.

VII. 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 Applicant.

VIII. MODIFICATIONS

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

IX. NOTICE

All documents required to be submitted by Applicant pursuant to these Orders, shall be addressed to:

Ohio Environmental Protection Agency
Northeast District Office
Division of Hazardous Waste Management
Twinsburg, Ohio 44087
Attn: DHWM Manager and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

Chris Korleski, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section

For deliveries to the building:

Chris Korleski, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
Attn: Manager, Compliance Assurance Section
50 West Town Street, Suite 700
Columbus, Ohio 43215

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

X. RESERVATION OF RIGHTS

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

XI. WAIVER

The Applicant agrees that these Orders are lawful and reasonable and agrees to comply with all terms and conditions contained herein.

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

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

XII. REVOCATION

These Orders may be revoked for Applicant's failure to comply with the approved interim maintenance and operation plan or with a term or condition of these Orders approving the waiver.

XIII. EFFECTIVE DATE

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

XIV. TERMINATION

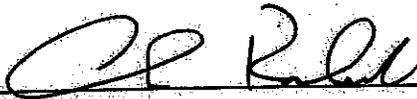
Unless otherwise revoked by the Director, these Orders shall terminate on August 2, 2009. An application for a renewal may be submitted to the Director in accordance with applicable law.

XV. SIGNATORY AUTHORITY

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

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency



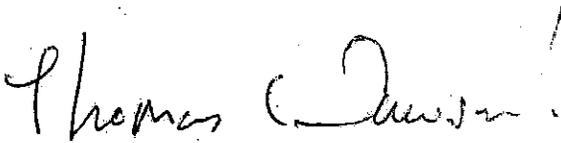
Chris Korleski
Director

NOV 20 2007

Date

IT IS SO AGREED:

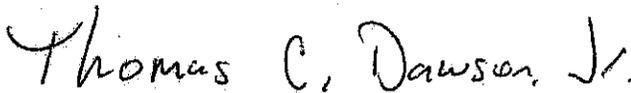
Caraustar Industries, Inc.



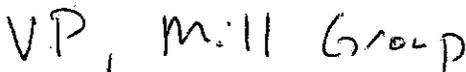
Signature

August 23, 2007

Date



Printed or Typed Name



Title

Interim Maintenance and Operation Plan

Reporting Facility: Caraustar Mill Group Inc., Rittman Paperboard

(a) A brief description of:

(i) The facility is:

Caraustar Mill Group Inc., Rittman Paperboard a subsidiary of Caraustar Industries
100 Industrial Ave.

Rittman, Ohio 44270

Wayne County

Latitude: 40° 58' 09" N

Longitude: 81° 46' 25" W

(ii) Land use of the adjacent properties:

- The north side of the property is bordered by an active railroad track operated by the Akron Barberton Railroad Company. Immediately north of the rail road track is Ohio Avenue, a two lane paved road. North of Ohio Avenue from west to east is (1) Marathon service station, (2) a vacant ice cream shop (3), a small business, PFI Displays operating in a one story building, (4) a private residence, (5) vacant property, (6) a self storage facility under construction and (7) a restaurant.
- The east side of the property, from North to South, is bordered by Morning Star Drive, then State Route 57, then vacant property. East of Morning Star is a number of residential properties, some vacant land including some wet lands and the City of Rittman Waste Water Treatment facility. East of SR 57 is vacant land.
- The south side of the property is bordered by mostly vacant land. The City of Rittman owns some of this land on which they have a practice shooting range.
- Adjacent to the facility on the west is a Morton Salt plant. This plant pumps salt brine from various wells in the area, evaporates the water, and packages the salt.

- (iii) At this facility, recycled paperboard was produced prior to cessation of operations in August 2006. The paperboard was made from 100% recycled paper stock of various grades. Rejects from the recycling operation, consisted of plastics, styrofoam, metals and other contaminants that were removed from the recycled paper in the pulping operation. These rejects were disposed of in the on site licensed landfill. The majority of the paperboard produced here was coated with a white clay coating. The clay coating was formulated on site with clay slurry, latex, titanium and other additives. On site coal fired boilers provided steam for the paper manufacturing process. The manufacturing process required a large amount of water on a continuous basis. The water source was on site wells with much of the water reused after it was treated in the on site waste water treatment plant. All regulated substances had been stored and reported as required by all applicable laws and administrative codes. Within 6 months after cessation of operations, virtually all regulated substances were removed from the facility. Small amounts of lubricants, diesel fuel and polymer remain on site, which are used in the maintenance and operation of the facility during the interim.

The interim maintenance and operational plan essentially began upon cessation of operations in August 2006. Immediate focus was on taking care of displaced workers, maintaining compliance with all environmental permits, securing the site, removing combustibles from the site and maintaining the fire protection systems.

Currently there are two FTE Caraustar employees on site, directly responsible for implementing and adhering to the interim maintenance and operation plan, Douglas Hicks, Facility Manager, and Michael Nicewander, Plant and Environmental Activities Manager. They report to corporate officers, Tom Dawson, Vice President Mill Group and Kim Robinson, Vice President Corporate Strategy and Asset Management.

- (b) The tasks of the interim maintenance and operation plan, the schedule to implement, responsible individual(s) and/or contractor(s) and the current status of each are as follows.

Environmental Compliance

CH2MHill has been retained to provide environmental engineering services. This includes on-site support to assist Caraustar with environmental compliance tracking and reporting associated with the facility air permits, water permits, landfill and associated sludge processing operations. As part of these efforts, a CH2MHILL engineer will visit the facility periodically, oversee permitted activities, and gather pertinent information for required environmental submissions. A project plan in the form of a compliance calendar has been developed, which details the list of compliance activities and frequency of occurrence. The project plan is reviewed with Caraustar during bi-weekly update conference calls. A regimented schedule of environmental activities is laid out in the project plan. The following tasks are examples of the types of activities requiring CH2MHill environmental engineering assistance:

- Track required monitoring, testing and reporting associated with the ongoing landfill operations and associated sludge processing activities at the plant.
- Complete required compliance documentation with respect to on-site permits.
- Support the facility with tracking and reporting of additional compliance requirements.

Security

The site is secure and a plan has been implemented to comply with rule 3745-352-30 of the Administrative Code.

Securitas Security Services USA, Inc. has been contracted to provide on-site security services. There is a Security Officer on site 24 hours a day, 7 days a week. Post Orders have been developed that provide detailed duties to be performed and the frequency of such. The two on site managers communicate daily with the Security Officers.

Removal of combustibles

Shortly after regulated operations ceased, essentially all combustible liquids were removed from the site. Most solid combustibles were also removed. The remaining combustible materials, other than portions of the buildings, consist primarily of some spare parts and supplies and the packaging used to contain such.

Removal of regulated substances

Shortly after regulated operations ceased, essentially all regulated substances were removed from the site. Storage tanks were emptied and containers containing regulated substances were removed. These substances were either returned to the supplier, transferred to another Caraustar site or disposed of by a licensed waste disposal company.

De-energize buildings

There are several electrical transformers, substations and switch gear located through out the facility. The main electrical service to the facility was turned off in December 2006. This greatly reduced the risk of an electrical fire and electrical injury to any person inside the facility. A secondary electrical feed to the facility was upgraded to be able to provide service needed for our interim Maintenance and Operation plan.

Fire protection systems

The facility has fire protection sprinkler systems throughout the buildings. Since the buildings have been de-energized, however, these systems will not automatically operate in the event of fire. The systems have been drained and all valves are open, allowing water to flow to all areas of the systems if any of 3 water sources are manually started. There is an electric fire pump that can be turned on by pressing one button located in the Filter Plant Building which is adjacent to the main buildings. There is a second fire pump, diesel, also located in the Filter Plant Building that can be manually started. The third source of water is the Rittman City water main. This valve is located in the basement of the building. The Security Officers have been trained on how to energize these water sources in the event of fire, and procedures are located in the security office and at each water source.

The facility is equipped with numerous fire extinguishers located throughout the facility. We have contracted with Silco Fire Protection Company to inspect all fire extinguishers every 6 months. Units are replaced or recharged as needed during the inspections.

The Rittman Fire Department has toured the facility since operations were ceased. They were provided drawings of the buildings and instructions on how to energize the fire protection systems.

Equipment removal for inter-company transfer, outside sale and scrap

Some equipment has been removed from the site. This equipment has been transferred to another Caraustar site, sold other companies, or sold for scrap. Hot work permits are rarely issued for cutting out equipment. When issued, they are very carefully monitored.

Maintenance of equipment and premises

King Development LTD, (KDI) has been contracted to provide on-site operation of sludge removal from our waste water treatment lagoons. The sludge is placed in our on-site Class 3 Residual landfill. The landfill is maintained by KDI as required by our PTI and license. Also, as part of our agreement with KDI, general maintenance of the facility is provided.

- (c) This facility is not subject to the requirements of 40 C.F.R. Part 112, therefore we do not have a certified "Spill Prevention Control and Countermeasure" plan. We do, however, have a Facility Spill Response plan.
- (d) The site has been secured and we are maintaining compliance with rule 3745-352-30 of the Administrative Code. Chain link fencing and adjoining buildings surround all areas of the property where regulated operations were conducted. The buildings that border the property are secured to prevent unauthorized entry. No trespassing signs are posted on all fences and buildings to clearly indicate such. Security lighting is maintained around the buildings.

Security Officers, as stated above, are on site 24/7. They inspect the buildings and grounds multiple times per day. They carry a "ToCo" reader that records the day and time they are at each designated "ToCo Station". This information is uploaded to a computer by one of the Carastar on-site managers periodically and a hard copy printed, reviewed and filed. Activities throughout each shift are recorded on a shift log report. Any unusual activity is also brought to the attention of one of the on site managers. The Security Officers have instructions to contact appropriate authorities in the event of an emergency.

We maintain a good relationship with the local authorities. The Rittman Police Department monitors our mill radio channel 3 (used only for emergencies). A daily radio check with the police department is conducted by our on-site Security Officers.

- (e) An evacuation plan exists. All visitors and contractors are required to attend an orientation conducted by one of the on-site managers which includes instructions for emergency situations, entrance and exit locations and other safety instructions. All visitors and contractors are required to sign in and out at the security gate every day. They are issued a mill radio for communication purposes. If an evacuation is required all persons on the property will be notified via the mill radio system. The sign in log at the security gate is then used to verify that all persons are accounted for.
- (f) Measures have been taken to prevent the occurrence of air pollution, water pollution and soil contamination. As stated previously in this document, virtually all regulated substances were removed from the facility shortly after operations ceased.
- (i) The regulated substances remaining are:
- Aqueous ammonia, approximately 150 gallons, stored in a 10,000 gallon outside storage tank in a spill containment basin.
 - Phosphoric acid, approximately 300 gallons stored in a 4,000 gallon outside storage tank in a spill containment basin.

- Lime, 22,500 lbs packaged in 50 lb sacks stored inside the building.
 - Diesel fuel is stored in two small tanks. One 250 gallon tank is located in the Filter Plant building, next to the diesel fire pump. A 500 gallon tank owned by KDI is located outside in spill containment basin.
 - Five gallon, or smaller, containers of gasoline are stored on the outside receiving dock.
 - 4 to 5 Propane tanks (33.5 lb) are stored in a rack on the outside receiving dock.
 - Used oil is stored in a tote in a spill containment basin on the outside receiving dock. This storage container is normally empty.
 - Lubricants used for the interim maintenance and operation of the facility are located primarily in the Filter Plant building.
- (ii) There is no smoking allowed in any building or near any flammable storage area. Since most combustible substances have been removed from the site, there is very little risk of accidental ignition or reaction of the small amounts remaining on site.
- (iii) Fire extinguishers are located in many areas of the buildings and near all outside storage containers of flammable liquids. Spill containment materials are located in the Stock Shed, by the east wall next to the receiving dock.
- (iv) The two on-site managers are responsible for inspection and maintenance of all on-site storage containers containing regulated substances. Also, the following precautions have been taken
- The ammonia and phosphoric acid tanks are located in an area that is away from vehicle traffic and they are almost empty.
 - The lime is located inside the building. In the event any of this product gets wet and mixes with water, it would be contained within the facility waste water treatment plant as all sewers and drains in the buildings are pumped there.
 - The gasoline containers are periodically refilled as needed.
 - Empty propane tanks are exchanged weekly by Amerigas.
 - When more than a few gallons of used oil accumulates we have it removed from the site by a licensed waste oil company.


Caraustar

MILL GROUP

RITTMAN PAPERBOARD

June 26, 2007

Todd Anderson, Esq.
Office of Legal Services
Ohio Environmental Protection Agency
50 West Town Street
Suite 700
Columbus, Ohio 43215

Dear Mr. Anderson:

Re: Certification that regulated operations will resume.

As you know, Rittman Paperboard owns and formerly operated a papermaking facility at 100 Industrial Avenue, Wayne County, Rittman, Ohio where it recycled waste paper into paperboard for cartons. Rittman Paperboard ceased production of paperboard on August 2, 2006 as part of the company's exit from the coated recycled paperboard business. It has been and remains the company's intention to locate a buyer, first and foremost for continued operation of this facility as a paper mill. It has not located a buyer as yet. The company's desire is to continue the temporary nature of the shutdown pending further efforts to locate a buyer for the papermaking facility.

It is our expectation that we will locate a buyer for this facility by **August 2, 2009** and the buyer will resume operations at this facility.

Sincerely,



Tom Dawson
Vice President Mill Group
Caraustar

RITTMAN PAPERBOARD

100 INDUSTRIAL AVENUE • RITTMAN, OHIO 44270 • PHONE 330-925-0222