

**ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,  
DIVISION OF ENVIRONMENTAL QUALITY**

IN THE MATTER OF:

AFIN: 23-00044

LIS No. 22-070

SFI OF ARKANSAS, LLC  
670 EQUITY AVENUE  
CONWAY, ARKANSAS 72032

**CONSENT ADMINISTRATIVE ORDER**

This Consent Administrative Order (CAO) is issued pursuant to the authority delegated under the federal Clean Air Act, 42 U.S.C. § 7401 *et seq.*, and the federal regulations issued thereunder. In addition, this CAO is issued pursuant to the authority of the Arkansas Water and Air Pollution Control Act (the Act), Ark. Code Ann. § 8-4-101 *et seq.*, Arkansas Pollution Control and Ecology Commission (APC&EC) Regulation 7, APC&EC Regulation 8, APC&EC Regulation 18, and APC&EC Regulation 19.

The issues herein having been settled by agreement of SFI of Arkansas, LLC (Respondent) and the Director of the Division of Environmental Quality<sup>1</sup> (DEQ), it is hereby agreed and stipulated that the following FINDINGS OF FACT and ORDER AND AGREEMENT be entered.

**FINDINGS OF FACT**

1. Respondent owns and operates a manufacturing facility that is a fabricator of medium grade metal specializing in laser cutting, punching, bending, welding, and powder coating. The facility is located at 670 Equity Avenue in Conway, Faulkner County, Arkansas.

---

<sup>1</sup> Pursuant to Act 910 of 2019, the Arkansas Transformation and Efficiencies Act, the former Arkansas Department of Environmental Quality is now the Division of Environmental Quality in the newly created Arkansas Department of Energy and Environment.

2. There are two Air Permits referenced in this CAO. Permit 2351-AR-1 (Permit R1) was issued on November 17, 2015, and voided on March 31, 2017. Permit 2351-AR-2 (Permit R2) was issued on March 31, 2017.

3. Ark. Code Ann. § 8-4-217(a)(3) provides:

(a) It shall be unlawful for any person to:

...

(3) Violate any provisions of this chapter or of any rule or order adopted by the Arkansas Pollution Control and Ecology Commission under this chapter or of a permit issued under this chapter by the Division of Environmental Quality;

4. Ark. Code Ann. § 8-4-103(c)(1)(A) provides, “Any person that violates any provision of this chapter and rules, permits, or plans issued pursuant to this chapter may be assessed an administrative civil penalty not to exceed ten thousand dollars (\$10,000) per violation.”

5. Pursuant to Ark. Code Ann. § 8-4-103(c)(1)(B) as referenced by Ark. Code Ann. § 8-4-304, “Each day of a continuing violation may be deemed a separate violation for purposes of penalty assessment.”

6. On September 9, 2021, DEQ personnel conducted a full compliance inspection of Respondent’s facility.

7. The inspection covered the reporting period of July 2016 through July 2021.

8. APC&EC Regulation 18.301 states that no person shall cause or permit the operation, construction, or modification of a stationary source without first obtaining a permit from the Department.

9. During the inspection, it was discovered that Respondent had installed and operated a Mitsubishi Laser Table without first submitting a permit modification application to

DEQ to have the new source added to the Permit. Such act violates APC&EC Regulation 18.301 and therefore violate Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

10. Specific Condition 6 of Permit R1 & R2 states that no more than 1,716,960 pounds of shot blast during any consecutive 12-month period at the Clemco Abrasive Blasting (SN-301) can be used. Compliance with this Specific Condition is demonstrated by compliance with Specific Condition 9.

11. Specific Condition 7 of Permit R1 & R2 states that no more than 219,000 pounds of glass beads during any consecutive 12-month period at the Econoline Abrasive Blasting (SN-302) can be used. Compliance with this Specific Condition is demonstrated by compliance with Specific Condition 9.

12. Specific Condition 8 of Permit R2 states that no more than 129,298 tons of shot blast during any consecutive 12-month period at the Wheelabrator Abrasive Blasting (SN-303) can be used. Compliance with this Specific Condition is demonstrated by compliance with Specific Condition 9.

13. Specific Condition 8 of Permit R1 and Specific Condition 9 of Permit R2 states that monthly records to demonstrate compliance with Specific Conditions 6 and 7 of Permit R1 and Specific Conditions 6, 7, and 8 of Permit R2 shall be maintained and updated by the 15th day of the month following the month to which the records pertain. The 12-month rolling totals and each individual month's data shall be maintained on-site and made available to personnel upon request.

14. During the inspection, it was discovered that Respondent had failed to maintain the monthly records and the 12-month rolling total records for SN-301, SN-302, and SN-303

from July 2016 through July 2021. Such failures violate Specific Condition 8 of Permit R1 and Specific Condition 9 of Permit R2 and therefore violate Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304. Such failures also inhibit DEQ's ability to determine compliance with Specific Conditions 6 and 7 of Permit R1 and Specific Conditions 6, 7, and 8 of Permit R2.

15. Specific Condition 9 of Permit R1 and Specific Condition 10 of Permit R2 state that no more than 525,600 pounds of powder coating during any consecutive 12-month period at the Powder Coating (SN-401) can be used. Compliance with these Specific Conditions is demonstrated by compliance with Specific Condition 10 for Permit R1 and Specific Condition 11 for Permit R2.

16. Specific Condition 10 of Permit R1 and Specific Condition 11 of Permit R2 state that monthly records to demonstrate compliance with Specific Condition 9 of Permit R1 and Specific Condition 10 of Permit R2 shall be maintained and updated by the 15th day of the month following the month to which the records pertain. The 12-month rolling totals and each individual month's data shall be maintained on-site and made available to personnel upon request.

17. Records reviewed during the inspection indicated that Respondent failed to maintain the monthly and 12-month rolling total records for SN-401 from July 2016 through July 2021. Such failure violates Specific Condition 10 of Permit R1 and Specific Condition 11 of Permit R2 and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

18. In a letter dated September 27, 2021, DEQ informed Respondent of the compliance issues identified in the inspection conducted on September 9, 2021. This letter was

intended to give Respondent an opportunity to review the issues identified and submit any additional information Respondent deems appropriate.

19. On November 18, 2021, Respondent submitted a response to the September 27, 2021 letter and provided the following information:

- A. Regarding the violations outlined in Paragraph 8 of the Findings of Fact, Respondent stated that a revised permit application, if requested, would be submitted to DEQ to include the Mitsubishi Laser Table.
- B. Regarding the violations outlined in Paragraph 13 of the Findings of Fact, Respondent included attachments of monthly records to demonstrate compliance with Specific Conditions 6, 7, and 8.
- C. Regarding the violations outlined in Paragraph 16 of the Findings of Fact, Respondent included attachments of monthly records to demonstrate compliance with Specific Conditions 10.

20. The monthly records provided by Respondent included the monthly records and the 12-month rolling total records for SN-301, SN-302, SN-303, and SN-401 from July 2016 through July 2021. These records were estimated records using purchase order receipts to estimate the monthly and 12-month rolling totals. At the time of the inspection, Respondent had not been maintaining the monthly and 12-month rolling totals.

21. On December 13, 2021, DEQ sent Respondent a formal enforcement letter for the compliance issues discovered during the September 9, 2021 compliance inspection.

### **ORDER AND AGREEMENT**

WHEREFORE, Respondent, neither admitting nor denying the factual and legal allegations

contained in this CAO, and DEQ do hereby agree and stipulate as follows:

1. Within thirty (30) calendar days of the effective date of this CAO, Respondent shall, if they have not done so prior to the execution of this document, submit to DEQ a Permit Modification Application to add the Mitsubishi Laser Table to the Permit.

2. To demonstrate compliance with Specific Conditions 9 and 11 of Permit R2, Respondent shall submit the monthly and 12 month rolling total records referenced in Paragraphs 14 and 17 of the FINDINGS OF FACT to DEQ. These records shall be submitted for three (3) consecutive months beginning with the month following the effective date of this CAO. The records shall be submitted by the fifteenth (15th) day of the following month for which they pertain.

3. In compromise and full settlement of the violations specified in the FINDINGS OF FACT, Respondent agrees to pay a civil penalty of **SIXTEEN THOUSAND THREE HUNDRED TWENTY DOLLARS (\$16,320.00)**, or one-half of the penalty, **EIGHT THOUSAND ONE HUNDRED SIXTY DOLLARS (\$8,160.00)**, if this CAO is signed and returned to Air Enforcement Section, DEQ, 5301 Northshore Drive, North Little Rock, Arkansas 72118-5317, prior to 4:00 p.m. on **April 18, 2022**. Payment is due within thirty (30) calendar days of the effective date of this CAO. Such payment shall be made payable to:

DEQ, Fiscal Division  
5301 Northshore Drive  
North Little Rock, Arkansas 72118-5317.

In the event that Respondent fails to pay the civil penalty within the prescribed time, DEQ shall be entitled to attorneys' fees and costs associated with collection.

4. All applicable submissions required by this CAO are subject to approval by DEQ.

In the event of any deficiency, Respondent shall, within fifteen (15) calendar days of notification

by DEQ, submit any additional information requested. Failure to respond adequately to the notice of deficiency within fifteen (15) calendar days constitutes a failure to meet a deadline and is subject to the civil penalties established in the following Paragraph.

5. Failure to meet the limits, requirements, or deadlines of this CAO or the applicable approved schedules provided for herein constitutes a violation of this CAO. If Respondent fails to meet any limits, requirements, or deadlines, Respondent shall pay, on demand, to DEQ civil penalties according to the following schedule:

- |  |                |
|--|----------------|
| (a) First day through the fourteenth day:    | \$100 per day  |
| (b) Fifteenth day through the thirtieth day: | \$500 per day  |
| (c) More than thirty days:                   | \$1000 per day |

Stipulated penalties shall be paid within thirty (30) calendar days of receipt of DEQ's demand to Respondent for such penalties. These stipulated penalties may be imposed for delay in scheduled performance and shall be in addition to any other remedies or sanctions that may be available to DEQ by reason of Respondent's failure to comply with the requirements of this CAO. DEQ reserves its rights to collect other penalties and fines pursuant to its enforcement authority in lieu of the stipulated penalties set forth above.

6. If any event, including, but not limited to, an occurrence of nature, causes or may cause a delay in the achievement of compliance by Respondent with the requirements or deadlines of this CAO, Respondent shall notify DEQ in writing as soon as reasonably possible after it is apparent that a delay will result, but in no case after the due dates have passed. The notification shall describe in detail the anticipated length of the delay, the precise cause of the delay, the measures being taken and to be taken to minimize the delay, and the timetable by which those measures will be implemented.

7. DEQ may grant an extension of any provision of this CAO, provided that

Respondent requests such an extension in writing and provided that the delay or anticipated delay has or will be caused by circumstances beyond the control of and without the fault of Respondent. The time for performance may be extended for a reasonable period, but in no event longer than the period of delay resulting from such circumstances. The burden of proving that any delay is caused by circumstances beyond the control of and without the fault of Respondent and the length of the delay attributable to such circumstances shall rest with Respondent. Failure to notify DEQ promptly, as provided in the previous Paragraph of the ORDER AND AGREEMENT, shall be grounds for a denial of an extension.

8. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d), and therefore is not effective until thirty (30) calendar days after public notice of the CAO is given. DEQ retains the right and discretion to rescind this CAO based on comments received within the thirty (30) day public comment period.

9. As provided by APC&EC Regulation 8, this matter is subject to being reopened upon Commission initiative or in the event a petition to set aside this CAO is granted by the Commission.

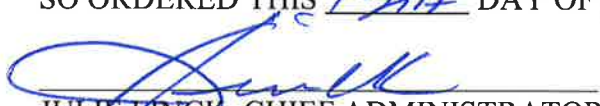
10. Nothing contained in this CAO shall relieve Respondent of any obligations imposed by any other applicable local, state, or federal laws. Except as specifically provided herein, nothing contained in this CAO shall be deemed in any way to relieve Respondent of responsibilities contained in the permit.

11. Nothing in this CAO shall be construed as a waiver by DEQ of its enforcement authority over alleged violations not specifically addressed herein. In addition, this CAO neither exonerates Respondent from any past, present, or future conduct that is not expressly addressed herein, nor relieves Respondent of the responsibilities for obtaining any necessary permits.



12. By virtue of the signature appearing below, the individual represents that he or she is a Managing Member of Respondent, being duly authorized to execute and bind Respondent to the terms contained herein. Execution of this CAO by an individual other than a Managing Member of Respondent shall be accompanied by a resolution granting signature authority to said individual as duly ratified by the governing body of the entity.

SO ORDERED THIS 13th DAY OF JUNE, 2022.

  
JULIE LINCK, CHIEF ADMINISTRATOR  
ARKANSAS DEPARTMENT OF ENERGY AND ENVIRONMENT,  
DIVISION OF ENVIRONMENTAL QUALITY

APPROVED AS TO FORM AND CONTENT:

SFI OF ARKANSAS, LLC

BY:  (Signature)

Charles Coon (Typed or printed name)

TITLE: General Manager

DATE: 5/17/22