

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

IN THE MATTER OF:

AFIN: 04-00111

LIS No. 23-049

GATES CORPORATION
-SILOAM SPRINGS
1801 NORTH LINCOLN STREET
SILOAM SPRINGS, ARKANSAS 72761

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) Rule 7, APC&EC Rule 8, APC&EC Rule 18, and APC&EC Rule 19.

The issues herein having been settled by agreement of Gates Corporation –Siloam Springs (Respondent) and the Chief Administrator of the Division of Environmental Quality (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 rubber belt manufacturing facility located at 1801 North Lincoln Street in Siloam Springs, Benton County, Arkansas.
2. The Air Permit referenced in this CAO is 0378-AR-18 (the Permit). The Permit was issued on October 22, 2019.

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 October 12, 2022, Respondent had an environmental consulting company, ECCL, conduct an environmental compliance audit of the facility.

7. In a letter dated October 27, 2022, Respondent requested consideration under DEQ’s Environmental Self-Disclosure Incentive Policy (Policy) for the disclosure of the non-compliance issues associated with its existing permit. The Self-Disclosure letter disclosed that during the audit, Respondent discovered eleven (11) unpermitted sources, data gaps in recordkeeping, outdated permit conditions, and missing records.

8. General Condition 16 of the Permit states that this permit authorizes only those pollutant emitting activities addressed herein.

9. The unpermitted sources included one (1) 180 gallon diesel tank, one (1) 300 gallon diesel tank, (1) bag Warmer (Natural gas combustion source), five (5) belt grinders with cyclones and smoke hog units, one (1) Prececo Parts Washer, one (1) parts washer located in the machine

shop, and one (1) mobile welder. Such acts violate General Condition 16 of the Permit and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304.

10. Specific Condition 12 of the Permit states that Respondent will maintain monthly records which demonstrate compliance with Specific Condition 11. Respondent will maintain a twelve-month rolling total and each individual month's data on-site and make available to DEQ personnel upon request. Respondent will update the records by the twentieth day of the month following the month to which the records pertain.

11. Specific Condition 14 of the Permit states in order to verify compliance with Specific Condition 13, Respondent shall keep written records of the autoclaves in use, the amount of throughput in each autoclave, the hourly capacity of each, and the total capacity of all autoclaves. Respondent shall update these records by the twentieth day of the month following the month to which the records pertain. The twelve-month rolling totals and each individual month's data shall be maintained on-site and made available to DEQ personnel upon request.

12. Specific Condition 16 of the Permit states that in order to verify compliance with Specific Condition 15, Respondent shall keep records of the grinders in use, the amount being grinded, the hourly grinding capacity of each grinder, and the total grinding capacity of all grinders. Respondent shall update these records by the twentieth day of the month following the month to which the records pertain. The twelve-month rolling totals and each individual month's data shall be maintained on-site and made available to DEQ personnel upon request.

13. Specific Condition 18 of the Permit states that Respondent shall maintain monthly records to demonstrate compliance with Specific Condition 17. Respondent shall update these records by the fifteenth day of the month following the month to which the records pertain. The

twelve-month rolling totals and each individual month's data shall be maintained on-site and made available to DEQ personnel upon request.

14. Specific Condition 20 of the Permit states that Respondent shall maintain monthly records to demonstrate compliance with Specific Condition 19. Respondent shall update these records by the fifteenth day of the month following the month to which the records pertain. The twelve-month rolling totals and each individual month's data shall be maintained on-site and made available to DEQ personnel upon request.

15. Specific Condition 22 of the Permit states that Respondent shall maintain monthly records to demonstrate compliance with Specific Condition 21. Respondent shall update these records by the fifteenth day of the month following the month to which the records pertain. The twelve-month rolling totals and each individual month's data shall be maintained on-site and made available to DEQ personnel upon request.

16. Specific Condition 24 of the Permit states that SN-18 and 19 are subject to 40 C.F.R. § 60 Subpart Dc – Standards of Performance for Small Industrial, Commercial, Institutional Steam Generating Units. Respondent shall comply with all applicable requirements under 40 C.F.R. § 60 Subpart Dc (Subpart Dc).

17. A review of the October 2022 disclosure letter found that Respondent failed to maintain Permit recordkeeping requirements from March 2022 through July 2022 for Specific Conditions 12, 14, 16, 18, 20, 22, and 24. Such failures violate Specific Conditions 12, 14, 16, 18, 20, 22, and 24 of the Permit 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 11, 13, 15, 17, 19, 21, and 24 of the Permit. The violation of Specific Condition

24 is also a violation of Subpart Dc.

18. In the October 2022 disclosure letter, Respondent stated that ECCI recommended that Respondent develop and update an air compliance recordkeeping spreadsheet. Once the air compliance recordkeeping spreadsheet is developed, evaluate whether the current limit is sufficient or required, then prepare an air permit modification application to address any necessary changes.

19. A review of the October 2022 disclosure letter found that Respondent failed to submit the initial notification for the Natural Gas Boiler #4 (SN-18) and the Natural Gas Boiler #5 (SN-19). Such a failure violates Specific Condition 24 of the Permit and therefore violate Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304. Such a failure also violates Subpart Dc – 60.48c(a).

20. In the October 2022 disclosure letter, Respondent stated that ECCI recommended that Respondent submit the NSPS Dc Initial Notification as soon as possible.

21. Respondent's facility is subject to the provisions of 40 C.F.R. Part 63, Subpart ZZZZ - National Emissions Standards for Hazardous Air Pollutants for Stationary Reciprocating Internal Combustion Engines (Subpart ZZZZ)

22. Specific Condition 28 of the Permit states that Respondent must operate and maintain the stationary Reciprocating Internal Combustion Engine (RICE) and after-treatment control device (if any) according to the manufacturer's emission-related written instructions or develop your own maintenance plan which must provide to the extent practicable for the maintenance and operation of the engine in a manner consistent with good air pollution control practice for minimizing emissions.

23. A review of the October 2022 disclosure letter revealed that Respondent failed to maintain a maintenance plan for the 112 bhp 4S-RB SI Emergency Generator (SN-16) and the 185

bhp CI Emergency Fire Pump Diesel Engine (SN-17). Such a failure is a violation of Specific Condition 28 of the Permit and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304 and 40 C.F.R. § 63.6625(e)(3). Such failure also violates Subpart ZZZZ.

24. In the October 2022 disclosure letter, Respondent stated that ECCI recommended that Respondent contact the engine manufacturer to obtain a maintenance plan, develop an engine maintenance spreadsheet, and to assign personnel to keep the engine maintenance log.

25. Specific Condition 38 of the Permit states that Respondent must keep the records described as follows.

- a) A copy of each notification and report that Respondent submitted to comply with this subpart, including all documentation supporting any Initial Notification or Notification of Compliance Status that Respondent submitted, according to the requirement in §63.10(b)(2)(xiv).
- b) Records of the occurrence and duration of each malfunction of operation (i.e., process equipment) or the air pollution control and monitoring equipment.
- c) Records of performance tests and performance evaluations as required in §63.10(b)(2)(viii).
- d) Records of all required maintenance performed on the air pollution control and monitoring equipment.
- e) Records of actions taken during periods of malfunction to minimize emissions in accordance with §63.6605(b), including corrective actions to restore malfunctioning process and air pollution control and monitoring equipment to its normal or usual manner of operation.

26. A review of the October 2022 disclosure letter revealed that Respondent failed to maintain an engine maintenance log for SN-16 and SN-17. Such a failure violates Specific Condition 38 of the Permit and therefore violates Ark. Code Ann. § 8-4-217(a)(3) as referenced by Ark. Code Ann. § 8-4-304 and 40 C.F.R. § 63.6655(a)(1-5). Such failures also violate Subpart ZZZZ.

27. In the October 2022 disclosure letter, Respondent stated that ECCI recommended that Respondent submit the initial notification for SN-18 and SN-19 as soon as possible, contact the engine manufacturer to obtain a maintenance plan for SN-16 and SN-17, and to assign personnel to keep the engine maintenance log.

28. On December 6, 2022, Respondent submitted a permit modification application to DEQ to include the eleven (11) unpermitted sources in the Permit. The application was deemed administratively complete on December 20, 2022.

29. In correspondence dated February 6, 2023, DEQ informed Respondent that it had met all eight (8) conditions of the Policy; therefore, Respondent is entitled to a reduction of the gravity-based component of any administrative penalty in a CAO regarding the self-disclosed violations.

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. To demonstrate compliance with Specific Conditions 12, 14, 16, 18, 20, 22, and 24 of the Permit, Respondent shall submit the monthly and the twelve-month rolling total records referenced in Paragraph 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.

2. Within thirty (30) calendar days of the effective date of this CAO, Respondent shall submit the following documentation to DEQ;

- a. A copy of the initial notification for SN-18 and SN-19 that were submitted to the Environmental Protection Agency.
- b. A copy of the maintenance plan for SN-16 and SN-17.
- c. A copy of the engine maintenance log.

3. 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.

4. 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.

5. 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.

6. 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.

7. This CAO is subject to public review and comment in accordance with Ark. Code Ann. § 8-4-103(d). However, this CAO shall become effective upon execution by Respondent and

the Director of DEQ.

8. As provided by APC&EC Rule 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.

9. 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.

10. 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.

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

SO ORDERED THIS 19th DAY OF June, 2023.



CALEB J. OSBORNE
DIVISION OF ENVIRONMENTAL QUALITY, DIRECTOR
CHIEF ADMINISTRATOR, ENVIRONMENT
ARKANSAS DEPARTMENT OF ENERGY & ENVIRONMENT

APPROVED AS TO FORM AND CONTENT:

GATES CORPORATION
-SILOAM SPRINGS

BY:  (Signature)

Casey Haase (Typed or printed name)

TITLE: Plant Manager

DATE: 6/9/23