

ILLINOIS POLLUTION CONTROL BOARD
December 20, 1995

PEOPLE OF THE STATE)	
OF ILLINOIS,)	
)	
Complainant,)	
)	
v.)	PCB 96-106
)	(Enforcement-Air)
BELOIT CORPORATION,)	
a Delaware corporation,)	
)	
Respondent.)	

OPINION AND ORDER OF THE BOARD:

This matter comes before the Board upon a sixteen-count complaint filed November 15, 1995 by the Attorney General of the State of Illinois, on behalf of the Illinois Environmental Protection Agency and the People of the State of Illinois, against Beloit Corporation (Beloit), a Delaware corporation, as respondent, located at 429 Gardener Street, South Beloit, Winnebago County, Illinois. The complaint alleges that Beloit has violated Sections 9(a) and 9(b) of the Illinois Environmental Protection Act (Act), 415 ILCS 5/9(a), 5/9(b) and 35 Ill. Adm. Code 201.142, 201.143 and 212.321 and violating certain provisions of its operating permit #72090084 by constructing and operating emission sources without the proper permits and by causing or allowing various emission violations.

Pursuant to 415 ILCS 5/31(a)(2), the parties filed a joint motion requesting relief from the Act's hearing requirement on November 15, 1995. The Board published a notice of the waiver on November 17, 1995; no objection to the granting of the waiver was received. Waiver of hearing is hereby granted.

The parties filed a Stipulation and Settlement Agreement on November 15, 1995. The Stipulation sets forth facts relating to the nature, operations and circumstances surrounding the claimed violations. Beloit denies the alleged violations and agrees to pay a civil penalty of twenty-nine thousand dollars (\$29,000.00).

The Board finds the settlement agreement acceptable under 35 Ill. Adm. Code 103.180. This settlement agreement in no way affects respondent's responsibility to comply with any federal, state or local regulations, including but not limited to the Act and the Board's pollution control regulations.

This opinion constitutes the Board's findings of fact and conclusions of law in this matter.

ORDER

- 1) The Board hereby accepts the Stipulation and Settlement Agreement executed by the People of the State of Illinois and Beloit Corporation, a Delaware corporation, as respondent, located at 429 Gardener Street, South Beloit, Winnebago County, Illinois. The Stipulation and Settlement Agreement are incorporated by reference as though fully set forth herein.
- 2) Beloit shall pay a civil penalty of twenty-nine thousand dollars (\$29,000.00) within 30 days of the date of this Order. Such payment shall be made by certified check or money order payable to the Treasurer of the State of Illinois, designated to the Environmental Protection Trust Fund, and shall be sent by First Class mail to:

Illinois Environmental Protection Agency
Fiscal Services Division
2200 Churchill Road
P.O. Box 19276
Springfield, IL 62794-9276

The certified check or money order shall clearly indicate on its face Beloit Corporation's Federal Employer Identification Number 39-0159010 and that payment is directed to the Environmental Protection Trust Fund.

Any such penalty not paid within the time prescribed shall incur interest at the rate set forth in subsection (a) of Section 1003 of the Illinois Income Tax Act, (35 ILCS 5/1003), as now or hereafter amended, from the date payment is due until the date payment is received. Interest shall not accrue during the pendency of an appeal during which payment of the penalty has been stayed.

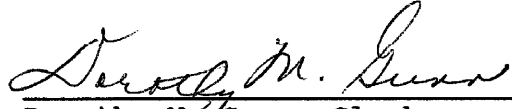
- 3) Beloit Corporation shall cease and desist from the alleged violations.

IT IS SO ORDERED.

Board Member J. Theodore Meyer concurred.

Section 41 of the Environmental Protection Act (415 ILCS 5/41) provides for the appeal of final Board orders within 35 days of the date of service of this order. (See also 35 Ill. Adm. Code 101.246, Motion for Reconsideration.)

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board, hereby certify that the above opinion and order was adopted on the 20th day of December, 1995, by a vote of 7-0.



Dorothy M. Gunn, Clerk
Illinois Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)
)
 Complainant,)
)
 -vs-) PCB No. 96-106
)
 BELOIT CORPORATION, a Delaware)
 corporation,)
)
 Respondent.)

**STIPULATION AND PROPOSAL FOR SETTLEMENT
WITH BELOIT CORPORATION**

Complainant, PEOPLE OF THE STATE OF ILLINOIS, by JAMES E. RYAN, Attorney General of the State of Illinois, on his own motion and at the request of the Illinois Environmental Protection Agency ("Agency"), and Respondent, BELOIT CORPORATION, by its attorneys, Seyfarth, Shaw, Fairweather & Geraldson do hereby submit this Stipulation and Proposal for Settlement. The parties agree that the statement of facts contained herein is made and agreed upon for purposes of settlement only and that neither the fact that a party has entered into this Stipulation and Proposal for Settlement, nor any of the facts stipulated herein, shall be introduced into evidence in this or any other proceeding except to enforce the terms hereof by the parties to this agreement. Notwithstanding the foregoing, this Stipulation and Proposal for Settlement and any order entered by the Illinois Pollution Control Board ("Board") accepting same may be used in any future enforcement action as

evidence of past adjudication of violation of the Act for purposes of Section 42(h) of the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/42(h) (1994) (prior adjudication of violation of the Act). This Stipulation and Proposal for Settlement shall be null and void unless the Board approves and disposes of this matter on each and every one of the terms and conditions of the settlement set forth herein.

I.

JURISDICTION

The Board has jurisdiction of the subject matter herein and of the parties consenting hereto pursuant to the Act, 415 ILCS 5/1 et seq.

II.

AUTHORIZATION

The undersigned representatives for each party certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this Stipulation and Proposal for Settlement and to bind them legally to it.

III.

APPLICABILITY

This Stipulation and Proposal for Settlement shall apply to and be binding upon the Complainant including the Agency and Respondent and any officer, agent, employee or servant of Respondent, as well

as the successors and assigns of each and every officer, agent and employee of Respondent. The Respondent shall not raise as a defense to any enforcement action taken pursuant to this Settlement the failure of its officers, directors, agents, servants or employees to take such action as shall be required to comply with the provisions of this Settlement.

IV.

STATEMENT OF FACTS

1. The Agency is an administrative agency established in the executive branch of the State government by Section 4 of the Act, 415 ILCS 5/4, and charged, *inter alia*, with the duty of enforcing the Act.

2. Respondent, Beloit Corporation, ("Beloit") is a Delaware corporation doing business in the State of Illinois.

3. At all times pertinent hereto, Beloit has been and is now the owner and operator of a ferrous and nonferrous foundry located at 429 Gardner Street, South Beloit, Winnebago County, Illinois. Beloit purchased the foundry from Beloit foundry on October 1, 1979.

4. At all times relevant hereto the ferrous foundry is operated pursuant to air pollution operating permit number 72090084, issued to Beloit on November 17, 1972, and reissued on April 17, 1975, June 10, 1977, March 2, 1979, June 19, 1984, April 29, 1985, February 28, 1986, March 2, 1989 and on December 28, 1992.

5. Operations at the ferrous foundry consist of, among other things, a cupola with baghouse, a magnesium inoculation operation with baghouse, a sand storage bin and baghouse, three (3) sand systems with wet scrubbers, a bond loading station and baghouse, four (4) shakeouts with three (3) wet scrubbers, a rotoblast operation and baghouse, a swing grinder with baghouse, chipper and grinder operations with filter cabinets, a sand bin with baghouse, a bond load operation with baghouse, a shotblast room with baghouse and shotblast table with baghouse. The magnesium inoculation operation at Beloit's ferrous foundry includes the use of small inoculation ladles (L-1). Until June 24, 1993, Beloit also used large (oversized) inoculation ladles (L-2). The small inoculation ladles operation f/k/a L-1 will hereinafter be referred to as MI-1 and the large (oversized) inoculation ladles f/k/a L-2 will hereinafter be referred to as MI-2.

6. Operations at the non-ferrous foundry consist of a shakeout, a sand system, four (4) bronze crucible furnaces, one (1) aluminum crucible furnace, three (3) ladle heaters and one (1) baghouse. Complainant alleges that Beloit does not have an operating permit for the operation of its non-ferrous foundry.

7. Sections 9(a) and (b) of the Act, 415 ILCS 5/9(a) and (b) (1994), provide as follows:

No person shall:

- a. Cause or threaten or allow the discharge or emission of any contaminant into the environment in any State so as to cause or tend to cause air pollution in Illinois, either alone or in combination with contaminants from other sources, or so as to violate regulations or standards adopted by the Board under this Act;
- b. Construct, install, or operate any equipment, facility, vehicle, vessel, or aircraft capable of causing or contributing to air pollution or designed to prevent air pollution, or any type designated by Board regulations without a permit granted by the Agency, or in violation of any conditions imposed by such permit;

8. Section 201.141 of the Pollution Control Board ("Board's) Air Pollution Regulations, 35 Ill. Adm. Code 201.141, titled, Prohibition of Air Pollution, provides as follows:

No person shall cause or threaten or allow the discharge or emission of any contaminant into the environment in any State so as, either alone or in combination with contaminants from other sources, to cause or tend to cause air pollution in Illinois, or so as to violate the provisions of this Chapter, or so as to prevent the attainment or maintenance of any applicable ambient air quality standard.

9. Section 201.142 of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 201.142, titled, Construction Permit Required, provides as follows:

No person shall cause or allow the construction of any new emission source or any new air pollution control equipment, or cause or allow the modification of any existing emission source or air pollution control equipment, without first obtaining a construction permit from the Agency, except as provided in Section 201.146.

10. Section 201.143 of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 201.143, titled, Operating Permits for New Sources, provides in pertinent part as follows:

No person shall cause or allow the operation of any new emission source or new air pollution control equipment of a type for which a construction permit is required by Section 201.142 without first obtaining an operating permit from the Agency.

11. Section 201.144 of the Board's Air Pollution Regulations, 35 Ill. Adm. Code 201.144, titled, Operating Permits for Existing Sources, provides as follows:

No person shall cause or allow the operation of any existing emission source or any existing air pollution control equipment without first obtaining an operating permit from the Agency, except as provided in Section 201.146. Dates on which permits were required are shown in Appendix C.

12. Section 212.321 of the Pollution Control Board ("Board's") Air Pollution Regulations, 35 Ill. Adm. Code 212.321, titled, New Process Sources, provides in pertinent part as follows:

- a) Except as further provided in this Part, no person shall cause or allow the emission of particulate matter into the atmosphere in any one hour period from any new process emission source which, either alone or in combination with particulate matter from all other similar new process emission sources at a plant or premises, exceeds the allowable emission rates specified in subsection (c) and Illustration B.
- b) Interpolated and extrapolated values of the data in subsection (c) shall be determined by using the equation:

$$E=A(P)^B$$

where:

P = process weight rate; and
E = allowable emission rate; and,

- 1) Up to process weight rates of 408 MG/hr (450 T/hr):

	<u>Metric</u>	<u>English</u>
P	Mg/hr	T/hr
E	kg/hr	lbs/hr
A	1.214	2.54
B	0.534	0.534

13. Agency air pollution operating permit number 72090084, issued to Beloit on November 17, 1972, and reissued on April 17, 1975, June 10, 1977, March 2, 1979, June 19, 1984, April 29, 1985, February 28, 1986, March 2, 1989 and December 28, 1992 provides the following special condition number 1:

1. Emissions of particulate matter shall not exceed the amounts specified in the Table below:

<u>Emission Source</u>	<u>Annual Emission</u> (tons/year) TSP
Magnesium Inoculation Operation (L-1)	0.46

14. Air pollution operating permit number 72090084, issued to Beloit on June 19, 1984, provides the following special condition number 5:

The permittee shall maintain records of excess emissions during malfunctions and breakdowns. As a minimum, these

records shall include:

- i) a full and detailed explanation of why such excess emissions occurred;
- ii) the length of time during which operation continued under such conditions;
- iii) the measures used to reduce the quantity of such operations occurred; and
- iv) the steps the Permittee will take to prevent similar malfunctions and/or breakdowns.

15. Agency air pollution operating permit number 72090084 issued to Beloit on November 17, 1972, and reissued on April 17, 1975, June 10, 1977, March 2, 1979, June 19, 1984, April 29, 1985, February 28, 1986, March 2, 1989 and December 28, 1992, provides the following standard condition number 3:

3. There shall be no deviations from the approved plans specifications unless a written request for modification of the project, along with plans and specification is as required, shall have been submitted to the Agency and a supplemental written permit issued.

16. Complainant alleges that on June 19, 1984, when air pollution operating permit number 72090084 was issued, it permitted only the use of small inoculation ladles (MI-1) in Beloit's magnesium inoculation operation. Complainant further alleges that the large (oversized) inoculation ladles (MI-2) were never permitted by the Agency. Additionally, air pollution operating permit number 72090084 contains special condition number 1 which limits

particulate emissions from Beloit's magnesium inoculation operation to 0.46 tons/year.

17. On March 5, 1991, and December 11, 1992, inspections of Beloit's ferrous foundry were conducted by an inspector from the Agency. During the inspection visits, the inspector observed the magnesium treatment/inoculation operation. During the March 5, 1991, inspection visit, the inspector determined that Beloit had modified its magnesium inoculation operation by installing and operating large (oversized) magnesium inoculation ladles (MI-2)

18. Complainant alleges that Beloit's large magnesium inoculation ladles (MI-2) operation is uncontrolled, resulting in excess particulate emissions being discharged to the environment. Further, Complainant alleges that Beloit operated such ladles (MI-2) in violation of the process weight rule contained in 35 Ill. Add. Code 212. Appendix B.

19. Complainant alleges that since at least December 11, 1992, Beloit has operated its magnesium inoculation operation so as to cause or allow particulate emissions from its small inoculation ladles (MI-1) to exceed the 0.46 tons/year limitation contained in its permit. Complainant further alleges that based on standard emission factor calculations and apparent operating practices, Beloit emitted 4.31 tons/year of particulate matter to the environment from uncontrolled (MI-1) magnesium treatments.

20. Complainant further alleges that Beloit caused or allowed the modification of its magnesium inoculation operation to allow the utilization of large (oversized) magnesium inoculation ladles (MI-2) in such operation, without the use of any air pollution control equipment, resulting in particulate emissions being discharged into the environment.

21. Complainant also alleges that Beloit's large (oversized) magnesium inoculation ladles (MI-2) emit at least 72 pound/hour of particulate matter to the environment at a process weight rate equal to 18 tons/hour. Complainant further alleges that Beloit did not have authorization from the Agency to modify its magnesium inoculation operation and did not have a permit for the operation of its large (oversized) inoculation ladles (MI-2).

22. Beloit was required pursuant to special condition number 5 of air pollution operating permit 72090084, to maintain records of cupola malfunctions and of any excess emissions emitted to the environment. On February 19, 1991, a cap-up malfunction of the cupola occurred resulting in excess emissions to the environment. Complainant alleges that at the time of the inspector's visit on February 19, 1991, Beloit did not have any records of this cap-up malfunction and of any excess emissions that were emitted to the environment.

23. Complainant also alleges that on February 19, 1991, by failing to maintain records of the cupola cap-up malfunction and of any excess emissions, Beloit violated special permit condition number 5 and thereby, violated Section 9(b) of the Act.

24. Air pollution operating permit number 72090084 issued to Beloit on November 17, 1972, and reissued on April 17, 1975, June 10, 1977, March 2, 1979, June 19, 1984, April 29, 1985, February 28, 1986, March 2, 1989 and December 28, 1992, requires the use of an afterburner to control the cupola which is capable of emitting carbon monoxide. Prior to March 5, 1991, Beloit's cupola was equipped with an afterburner with an indicating temperature controller.

25. Complainant alleges that on the March 5, 1991 inspection of Beloit's facility, the inspector found that Beloit had turned off and/or taken out of service the afterburner, and operated the cupola without the afterburner, thus causing, threatening or allowing the emission of uncontrolled carbon monoxide.

26. Air pollution operating permit number 72090084 issued to Beloit on November 17, 1972, and reissued on April 17, 1975, June 10, 1977, March 2, 1979, June 19, 1984, April 29, 1985, February 28, 1986, March 2, 1989 and December 28, 1992, included the operation of air pollution control equipment wet collector #6 to control the emissions from the side floor sand shakeout.

27. Complainant alleges that on the March 5, 1991 inspection of Beloit's facility, the inspector found that Beloit had ducted an emission collection intake to wet collector #6, in order to control emissions from the tapping area and large (oversized) inoculation ladles (MI-2), in addition to the emissions from the side floor sand shakeout. Complainant also alleges that Beloit was required to obtain a construction permit from the Agency before modifying wet collector #6 by ducting an emission collection intake from the tapping area and large (oversized) inoculation ladles (MI-2) to this wet collector #6. Complainant alleges that Beloit was also required to obtain an operating permit before operating wet collector #6, air pollution control equipment, with the added emission collection intake from the tapping area and large (oversized) inoculation ladles (MI-2).

28. Complainant alleges that ducting additional emission collection intakes to wet collector #6 results in an increased amount of particulate matter being received by wet collector #6. Complainant further alleges that the added emission collection intakes from the charge door area, tapping area and their large (oversized) inoculation ladles (MI-2) resulted in an increase in the amount of particulate emissions from wet collector #6. Thus, Complainant alleges that since at least March 5, 1991, Beloit modified and operated wet collector #6 without obtaining permits

from the Agency.

29. Complainant alleges that at the March 5, 1991 Agency inspection of Beloit's ferrous foundry, the inspector also determined that Beloit was utilizing three (3) gas-fired ladle preheat burners in its tapping area. These burners emit nitrogen oxide and carbon monoxide. Complainant alleges that since the construction of the three (3) gas-fired ladle preheat burners at Beloit's ferrous foundry on or before March 5, 1991, Beloit has never obtained an air pollution operating permit from the Agency, for the operation of these three (3) gas-fired ladle preheat burners.

30. Complainant alleges that since at least approximately December 1986, Beloit constructed its non-ferrous foundry operations at its facility. Complainant further alleges that Beloit never obtained a construction permit for the following pieces of equipment utilized at its non-ferrous foundry:

- a. sand shake-out system;
- b. four (4) bronze crucible furnaces;
- c. one (1) aluminum crucible furnace;
- d. three (3) ladle heaters;
- e. one (1) baghouse.

31. Since the construction of the sand shake-out system, four (4) bronze crucible furnaces, one (1) aluminum crucible furnace,

three (3) ladle heaters, and one (1) baghouse at Beloit's non-ferrous foundry, Complainant alleges that Beloit has never obtained an air pollution operating permit from the Agency. Complainant further alleges that at no time was Beloit authorized to operate its non-ferrous foundry including its sand shake-out system, four (4) bronze crucible furnaces, one (1) aluminum crucible furnace, three (3) ladle heaters, and one (1) baghouse, without an air pollution operating permit issued by the Agency.

32. Complainant alleges that since at least approximately December 1986, Beloit has operated its non-ferrous foundry consisting of a sand shake-out system, four (4) bronze crucible furnaces, one (1) aluminum crucible furnace, and three (3) ladle heaters, each an emission source, and one (1) baghouse, air pollution control equipment, without an air pollution operating permit issued by the Agency.

33. On September 1, 1993, Respondent retained the services of John J. Yates, Ltd. and John J. Yates, a registered professional engineer with expertise in air pollution control technology in the foundry industry. In 1994, Respondent's plant engineer and consultant completed a plant emission survey following the guidelines in U.S. EPA Publication No. EPA 625/6-78-004 entitled Industrial Guide For Air Pollution Control, June 1978 at Chapter 3. The results of this survey was incorporated into the draft permit

application provided to the Agency on December 23, 1994.

V.

NATURE OF RESPONDENT'S OPERATION

Respondent is in the ferrous and non-ferrous metal casting business and conducts such activities at a ferrous and non-ferrous foundry. The ferrous foundry produces grey iron and ductile castings from scrap iron and pig iron by the process of melting, alloying and molding. The non-ferrous foundry melts pure copper alloy, bronze and aluminum ingots into castings. The various processes at both foundries necessarily result in the emission of particulate matter to the atmosphere.

VI.

EXPLANATION OF PAST FAILURES TO COMPLY WITH THIS ACT

Complainant knows of no explanation for Respondent's past failure to comply with the Act. Respondent states, however, that:

1. The Agency improperly denied Respondent's permit application for the non-ferrous foundry;
2. The operating permit for the grey iron foundry covered the use of large (oversized) inoculation ladles (L-2) in the magnesium inoculation operation;
3. Respondent operated the large (oversized) inoculation ladles approximately 70.4 minutes per year and ceased operating them on June 24, 1993;

4. Respondent operated its small inoculation ladles at all times with the use of air pollution control equipment;

5. Respondent maintained the proper records of the February 19, 1991, cap-up malfunction of the cupola;

6. Respondent operated its cupola with the afterburner to control emissions of carbon monoxide;

7. Respondent was not required to obtain permits for the modification of wet collector #6 air pollution control equipment; and

8. The operating permit for the grey iron foundry covered the use of gas-fired ladle pre-heat burners.

VII.

FUTURE PLANS OF COMPLIANCE

Respondent shall in the future adhere to all federal and state air pollution statutes and regulations and state permitting requirements.

VIII.

IMPACT ON THE PUBLIC RESULTING FROM NON-COMPLIANCE

Section 33(c) of the Act, 415 ILCS 5/33(c) (1994), provides as follows:

In making its orders and determination, the Board shall take into consideration all the facts and circumstances bearing upon the reasonableness of the emissions, discharges, or deposits involved including, but not

limited to:

1. the character and degree of injury to, or interference with the protection of the health, general welfare and physical property of the people;
2. the social and economic value of the pollution source;
3. the suitability or unsuitability of the pollution source to the area in which it is located, including the question of priority of location in the area involved;
4. the technical practicability and economic reasonableness of reducing or eliminating the emissions, discharges or deposits resulting from such pollution source; and
5. any subsequent compliance.

In response to these factors the Complainant states as follows:

1. Impact to the public resulting from Respondent's excess emission of particulate matter was that such excess emission posed a threat of harm to the environment. Further, its failure to obtain a permit for its non-ferrous foundry compromised the state's ability to identify possible air pollution sources and their potential environmental impact. Additionally, by using an unpermitted oversized magnesium inoculation ladles (MI-2) in its magnesium inoculation process, Respondent increased the emission of particulate material to the atmosphere which can adversely impact

the environment.

2. The parties agree that the Respondent's facility has social and economic value.

3. Respondent operates emission sources which emit or are capable of emitting particulate matter.

4. Respondent agrees that it is technically feasible and economically reasonable to operate its ferrous and non-ferrous foundries consistent with all federal and state air pollution rules and regulations.

5. Respondent did subsequently come into substantial compliance by eliminating the use of the oversized ladles in its magnesium operation, upgrading its emission control equipment, including the addition of a baghouse for its magnesium inoculation operation and a side draft hood on the non-ferrous foundry shake-out operation, and also did provide to the Agency a draft permit application for review and comments.

In response to these factors the Respondent states as follows:

1. Respondent's ferrous and non-ferrous foundries are located in an attainment area for particulate matter, and the Respondent is not a major source except pursuant to the Clean Air Act Permit Program. Emissions from the Respondent's facility do

not injure or interfere with the protection of the health, general welfare and physical property of the people.

2. Respondent's facility has social and economic value.

3. Respondent's facility is suitable to the area in which it is located.

4. Respondent has implemented technically practicable and economically reasonable reductions in emissions from its facility.

IX.

CONSIDERATION OF SECTION 42(h) FACTORS

Section 42(h) of the Act, 415 ILCS 5/42(h) (1994), provides as follows:

In determining the appropriate civil penalty to be imposed under subdivisions (a), (b)(1), (b)(2) or (b)(3) of this Section, the Board is authorized to consider any matters of record in mitigation or aggravation of penalty, including but not limited to the following factors:

- 1) the duration and gravity of the violation;
- 2) the presence or absence of due diligence on the part of the violator in attempting to comply with requirements of this Act and regulations thereunder or to secure relief therefrom as provided by this Act;
- 3) any economic benefits accrued by the violator because of delay in compliance with requirements;

- 4) the amount of monetary penalty which will serve to deter further violations by the violator and to otherwise aid in enhancing voluntary compliance with this Act by the violator and other persons similarly subject to the Act; and
- 5) the number, proximity in time, and gravity of previously adjudicated violations of this Act by the violator.

In response to these factors the Complainant states as follows:

1. Since at least approximately December, 1986, Respondent constructed and operated its non-ferrous foundry operations at its facility, without obtaining an operating permit from the Agency. Additionally, at the time of the inspector's visit on February 19, 1991, Respondent failed to have any records of its cupola cap-up malfunction and of any excess emission that occurred as a result of the cap-up malfunction that occurred that day. From at least March 5, 1991, Respondent utilized large (oversized) inoculation ladles (MI-2) for its magnesium inoculation operation, without the use of an effective collection hood resulting in excess particulate emissions, known contaminants, being discharged into the environment. Respondent also ducted an emission collection intake to wet collector #6 to control emissions from its large inoculation ladles, the tapping area in addition to the emissions from sand shake-out #2.

Further, Respondent turned off and/or took out of service its afterburner, and operated the cupola without the afterburner as was required by its permit, resulting in the uncontrolled emissions of carbon monoxide. Respondent also operated three gas-fired ladle preheat burners in the tapping area of its ferrous foundry, without a permit issued by the Agency.

2. Respondent has been diligent in its attempts to comply with the requirements of the Act and Board's regulations following the Agency's notification of the violations.

3. Complainant is unaware of any quantifiable economic benefits accrued because of the delay in compliance with the regulatory requirements.

4. A civil penalty of twenty-nine thousand (\$29,000.00) dollars is reasonable based on the duration and nature of the violations.

5. On May 16, 1995, Beloit and this Complainant, filed with this Board, a Stipulation and Proposal for Settlement in settlement of alleged air pollution violations at Beloit's manufacturing plant located in Rockton, Winnebago County, Illinois (PCB 94-125).

In response to these factors, the Respondent states as follows:

1. The Agency improperly denied Respondent's permit application for the non-ferrous foundry. The operating permit for the grey iron foundry covered the use of large (oversized) inoculation ladles (L-2) in the magnesium inoculation operation. Respondent operated the large (oversized) inoculation ladles approximately 70.4 minutes per year and ceased their operation on June 24, 1993. Respondent operated its small inoculation ladles at all times with the use of air pollution control equipment. Respondent maintained the proper records of the February 19, 1991, cap-up malfunction of the cupola. Respondent operated its cupola with the afterburner to control emissions of carbon monoxide. Respondent was not required to obtain permits for the modification of wet collector #6 air pollution control equipment. The operating permit for the grey iron foundry covered the use of gas-fired ladle pre-heater burners.

2. The Respondent has been diligent in complying with requirements of the Act and regulations thereunder including the filing on February 1, 1993, of a Petition for Permit Review, PCB No. 93-16.

3. No economic benefits accrued to the Respondent.

X.

TERMS OF SETTLEMENT

1. Respondent shall pay a civil penalty of twenty-nine (\$29,000.00) thousand dollars into the Illinois Environmental Protection Trust Fund within thirty (30) days from the date on which the Board adopts a final order approving this Stipulation and Proposal for Settlement. Payment shall be made by certified check or money order, payable to the Treasurer of the State of Illinois, designated to the Illinois Environmental Protection Trust Fund and shall be sent by first class mail to:

Illinois Environmental Protection Agency
Fiscal Services Division
2200 Churchill Road
P.O. Box 19276
Springfield, IL 62794-9276

Respondent's Federal Employer Identification Number is 39-0159010, and such number shall appear on the face of the certified check or money order.

2. Pursuant to Section 42(g) of the Act, 415 ILCS 5/42(g) (1994), interest shall accrue on any penalty amount not paid within the time prescribed herein, at the maximum rate allowable under Section 1003(a) of the Illinois Income Tax Act, 35 ILCS 5/1003(a) (1994).

- a) Interest on unpaid penalties shall begin to accrue from the date the penalty amount is due and continue to accrue to the date payment is received.
- b) Where partial payment is made on any payment amount that is due, such partial payment shall be first applied to any interest on unpaid penalties.
- c) All interest on penalties owed the Complainant shall be paid by certified check payable to the Treasurer of the State of Illinois for deposit in the Environmental Protection Trust Fund and delivered to:

Illinois Environmental Protection Agency
Fiscal Services Division
2200 Churchill Road
P.O. Box 19276
Springfield, IL 62794-9276

The name and number of the case and Respondent's Federal Identification Number ("FEIN") shall appear on the face of the check. Respondent's FEIN is 39-0159010.

3. Effective immediately, the magnesium inoculation ladle(s) used in Respondent's magnesium inoculation operation shall have a diameter which is at least five (5) inches smaller

than the diameter of the magnesium inoculation collection hood.

4. Respondent shall at all times operate its cupola with its afterburner operating. Respondent shall operate its cupola with its afterburner at a minimum temperature of 1400 °F to control the emission of carbon monoxide in compliance with Section 216.381 of 35 Ill. Adm. Code.

5. Effective immediately, Respondent shall monitor the afterburner temperature of its cupola, and shall record such temperatures on a continuous basis. Respondent shall maintain at the foundry, all such temperature recordings for a period of three (3) years and shall make all such recordings available to the Agency during any inspection of the foundry.

6. Within sixty (60) days from the date on which the Board adopts a final order approving this Stipulation and Proposal for Settlement, Respondent shall perform a stack test for carbon monoxide ("CO") emissions from the cupola in accordance with Section 216.101 of 35 Ill. Adm. Code.

- a) Within fourteen (14) days of Respondent's receipt of the results of such stack test, Respondent shall provide to Complainant a copy of the results.
- b) In the event the stack test results show that the

emission of CO from the cupola exceeds the limitations contained in Section 216.381 of 35 Ill. Adm. Code, within thirty (30) days of receiving the results, Respondent shall initiate corrective measures. Beloit shall, within sixty (60) days of completion of the corrective measures, perform a stack test for CO emissions from the cupola in accordance with Section 216.101 of 35 Ill. Adm. Code. Within fourteen (14) days of Respondent's receipt of such stack test results, Respondent shall provide to Complainant a copy of the results.

7. Respondent shall at all times maintain all equipment utilized at its foundries, including but not limited to its ladles, baghouses, collection hood, the side draft hood and barrel fans located in the tapping area, and cupola, in such manner such that the operation of any equipment will not cause a violation of any statute and air pollution regulations.

8. By July 31, 1996, Respondent shall install capture and control of its tapping and pouring emissions in the ferrous foundry as follows:

a) Respondent shall engineer a side draft hood placed

adjacent to the cupola; shall engineer and install barrel fans to blow the air and particulate matter during tapping and pouring in the cupola area toward the hood; shall install the necessary duct work and fan; and shall add a 20,000 scfm baghouse to complement the existing 12,000 scfm magnesium inoculation baghouse;

- b) On October 30, 1995, Respondent submitted a construction permit application including the necessary engineering drawings to the Agency, for the construction and installation of the equipment, identified in paragraph X.8.a. above. On October 30, 1995, the Agency issued to Beloit, construction permit number 95100128, for the construction and installation of the equipment identified in paragraph X.8.a. above, as Respondent demonstrated compliance with the applicable statutes and air pollution regulations in its construction permit application. A copy of this permit was provided to the Attorney General's Office.

- c) Within thirty (30) days of completion of the installation, of the equipment identified in paragraph X.8.a. above, Respondent shall notify the Agency and the Attorney General;
- d) Once the above-referenced equipment is installed, operating, capturing and controlling Beloit's tapping and pouring emissions in accordance with permit number 95100128 issued to Beloit on October 30, 1995, Complainant acknowledges that Respondent will be in compliance with the applicable statutes and air pollution control regulations.

9. On December 23, 1994, Respondent provided to the Agency a draft operating permit application for both its ferrous and non-ferrous foundry including all equipment and related control device(s) associated with both foundries. No later than sixty (60) days from the date on which the Board adopts a final order approving this Stipulation and Proposal for Settlement, Respondent shall file with the Agency a final completed operating permit application.

10. Respondent shall obtain all permits for the operation of its ferrous and non-ferrous foundries. Respondent retains all of its rights to permit review. Once final, and not subject to

any permit review, Respondent shall at all times comply with any and all standard and special condition(s) contained in any and all such operating permit(s) issued by the Agency.

11. Respondent currently has pending a Permit Appeal, case number PCB 93-16. Respondent agrees to dismiss such permit appeal case within fourteen (14) days from the date on which the Board' adopts a final order approving this Stipulation and Proposal for Settlement, or within fourteen (14) days of receiving final permit(s) from the Agency, whichever is later. Final permit(s) as used herein shall mean the permits that are at issue in this case.

12. The Respondent does not admit to past violations of the Act and applicable air pollution control regulations.

XI.

CERTIFICATION AND REPORTS

1. All certifications, correspondence(s), documents, notifications, reports, scope of work, studies, and any other documentation required by this Stipulation and Proposal for Settlement shall be submitted in writing and sent by certified mail or any form of mail delivery which records the date of receipt, to the Attorney General and the Agency at the addresses which appear below or to such other addresses which the Attorney

General and the Agency may hereafter designate in writing.

Karen Barancik
Assistant Counsel
Illinois EPA
2200 Churchill Road
Springfield, IL
62794-9276

RoseMarie Cazeau or designee
Assistant Attorney General
Environmental Bureau
100 West Randolph Street
Chicago, IL 60601

Tom Walsh
Illinois EPA
4302 North Main Street
Rockford, IL 61103

Howard Chinn, P.E.
Chief Engineer
Attorney General's Office
Environmental Bureau
100 West Randolph Street
Chicago, IL 60601

Don Sutton
Manager, DAPC Permit
Section
Illinois EPA
2200 Churchill Road
Springfield, IL 62794-9276

2. All documents including plans, approvals and all other
correspondence(s) to be submitted to Beloit pursuant to this
Stipulation and Proposal for Settlement shall be sent to:

Dixie Laswell, Esq.
Seyfarth, Shaw, Fairweather & Geraldson
55 East Monroe Street
Suite 4200
Chicago, IL 60603-5803

Cris Proctor
Foundry Engineer
Beloit Corporation
429 Gardner Street
South Beloit, IL

XII.

COMPLIANCE WITH OTHER LAWS AND REGULATIONS

This Settlement Agreement in no way affects Respondent's responsibility to comply with any federal, state or local regulations, including but not limited to, the Act, 415 ILCS 5/1 et seq. (1994), and the Board's Air Pollution Regulations, 35 Ill. Adm. Code Subtitles A through H.

XIII.

RIGHT OF ENTRY

In addition to any other authority, the Agency, its employees and representatives, and the Illinois Attorney General, his agents and representatives, in accordance with constitutional limitation shall have right of entry into and upon Beloit's ferrous and non-ferrous foundry which are the subject of this Stipulation and Proposal for Settlement at all reasonable times for the purposes of carrying out inspections including taking photographs, collecting samples, collecting information, and enforcing the terms of this Stipulation and Proposal for Settlement.

XIV.

DISCHARGE OF LIABILITY

In consideration of Beloit's payment of a \$29,000.00 penalty, the actions Beloit has taken to date and shall take pursuant to this Stipulation and Proposal for Settlement, the commitment to refrain from further violations of the Act, and the dismissal by Beloit of its Permit Appeal, case number PCB 93-16 which is currently pending before the Pollution Control Board, the Complainant shall release, waive and discharge, Beloit from violations of the Act which were the subject matter of the Complaint herein, upon completion of all actions required by this Stipulation and Proposal for Settlement and upon receipt by Complainant of all payments required in Section X. of this Stipulation and Proposal for Settlement.

However, nothing in this Stipulation and Proposal for Settlement shall be construed as a waiver by the Complainant of the right to redress future violations of the Act, the Board's Regulations or this Stipulation and Proposal for Settlement, or to obtain penalties with respect thereto.

XV.

FINAL COMPLIANCE AND TERMINATION OF THE STIPULATION
AND PROPOSAL FOR SETTLEMENT

1. Final Compliance

The Respondent shall notify the Complainant, in writing, within sixty (60) days after achieving final compliance with the terms of this Stipulation and Proposal for Settlement. The notification of final compliance shall be attested to by a responsible corporate official of Respondent who shall state:

"I certify under penalty of law that this document was prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted based on my inquiry of those persons directly responsible for gathering the information, and that the information submitted in or accompanying this notification of final compliance is to the best of my knowledge true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and/or imprisonment for knowing violations."

Upon receipt of Respondent's certificate of final compliance, the Complainant shall, within sixty (60) days thereof, notify Respondent in writing of any dispute concerning any of the information set forth in or accompanying the certificate of final compliance. Such certificate shall not be deemed to demonstrate Respondent's final compliance until any and all disputed issues are resolved between Respondent and the

Complainant.

2. Termination of Stipulation and Proposal for Settlement

Except as specifically provided herein, this Stipulation and Proposal for Settlement shall terminate sixty (60) days following Respondent's demonstration of final compliance as set forth in Section XV.1. above and the resolution of all disputed matters.

However, Sections X. 4, 7 and 10 shall survive and shall not be subject to and are not affected by the termination of any other provision(s) of this Stipulation and Proposal for Settlement.

WHEREFORE, Complainant and Respondent request that the Board adopt and accept this Stipulation and Proposal for Settlement as written.

AGREED:

FOR THE COMPLAINANT:

FOR THE RESPONDENT:


PEOPLE OF THE STATE OF ILLINOIS

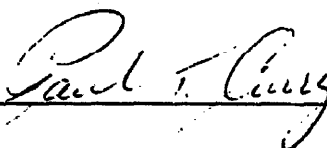
BELOIT CORPORATION

JAMES E. RYAN
Attorney General of the
State of Illinois

PAUL T. CURRY
GENERAL MANAGER

MATTHEW J. DUNN, Chief
Environmental Enforcement Division

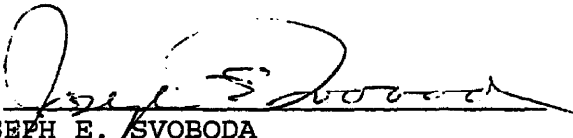
By: 
WILLIAM D. SEITH, Chief
Environmental Bureau
Assistant Attorney General

By: 

Dated: 11/13/95

Dated: 11/1/95

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

By: 
JOSEPH E. SVOBODA
General Counsel
Division of Legal Counsel

Dated: 11/7/95

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