Tsai, Shu-Mei

From: Jessica Wojick [jwojick@ArnoldMagnetics.com]
Sent: Tuesday, March 01, 2011 12:54 PM
To: Tsai, Shu-Mei
Subject: RE: Sampling monitoring

1278 B-11
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MAR 0 1 2011
Environmental Protection Agency
WPC-Permit Log In

Shu-Mei –

Please see our response to your questions:

RELEASABLE

Q1. Is nickel only one metal Arnold will sampling?
Response: As part of the permit renewal application, Arnold analyzed its effluent for 23metals, which are listed as follows: Al, Sb, As, Ba, Be, B, Cd, Cr, Co, Cu, Fe, Pb, Mg, Mn, Hg, Mo, Ni, Se, Ag, Tl, Sn, Ti, and Zn. These metals were either not detected or were detected at levels well below the Illinois groundwater quality criteria. Nickel is a predominant metal used in our production process and was the only metal with a concentration near the Illinois groundwater quality criteria. Accordingly, we suggest that it is appropriate to monitor for nickel in the effluent.

Q2. How long has the percolation field operated?
Response: To our knowledge, the percolation field has operated since the system was constructed and first operated in 1964.

Q3: I remember Arnold requests to remove groundwater wells monitoring, so 300 West LLC does the groundwater wells monitoring?
Response: 300 West LLC is the owner of the property and has enrolled the property in the Illinois Site Remediation Program. To our knowledge, 300 West LLC will continue to monitor the groundwater wells as part of its remedial activities under the Site Remediation Program. Arnold, as tenant, will continue to provide access to 300 West LLC to allow it to monitor the groundwater wells.

Jessica A. Wojick, CHMM
Corp. Director of Environmental, Health & Safety Affairs
Arnold Magnetic Technologies
770 Linden Avenue
Rochester, NY 14625
Office: (585) 385-9010 x 289
Cell: (585) 303-5344

Please consider the environment before printing this e-mail

From: Tsai, Shu-Mei [mailto:Shu-Mei.Tsai@Illinois.gov]
Sent: Thursday, February 24, 2011 4:31 PM
To: Jessica Wojick
Subject: Sampling monitoring

Jessica:

I got the sampling monitoring concerns from my supervisor.

1. Is nickel only one metal Arnold will sampling?
2. How long has the percolation field operated?
3. I remember Arnold requests to remove groundwater wells monitoring, so 300 West LLC does the groundwater wells monitoring?

Shu-Mei

from disclosure under applicable law or may constitute as attorney work product. If you are not the intended recipient, you are hereby notified that any use, dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, notify us immediately by telephone and (i) destroy this message if a facsimile or (ii) delete this message immediately if this is an electronic communication. Thank you.

Tsai, Shu-Mei

From: Keller, Al
Sent: Friday, March 18, 2011 1:50 PM
To: Tsai, Shu-Mei; LeCrone, Darin
Subject: FW: Conf Call for Arnold Magnetics WPCP 2011EO1001

(866) 624-3791
8117133

Importance: High

RELEASABLE

12786-11

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MAR 18 2011
Environmental Protection Agency
WPC-Permit Log In

Are you 2 available next Thursday at 11.

Alan Keller, P.E.
Manager, Permit Section
Division of Water Pollution Control
1021 North Grand Avenue East
PO Box 19276
Springfield, Il 62794-9276

217 782-0610 phone
217 782-9891 fax
al.keller@illinois.gov

From: Robin Garibay [mailto:rgaribay@environcorp.com]
Sent: Friday, March 18, 2011 12:15 PM
To: Keller, Al
Subject: Conf Call for Arnold Magnetics WPCP 2011EO1001
Importance: High

Al:

Thanks so much for your time and attention this morning.

The permit in question does not go until effect, as we are understanding it, until April 1.

Is there a possibility of having a quick (30 min max) conference call with you, and the staff you wish to have involved, next week or afternoon of March 28th?

Arnold would like to be able to be clear under what terms, monitoring, and limits Arnold is operating under going forward earlier than the scheduled March 30th 10 am central conference call.

Also, unbeknowst to me, the client has a personal conflict with a conference call on March 30th that unfortunately can't be changed.

Thanks again,

Robin L. Garibay, REM
Principal
ENVIRON International Corp.
4350 North Fairfax Dr, Ste. 300
Arlington, VA 22203
703.516.2431 (o)
703.516.2302 (fax)
www.environcorp.com

Please note new office phone number and new fax number

1278D-11

RECEIVED
MAR 24 2011
Environmental Protection Agency
WPC-Permit Log In

Tsai, Shu-Mei

From: Jessica Wojick [jwojick@ArnoldMagnetics.com]
Sent: Thursday, March 24, 2011 1:20 PM
To: Keller, Al; Tsai, Shu-Mei
Subject: Arnold Magnetic Tech WPCP 2006-EO-0690 (Updated 2011-EO-1001)

Al and Shu-Mei -

RELEASABLE

Again we would like to thank you both for your time yesterday and we appreciate your willingness to work together with us to achieve a WPCP that is reflective of our business operations. As we discussed yesterday, Arnold Magnetic Technologies (Arnold Engineering) does not use any products in its manufacturing process which contain chlorinated solvents and therefore the wastewater generated at the facility does not have any of the chlorinated solvents which are the focus of the sites enrollment in the IL State Voluntary Remediation Program by the property owner 300 West LLC.

Also, we went back to Prairie Analytical who conducts the monthly wastewater sampling for our site and asked them to report the antimony level for the sample that they obtained from our Pond 4 effluent discharge. Our existing permit does not call for antimony to be reported for this sample location, but because other metals are part of the normal reporting package, the lab was easily able to provide us with the antimony results and is shown below:

Sampling Results for Treated Effluent from Arnold Magnetics' Marengo, IL Plant

Laboratory: Prairie Analytical Systems, Inc.
Address: 1210 Capital Airport Drive, Springfield IL 62707
Sample Type: Pond 4 Effluent Grab
Method: SW 6020A
Sample Date: 3/11/2011

Analytical Results

Analyte	Value	Units
Tetrachloroethene	< 5	µg/L
1,1,1-Trichloroethane	< 5	µg/L
Trichloroethene	< 5	µg/L
Antimony	< 0.005	mg/L
Chromium	< 0.005	mg/L
Cobalt	0.0236	mg/L
Nickel	0.0434	mg/L
pH	6.86	SU
Total Dissolved Solids	330	mg/L

Please let us know if there is any further information you need from us to achieve the modified WPCP to include the following requirements as stated in the email from Shu-Mei to myself on 2/15/2011 and 2/16/2011:

Email from 2/15/2011:
"This will be new language for Special Condition 4:

Monitoring and Reporting Requirements – The discharge to the percolation pond shall not exceed the Class I Groundwater Standards.
A. Samples shall be collected of the treated wastewater at a point representative of the discharge from Pond #4 (final stage) but prior to entry into the ditch tributary to the percolation field. All samples shall be analyzed for the following parameters:

Parameter	Sample Type	Frequency	Class I Groundwater Quality Standards
Total Residual Chlorine, mg/l	Grab	Once/Month	0.011 mg/l – modified to be monitoring only
Nickel, mg/l	Grab	Once/Month	0.1 mg/l
pH	Grab	Once/Month	6.5 - 9.0 SU"

Email from 2/16/2011:
"I talked to the Water standard Unit people and I am going to put monitoring only for total residual chlorine unless my supervisor doesn't agree with that.
Once per month sampling can be reported as a monthly average. "

RELEASABLE

Best Regards -

Jessica A. Wojick, CHMM
Corp. Director of Environmental, Health & Safety Affairs
Arnold Magnetic Technologies
770 Linden Avenue
Rochester, NY 14625
Office: (585) 385-9010 x 289
Cell: (585) 303-5344


Please consider the environment before printing this e-mail

General Background Information on Arnold Magnetic Technologies:

The owner of the reported approximately 72-acre property is 300 West LLC, per the DRM-1 Form received in May 2008. (In casual discussions, personnel affiliated with the site generally refer to "John Daley" as being the owner.)

Arnold Magnetic Technologies (formerly Arnold Engineering) evidently owned and occupied the site from the early 1900s until circa 2006, when the property was purchased by 300 West LLC. According to the consultant, Bill Lennon of Environmental Group Services, Ltd., a Comprehensive NFR is sought for financing purposes. 300 West LLC/Daley reportedly purchased the property with an agreement that Arnold could stay there for up to ten years, but plans to eventually develop the site for residential or mixed uses.

Arnold utilizes the site for the manufacturer of the manufacturer of magnetic components and rolled metal products. Per the *Phase I Environmental Site Assessment*, the property was originally developed in the late 1890s and first used as a rail yard and railroad engine manufacturing/maintenance facility. The property was then purchased by Arnold in the early 1900s, with magnetic operations/manufacturing beginning in the 1950s.

Information Regarding Existing Wastewater Treatment Facilities and Groundwater Monitoring Wells:

Based on application forms – received within the past few years – for DWPC Operating Permit renewals, a wastewater treatment system has existed at the site since approximately the mid-1960s, and the operation/configuration of the existing system has remained the essentially same since 1993. Treatment is provided by four in-series ponds, which discharge to a ditch tributary to a percolation field. An activated sludge package plant (aeration tank, clarifier and aerobic sludge digestion compartments) followed by disinfection with sodium hypochlorite, discharges into the pond system. The ponds also receive process wastewater, non-contact cooling water and stormwater runoff. Effluent from the last pond (Pond #4) is either recycled back into plant operations (reportedly including to a boiler) or discharged to a percolation field via an "industrial ditch".

The 1989 Renewal of the Operating Permit for the Wastewater Treatment and Recycle System required that a system of monitoring wells be installed to allow for an assessment of potential impacts of the facility on local groundwater quality. As a result, three monitoring wells (MW-1, MW-2 and MW-3) were installed in 1990 (to depths varying from approximately 22 to 27 feet), at the locations shown on the attachment.

In a letter dated February 4, 2005, to Beth Unser of the IEPA BOW/DWPC-Permit Section, it was indicated that groundwater monitoring of MW-1 through MW-3 was started in January 1998 *(This does not appear to be accurate. As described later, groundwater sampling was performed in the early and mid-1990s.)*

In 2001, five additional monitoring wells (MW-A4 through MW-A8) were installed, in response to DWPC Permit conditions in effect at the time, with the wells located with the intent of allowing an evaluation

of groundwater flow and quality in the proximity of MW-3. Information is incomplete, but it appears likely that all five of these wells were installed to depths of approximately 20 to 30 feet. In July 2001, the five new wells and MW-3 were sampled for 1,1,1-TCA and what were reported to be potential breakdown products of the compound. At that time the only GROs exceeded were the Class I objectives for 1,1,1-TCA (GRO of 0.2 mg/l) and 1,1-DCE (GRO of 0.007 mg/l). At MW-3, the 1,1,1-TCA concentration was reported as 2.4 mg/l and the 1,1-DCE concentration was reported as 0.180. At MW-A6, the 1,1-DCE concentration was reported as 0.075 mg/l.

DWPC Permit No. 2004-EO-0971 was issued in July 2004, and required that all eight of the monitoring wells (MW-1 through 3 and A4 through A8), along with discharges from Pond #4, be monitored 1/month for 1,1,1-DCA, PCE, TCE, TDS, Nickel and pH. The same permit also required that at least one additional monitoring well be installed, downgradient of "emergency overflow" Pond #6. (Apparently Pond #6 no longer exists – though information regarding this pond is incomplete, confusing and contradictory. The pond was evidently located very near MW-3.) In response to the permit requirement, in November 2004 a new well, MW-A9, was installed (to a depth of approximately 20 feet) off-site, in the railroad right-of-way approximately 300 feet downgradient of MW-3. Also in November 2004, well MW-A8RE was installed (to a depth of approximately 26 feet) as a replacement for MW-8, which could not be located. By the end of November 2004, wells MW-A8RE and MW-A9 had been integrated into the monthly groundwater monitoring program.

Monitoring Well Data:

<u>On-Site Monitoring Wells MW-1 Through MW-3 (Primary Concerns are Excursions of Class I GROs for 1,1,1-TCA and PCE at MW-3, in the Northwest Corner of the Property</u>:

Monitoring Wells MW-1 through MW-3 have apparently been sampled monthly for selected VOCs since circa 1990. The IEPA Operating Permit(s) for the facility that were in effect in the early 1990s required monitoring for 1,1,1-TCA, acetone, and MEK (2-Butanone). Substantial information on early sampling is in IEPA BOW files, but is cumbersome to go through and may not be complete. I did not see any indication that MEK or Acetone were ever reported in concentrations that raised concerns from any of the wells, with the vast majority of sample results for both reported as less than laboratory detection limits. The highest reported concentration of either was an Acetone concentration of 0.097 mg/l (as compared to the Class I GRO of 6.3 mg/l).

On the other hand, in the early and mid 1990s, 1,1,1-TCA was often detected at concentrations over the detection limit at MW-3. The first time I found that the 1,1,1-TCA GRO of 0.2 mg/l had been exceeded was in October 1996 – with a reported concentration of 0.23 mg/l. *Generally speaking, 1,1,1-TCA concentrations at MW-3 rose for several years, peaking during the years 1999-2002. The highest reported 1,1,1-TCA concentration was 4.9 mg/l, in November 1999, with concentrations of over 1 mg/l reported frequently from July 1999 through January 2002. 1,1,1-TCA concentrations at MW-3 continued to be frequently over the GRO (but less than 1 mg/l) through February 2003.* There have not been any reported 1,1,1-TCA excursions of the Class I GRO at MW-3 since February 2003. However, PCE

excursions (0.018 maximum, GRO is 0.005 mg/l) have been commonplace, with occasional Nickel and TCE excursions also reported, since 2003.

On-Site Monitoring Wells MW-A4 Through MW-A8 (Primary Concern is Excursion of Class I GRO for 1,1,1-TCA and PCE at MW-A7, in the Northwest Portion of the Property):

In 2001, five additional monitoring wells (MW-A4 through MW-A8) were installed, in response to DWPC Permit conditions in effect at the time, with the wells located with the intent of allowing an evaluation of groundwater flow and quality in the proximity of MW-3. In July 2001, the five new wells and MW-3 were sampled for 1,1,1-TCA and what were reported to be potential breakdown products of the compound. At that time the only GROs exceeded were the Class I objectives for 1,1,1-TCA (GRO of 0.2 mg/l) and 1,1-DCE (GRO of 0.007 mg/l). At MW-3, the 1,1,1-TCA concentration was reported as 2.4 mg/l and the 1,1-DCE concentration was reported as 0.180 mg/l. At MW-A6, the 1,1-DCE concentration was reported as 0.075 mg/l.

It appears that wells MW-A4 through MW-A8 were not sampled again until November 2004, when monthly sampling was implemented per a requirement of DWPC Permit No. 2004-EO-0971. (Prior to this sampling well MW-A8RE was installed as a replacement for MW-A8, which could not be located.) Since November 2004, all five of the monitoring wells have been sampled 1/month for 1,1,1-TCA, PCE, TCE, TDS, Nickel and pH. For the three VOCs, concentrations have consistently been reported as less than laboratory detection limits at MW-A4 and MW-A5. At MW-A6 and MW-A8(RE), 1,1,1-TCA has consistently been detected, but at reported concentrations under the GRO of 0.2 mg/l, while PCE and TCE concentrations have consistently been reported as less than detection limits. At MW-A7, 1,1,1-TCA was consistently detected, but at concentrations of less than the GRO, in the monthly samples collected from November 2004 through November 2005. *The December 2005 sample resulted in a reported 1,1,1-TCA concentration of 0.240 mg/l, and most of the monthly samples collected from December 2005 through January 2008 indicated excursions of the GRO of 0.2 mg/l – with a maximum of 0.713 mg/l. No groundwater sample was collected at MW-A7 in February 2008; starting with the March 2008 sample, 1,1,1-TCA has consistently been detected at MW-A7, but at less than the GRO. PCE and TCE have generally been reported at less than detection limits at MW-A7, but on several occasions relatively minor excursions of the TCE GRO of 0.005 mg/l have been reported – with a maximum TCE concentration of 0.0062 mg/l.*

Off-Site Monitoring Well MW-A9:

In response to a requirement in DWPC Permit No. 2004-EO-0971, in November 2004 a new well, MW-A9, was installed off-site, in the railroad right-of-way approximately 300 feet downgradient of MW-3. Starting in November 2004, MW-A9 was sampled on the same schedule as the other monitoring wells, 1/month for 1,1,1-TCA, PCE, TCE, TDS, Nickel and pH. *Monthly sampling was performed from November 2004 through April 2006, with all VOCs results reported as less than laboratory detection limits. Sampling was discontinued after April 2006; I am not aware of any explanation for this.*

Tsai, Shu-Mei

1278E11

From: Zook, Tim
Sent: Friday, March 25, 2011 9:38 AM
To: Tsai, Shu-Mei
Subject: RE: 300 West LLC
Attachments: ARNOLD Misc.docx; Arnold Mag Tech Permit Memo1.doc

Shu-Mei,

The property, with 300 West LLC as the owner, enrolled in the Voluntary Site Remediation Program in May 2008 and is still in the program. Arnold Magnetic Technologies owned the site for many years, until it was purchased by 300 West LLC in about 2006. I was told that when 300 West LLC purchased the property there was an agreement that Arnold could stay there for up to ten years. (I have not seen anything in writing about such an agreement.)

As far as involvement with the Site Remediation Program - this is a large site with a long history of industrial use. Several rounds of soil and groundwater sampling have been conducted, focusing on potential problem areas, but no actual clean-up activities have taken place. I suspect that this site will be in our program for several years.

Arnold has been operating a wastewater treatment system for years, under a series of Operating Permits, the most recent of which is Permit No. 2006-EO-0690, with an expiration date of March 31, 2011. A number of monitoring wells exist in the current Operating Permit (and have existed in previous permits), with regularly sampling required.

Attached are a couple of documents that may provide you with some useful information. One of the documents is a memo to Al in which I requested additional monitoring when the BOW Operating Permit is renewed.

Tim

From: Tsai, Shu-Mei
Sent: Wednesday, March 23, 2011 4:44 PM
To: Zook, Tim
Subject: RE: 300 West LLC

OK, thanks

From: Zook, Tim
Sent: Wednesday, March 23, 2011 4:43 PM
To: Tsai, Shu-Mei
Subject: RE: 300 West LLC

300 West LLC is in our program, and has been for a while. They have done quite a bit of groundwater monitoring. I need to go now and am off tomorrow, but will give you more detailed answers on Friday.

From: Tsai, Shu-Mei
Sent: Wednesday, March 23, 2011 4:27 PM
To: Zook, Tim
Subject: RE: 300 West LLC

Tim:

Al and I just had a meeting with Arnold Magnetic Technologies. Arnold is a tenant, and rents the property from 300 West LLC. Arnold mentioned that your name. Arnold is located at 300 North West Street, Marengo, Illinois 60152. Does this help?

Shu-Mei

From: Zook, Tim
Sent: Wednesday, March 23, 2011 4:24 PM
To: Tsai, Shu-Mei
Subject: RE: 300 West LLC

RELEASABLE

Hi Shu-Mei,

It sounds vaguely familiar, but may be enrolled under another name. What town is it in?

From: Tsai, Shu-Mei
Sent: Wednesday, March 23, 2011 4:10 PM
To: Zook, Tim
Subject: 300 West LLC

Hello, Tim:

Would like to have some answers from you.

1. Is 300 West LLC under the Site Remediation Program now
2. When did they start this program?
3. Do they do any groundwater monitoring?
4. More information you can provide

Thanks
Shu-Mei

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
WATER POLLUTION CONTROL PERMIT

LOG NUMBERS: 1278-11

PERMIT NO.: 2011-EO-1001-1

FINAL PLANS, SPECIFICATIONS, APPLICATION AND SUPPORTING DOCUMENTS
PREPARED BY: Arnold Magnetic Technologies

DATE ISSUED: March 31, 2011

SUBJECT: ARNOLD ENGINEERING CORPORATION (MARENGO FACILITY) - Wastewater Treatment and Recycle System - McHenry County

PERMITTEE TO OPERATE

RELEASABLE

Arnold Magnetic Technologies - Arnold Engineering
300 North West Street
Marengo, Illinois 60152

Supplemental permit is hereby granted to the above designated permittee(s) to construct and/or operate water pollution control facilities, which were previously approved under Permit #2011-EO-1001 dated January 12, 2011. Special Condition 4 has been revised below:

SPECIAL CONDITION 4: Monitoring and Reporting Requirements – The discharge to the percolation pond shall not exceed the Class I Groundwater Standards.

A. Samples shall be collected of the treated wastewater at a point representative of the discharge from Pond #4 (final stage) but prior to entry into the ditch tributary to the percolation field. All samples shall be analyzed for the following parameters:

Parameter	Sample Type	Frequency	Class I Groundwater Quality Standards
Total Residual Chlorine	Grab	Once/Month	0.05 mg/l
Nickel	Grab	Once/Month	0.1 mg/l
pH	Grab	Once/Month	6.5 - 9.0 SU

B. Flow rate from Pond #4 to the ditch tributary to the percolation field shall be recorded, in million gallons per day, as a daily maximum and monthly average.

C. Monitoring shall be conducted according to test procedures approved in 40 CFR 136 or other Agency approved methods. The monitoring results and flow data shall be tabulated and submitted to the Agency on a semi-annual basis (May and November of each year) to the following addresses:

Illinois Environmental Protection Agency
Division of Water Pollution Control
Compliance Assurance Section
1021 North Grand Avenue East

Illinois Environmental Protection Agency
DWPC - Des Plaines Region
9511 W. Harrison
Des Plaines, Illinois 60016

THE STANDARD CONDITIONS OF ISSUANCE INDICATED ON THE REVERSE SIDE MUST BE COMPLIED WITH IN FULL. READ ALL CONDITIONS CAREFULLY.

SAK:SMT:1278-11.docx

DIVISION OF WATER POLLUTION CONTROL

cc: EPA-Peoria FOS
Arnold Magnetic Technologies
Records - Industrial
Binds

Alan Keller, P.E.
Manager, Permit Section

READ ALL CONDITIONS CAREFULLY:
STANDARD CONDITIONS

RELEASABLE

The Illinois Environmental Protection Act (Illinois Revised Statutes Chapter 111-12. Section 1039) grants the Environmental Protection Agency authority to impose conditions on permits which it issues.

1. Unless the construction for which this permit is issued has been completed, this permit will expire (1) two years after the date of issuance for permits to construct sewers or wastewater sources or (2) three years after the date of issuance for permits to construct treatment works or pretreatment works.

2. The construction or development of facilities covered by this permit shall be done in compliance with applicable provisions of Federal laws and regulations, the Illinois Environmental Protection Act, and Rules and Regulations adopted by the Illinois Pollution Control Board.

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

4. The permittee shall allow any agent duly authorized by the Agency upon the presentations of credentials:

   a. to enter at reasonable times, the permittee's premises where actual or potential effluent, emission or noise sources are located or where any activity is to be conducted pursuant to this permit;

   b. to have access to and copy at reasonable times any records required to be kept under the terms and conditions of this permit;

   c. to inspect at reasonable times, including during any hours of operation of equipment constructed or operated under this permit, such equipment or monitoring methodology or equipment required to be kept, used, operated, calibrated and maintained under this permit;

   d. to obtain and remove at reasonable times samples of any discharge or emission of pollutants;

   e. to enter at reasonable times and utilize any photographic, recording, testing, monitoring or other equipment for the purpose of preserving, testing, monitoring, or recording any activity, discharge, or emission authorized by this permit.

5. The issuance of this permit:

   a. shall not be considered as in any manner affecting the title of the premises upon which the permitted facilities are to be located;

   b. does not release the permittee from any liability for damage to person or property caused by or resulting from the construction, maintenance, or operation of the proposed facilities;

   c. does not release the permittee from compliance with other applicable statutes and regulations of the United States, of the State of Illinois, or with applicable local laws, ordinances and regulations;

   d. does not take into consideration or attest to the structural stability of any units or parts of the project;

   e. in no manner implies or suggests that the Agency (or its officers, agents or employees) assumes any liability, directly or indirectly, for any loss due to damage, installation, maintenance, or operation of the proposed equipment or facility.

6. Unless a joint construction/operation permit has been issued, a permit for operating shall be obtained from the agency before the facility or equipment covered by this permit is placed into operation.

7. These standard conditions shall prevail unless modified by special conditions.

8. The Agency may file a complaint with the Board for suspension or revocation of a permit:

   a. upon discovery that the permit application contained misrepresentations, misinformation or false statement or that all relevant facts were not disclosed; or

   b. upon finding that any standard or special conditions have been violated; or

   c. upon any violation of the Environmental Protection Act or any Rules or Regulation effective thereunder as a result of the construction or development authorized by this permit.

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
WATER POLLUTION CONTROL PERMIT

LOG NUMBERS: 1278-11

PERMIT NO.: 2011-EO-1001-1

FINAL PLANS, SPECIFICATIONS, APPLICATION AND SUPPORTING DOCUMENTS
PREPARED BY: Arnold Magnetic Technologies

DATE ISSUED: March 31, 2011

SUBJECT: ARNOLD ENGINEERING CORPORATION (MARENGO FACILITY) - Wastewater Treatment and Recycle System - McHenry County

Post Office Box 19276
Springfield, Illinois 62794-9276

RELEASABLE

This operating permit expires on December 31, 2015.

All standard and special conditions and provisions of the original permit are also applicable to this permit unless specifically deleted or revised in this permit.

READ ALL CONDITIONS CAREFULLY:
STANDARD CONDITIONS

The Illinois Environmental Protection Act (Illinois Revised Statutes Chapter 111-12. Section 1039) grants the Environmental Protection Agency authority to impose conditions on permits which it issues.

1. Unless the construction for which this permit is issued has been completed, this permit will expire (1) two years after the date of issuance for permits to construct sewers or wastewater sources or (2) three years after the date of issuance for permits to construct treatment works or pretreatment works.

2. The construction or development of facilities covered by this permit shall be done in compliance with applicable provisions of Federal laws and regulations, the Illinois Environmental Protection Act, and Rules and Regulations adopted by the Illinois Pollution Control Board.

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

4. The permittee shall allow any agent duly authorized by the Agency upon the presentations of credentials:

   a. to enter at reasonable times, the permittee's premises where actual or potential effluent, emission or noise sources are located or where any activity is to be conducted pursuant to this permit;

   b. to have access to and copy at reasonable times any records required to be kept under the terms and conditions of this permit;

   c. to inspect at reasonable times, including during any hours of operation of equipment constructed or operated under this permit, such equipment or monitoring methodology or equipment required to be kept, used, operated, calibrated and maintained under this permit;

   d. to obtain and remove at reasonable times samples of any discharge or emission of pollutants;

   e. to enter at reasonable times and utilize any photographic, recording, testing, monitoring or other equipment for the purpose of preserving, testing, monitoring, or recording any activity, discharge, or emission authorized by this permit.

5. The issuance of this permit:

   a. shall not be considered as in any manner affecting the title of the premises upon which the permitted facilities are to be located;

   b. does not release the permittee from any liability for damage to person or property caused by or resulting from the construction, maintenance, or operation of the proposed facilities;

   c. does not release the permittee from compliance with other applicable statutes and regulations of the United States, of the State of Illinois, or with applicable local laws, ordinances and regulations;

   d. does not take into consideration or attest to the structural stability of any units or parts of the project;

   e. in no manner implies or suggests that the Agency (or its officers, agents or employees) assumes any liability, directly or indirectly, for any loss due to damage, installation, maintenance, or operation of the proposed equipment or facility.

6. Unless a joint construction/operation permit has been issued, a permit for operating shall be obtained from the agency before the facility or equipment covered by this permit is placed into operation.

7. These standard conditions shall prevail unless modified by special conditions.

8. The Agency may file a complaint with the Board for suspension or revocation of a permit:

   a. upon discovery that the permit application contained misrepresentations, misinformation or false statement or that all relevant facts were not disclosed; or

   b. upon finding that any standard or special conditions have been violated; or

   c. upon any violation of the Environmental Protection Act or any Rules or Regulation effective thereunder as a result of the construction or development authorized by this permit.