

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE)	
OF ILLINOIS,)	
)	
Complainant,)	
)	
v.)	PCB NO. 04-137
)	(Enforcement - Air)
RAIN CII CARBON LLC,)	
(formerly known as)	
Robinson Carbon, Inc.),)	
a foreign limited liability company,)	
)	
Respondent.)	

NOTICE OF FILING AND SERVICE

To: ALL PERSONS ON THE ATTACHED CERTIFICATE OF SERVICE

Please take note that today, January 10, 2017, Complainant, People of the State of Illinois, filed a Notice of Filing and Service, a Motion for Waiver of Hearing Requirement, and a Stipulation and Settlement Agreement with the Clerk of the Pollution Control Board in the above-referenced case, copies of which are hereby served upon you.

Respectfully Submitted,

By: s/ Evan J. McGinley
EVAN J. MCGINLEY
Assistant Attorneys General
Environmental Bureau
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CERTIFICATE OF SERVICE

People of the State of Illinois v. Rain CII Carbon LLC, PCB 04-137

I, EVAN J. MCGINLEY, do hereby certify that, today, January 10, 2017, I caused to be served by electronic mail, true and correct copies of this attached Notice of Filing, a Motion for Waiver of Hearing Requirement, and a Stipulation and Settlement Agreement in the above referenced case, on the individuals listed below:

Carol Webb
Hearing Officer
Illinois Pollution Control Board
1021 North Grand Avenue East
P.O. Box 19274
Springfield, Illinois 62794-9274
Carol.Webb@illinois.gov

Don Brown
Clerk of the Pollution Control Board
James R. Thompson Center
100 West Randolph, Suite 11-500
Chicago, Illinois 60601
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Roy M. Harsch
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s/ Evan J. McGinley
Evan J. McGinley

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MOTION FOR RELIEF FROM HEARING REQUIREMENT

NOW COMES Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, and pursuant to Section 31(c)(2) of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/31(c)(2) (2014), moves that the Illinois Pollution Control Board (“Board”) grant the parties in the above-captioned matter relief from the hearing requirement imposed by Section 31(c)(1) of the Act, 415 ILCS 5/31(c)(1) (2014). In support of this motion, Complainant states as follows:

1. The Third Amended Complaint in this matter alleges violations of Sections 9(a), 9(b), and 39.5(6)(a) of the Act, 415 ILCS 5/9(a), 9(b) and 39.5(6)(a), Sections 201.141 and 212.321 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.141 and 212.321, Section 254.132(a) of the Illinois EPA Air Pollution Regulations , 35 Ill. Adm. Code 254.132(a), as well as multiple conditions under its prior Operating Permit (#7511042), and CAAPP Permit.
2. The parties have reached agreement on all outstanding issues in this matter.
3. This agreement is presented to the Board in a Stipulation and Proposal for Settlement filed this same date.

4. All parties agree that a hearing on the Stipulation and Proposal for Settlement is not necessary, and respectfully request relief from such a hearing as allowed by Section 31(c)(2) of the Act, 415 ILCS 5/31(c)(2) (2014).

WHEREFORE, Complainant, PEOPLE OF THE STATE OF ILLINOIS, hereby requests that the Board grant this motion for relief from the hearing requirement set forth in Section 31(c)(1) of the Act, 415 ILCS 5/31(c)(1) (2014).

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN
Attorney General
State of Illinois

BY: s/ Evan J. McGinley
Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800
Chicago, Illinois 60602
(312) 814-0609
Primary e-mail address: emcginley@atg.state.il.us
Secondary e-mail address: [mcaacaccio@atg.state.il.us](mailto:mcacaccio@atg.state.il.us)

DATE: January 10, 2017

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STIPULATION AND PROPOSAL FOR SETTLEMENT

Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, the Illinois Environmental Protection Agency (“Illinois EPA”), and RAIN CII CARBON LLC (formerly known as “Robinson Carbon, Inc.”) (“Respondent”) (together, “Parties to the Stipulation”), have agreed to the making of this Stipulation and Proposal for Settlement (“Stipulation”) and submit it to the Illinois Pollution Control Board (“Board”) for approval. This stipulation of facts is made and agreed upon for purposes of settlement only and as a factual basis for the Board’s approval of this Stipulation and issuance of relief. None of the facts stipulated herein shall be introduced into evidence in any other proceeding regarding the violations of the Illinois Environmental Protection Act (“Act”), 415 ILCS 5/1 *et seq.* (2014), the Pollution Control Board Air Pollution Regulations (“Board Air Pollution Regulations”), and the Illinois EPA Air Pollution Regulations (“Illinois Air Pollution Regulations”), Respondent’s revised air operating permit, #75110042 issued on January 17, 1997 (“Operating Permit”), and Clean Air Act Permit Program Permit Number 95120092, issued on

September 4, 2003, which was subsequently reissued on May 6, 2006, and reissued again on January 2, 2014 (“CAAPP Permit”), as alleged in the Third Amended Complaint, except as otherwise provided herein. It is the intent of the Parties to the Stipulation that it be a final adjudication of this matter.

I. STATEMENT OF FACTS

A. Procedural History

1. The Illinois EPA is an administrative agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2014).

2. Respondent, RAIN CII CARBON LLC is a foreign limited liability company authorized to do business in Illinois. Its registered agent is C. T. Corporation System, 208 South LaSalle Street, Suite 814, Chicago, Illinois. The original complaint was filed February 2, 2004, naming Robinson Carbon, Inc. as Respondent. On March 10, 2004 Respondent filed a motion to in part correct its name from Robison Carbon, Inc. to CII Carbon LLC. This motion was never acted upon. Complainant has subsequently used CII Carbon LLC as the Respondent in its amended complaints. In August 2007, CII Carbon LLC changed its named to Rain CII Carbon LLC. This Stipulation is made between the State of Illinois and Rain CII Carbon LLC.

3. At all times relevant to the Complaint, Respondent has owned and operated a plant that produces calcined coke for the aluminum industry and which is located at 12187 East 950th Avenue, Robinson, Crawford County, Illinois (“Facility”). The calcined coke is produced on two lines, Line #1 and Line #2, respectively. Each line has a kiln controlled by a pyro scrubber and a cooler that is normally controlled by a bag house.

4. On September 3, 1998, the Illinois EPA issued Violation Notice A-1998-00230 to

the Respondent for exceeding particulate and sulfur dioxide ("SO²") emissions standards and thereby causing or allowing air pollution.

5. On October 8, 1999, the Illinois EPA issued Violation Notice A-1999-00298 to the Respondent for failure to comply with its Operating Permit, failing to report a malfunction, and failing to provide compliance records.

6. On January 10, 2000, the Illinois EPA issued Violation Notice A-1999-00491 to the Respondent for operating the Facility's #2 Kiln and #2 Cooler in violation of the particulate emissions limits established under Section 212.321 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 212.321.

7. On February 2, 2004, a Complaint was filed on behalf of the People of the State of Illinois, by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Section 31 of the Act, 415 ILCS 5/31, against the Respondent and alleging violations contained in Violation Notices A-1998-00230, A-1999-00298, A-1999-00491, as Counts I and II, respectively, of the Complaint.

8. On April 7, 2004, the Illinois EPA issued Violation Notice A-2004-00093 to the Respondent for its failure to record certain data and keep required records.

9. On April 26, 2004, the Illinois EPA issued Violation Notice A-2004-00110 to the Respondent for failure to properly maintain equipment, operating equipment in a manner inconsistent with its CAAPP Permit and failure to timely submit incident reports.

10. On May 3, 2005, the Illinois EPA issued Violation Notice A-2005-00107 to the Respondent for failing to keep adequate records.

11. On January 20, 2006, a First Amended Complaint was filed on behalf of the

People of the State of Illinois, by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Section 31 of the Act, 415 ILCS 5/31, against the Respondent which added the additional violations contained in Violation Notices A-2004-00093, A-2004-00110, and A-2005-00107, as Counts III, IV and V, respectively, of the First Amended Complaint.

12. On September 5, 2008, the Illinois EPA issued Violation Notice A-2008-00086 to the Respondent for failure to minimize emissions during a shutdown, exceeding process weight rate limits on particulate emissions, failure to promptly notify Illinois EPA of deviations from its CAAPP Permit, and failure to maintain records.

13. On March 4, 2010, the Illinois EPA issued Violation Notice A-2009-00187 to the Respondent for failure to properly monitor the Facility's emissions.

14. On March 19, 2010, a Second Amended Complaint was filed on behalf of the People of the State of Illinois, by Lisa Madigan, Attorney General of the State of Illinois, on her own motion and upon the request of the Illinois EPA, pursuant to Section 31 of the Act, 415 ILCS 5/31, against the Respondent which added the additional violations contained in Violation Notice A-2008-00086, in Counts VI and VII of the Second Amended Complaint.

15. On September 12, 2012, the Illinois EPA issued Violation Notice A-2012-00057 to the Respondent for failing to properly perform emissions monitoring, timely submit its 2011 Annual Emissions Report, submit true and complete annual compliance certifications for 2010 and 2011, and for failing to report deviations from its CAAPP Permit.

16. On March 17, 2015, the People filed a motion for leave to file their Third Amended Complaint. On April 6, 2015, the Board granted the People's motion and accepted the

Third Amended Complaint for filing.

B. Allegations of Non-Compliance

- Count I: Air Pollution**
Violations of Section 9(a) of the Act, 415 ILCS 5/9(a), and Sections 201.141 and 212.321 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.141 and 212.321;
- Count II: Permit Condition Violations**
Violations of Section 9(b) of the Act, 415 ILCS 5/9(b), and Standard Conditions 7, 9 and 9(a) of Respondent's Operating Permit #7511042;
- Count III: Reporting and Recordkeeping Violations**
Violations of Section 39.5(6)(a) of the Act, 415 ILCS 39.5(6)(a), and Conditions 5.6.6, 7.1.9, 7.2.5, 7.2.9(c)-(d), 7.3.9(c)-(d), and 7.2.10 of its CAAPP Permit;
- Count IV: Maintenance and Notification Violations**
Violations of Section 39.5(6)(a) of the Act, 415 ILCS 39.5(6)(a), and Conditions 7.2.3, 7.2.10, and 9.2.2 of its CAAPP Permit;
- Count V: Recordkeeping Violations**
Violations of Section 39.5(6)(a) of the Act, 415 ILCS 39.5(6)(a), and Conditions 5.6.1, 5.6.6, 7.1.9, 7.2.9, 7.4.9, and 9.6.1 of its CAAPP Permit;
- Count VI: Operation and Notification Violations**
Violations of Section 39.5(6)(a) of the Act, 415 ILCS 39.5(6)(a), and Conditions 7.2.3(h)(ii)(D)(2) and 7.2.6 of its CAAPP Permit;
- Count VII: Failure to Timely Submit Annual Emissions Reports**
Violations of Section 9(a) of the Act, 415 ILCS 5/9(a), Section 201.302(a) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.302(a), and Section 254.132(a) of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.132(a); and,

Count VIII: Failure to Submit True and Accurate Compliance Certifications for 2010 and 2011

Violations of Section 39.5(6)(a) of the Act, 415 ILCS 39.5(6)(a), and Condition 9.8 of its CAAPP Permit.

C. Admission of Violations

The Respondent neither admits nor denies the violations alleged in the Complaints filed in this matter and referenced within Section I.B above but does not contest these allegations for purposes of settling this matter.

D. Compliance Activities to Date

As of the date of the filing of this Stipulation, the Respondent represents that it has undertaken the following compliance measures:

1. On January 2, 2014, Illinois EPA issued CAAPP Permit Number 96120092 to Respondent, with an expiration date of January 2, 2019, in response to its December 6, 2007 application for a renewal of CAAPP permit #95120092;
2. On or about July 10, 1999, repaired the hole in the archway ceiling of the pyro scrubber;
3. Undertaken the following improvements relative to Kiln #2:
 - a. In August 1999, equipped the kiln with a new gas-fired burner;
 - b. In February 2008, replaced thirty feet of shell and refractory brick at the back of the kiln;
 - c. On or about August 2010, modified the construction of the dam at the feed end of the kiln, so as to prevent spillage of coke and to

decrease air infiltration into the kiln and installed catch chutes (May 2011 for kiln 2, and June 2012 for Kiln 1) to contain any coke that might spill; and,

- d. Continued to periodically repair the walls of the kiln as necessary;
4. Based on an engineering study which it caused to be conducted, Respondent performed a series of process enhancements to the Facility's particulate controls system, including:
 - a. In February 2001, completed the revamping of the internal portions of the #2 Cooler by installing thicker, more uniform refractory lining at the cooler inlet, in order to improve material cooling rates and reduce the effect of coke slides;
 - b. In December 2001, completed overhauling the quench systems for the #1 and #2 Coolers by installing additional pressure gauges, new piping, and a dedicated pump for each cooler quench water system, in order to improve quenching; and,
 - c. In October 2001, installed an independent secondary air fan for Kiln #2;
 5. On or before October 27, 1999, began maintaining a reserve of replacement bags for each of the Facility's bag houses, specifically a reserve of at least 525 replacement bags for Bag House #1 and at least 351 replacement bags for Bag House #2, by initiating the reorder process for new replacement bags whenever the inventory of replacement bags

reached 50% of this reserve number in order to again have the required number on hand;

6. Starting in January 2003, began implementing a more thorough inspection of each bag house during the shutdowns. These more thorough inspections involve entering the bag house when bags are being replaced and inspecting the area above and below the tubesheet and making any required repairs. Plant personnel attended training seminars in the late 1990's to better understand baghouse maintenance and operations. Inspections have continued and new personnel (engineers and maintenance personnel) have been attending training as hired;
7. Beginning in 2000, began keeping a log for each bag house that records breakdowns and repairs and lists work orders for maintenance activities;
8. Also beginning in 2000 and continuing to the present day, implemented quarterly vibration analysis inspections of key Facility equipment, including conveyors, kilns and bag house fans ("Vibration Analysis Program"). When inspections and/or vibration data indicates possible issues with the proper operation of Facility equipment, appropriate measures are taken to rectify any problems observed during quarterly vibration inspections. The Vibration Analysis Program has been and continues to be performed by a third party consulting firm, which provides quarterly reports to Respondent of its inspections and findings;

9. Beginning in June 2006, began monitoring each unit's kiln cooler exhaust temperatures so as to ensure the bags are not exposed to excessive temperatures, the data was assimilated into the Facility's IHISTORIAN system, (data logging system for the plant) and the PLC (Programmable Logic Controller – which is the computer that controls the process) was programmed with a baghouse trip setting to shut down the bag house if/when temperatures become too high for the bags (i.e., temperatures above 700° F for which the current bags are rated);
10. In November 1999 created a malfunction and breakdown reporting form which was filled out and then faxed to Illinois EPA whenever a breakdown or malfunction of longer than thirty minutes occurs and that form was used until the new CAAPP Permit was issued which now requires that such breakdowns/malfunctions be recorded and subsequently reported in semiannual monitoring reports;
11. On April 13, 2004, completed emissions testing demonstrating compliance with particulate emissions limits that allowed for higher production rates to be authorized in a Construction Permit issued in 2006;
12. In approximately June 2004, began maintaining a hard copy of the cooler gas diversion log sheet until it began to maintain an electronic copy on a secure backup server and, beginning in November 2009, began maintaining an electronic copy of the gas diversion log sheet;

13. On March 12, 2004, replaced the #2 Dust Collector exhaust fan and the cooler exhaust ductwork and continues to monitor and make repairs as necessary;
14. Repaired inlet ductwork on September 11, 2008 to #1 and #2 Dust Chambers and continue to monitor and make repairs as necessary;
15. Developed and implemented an internal procedure for visible emission readings when Method 22 was required by the previous CAAP Permit on April 4, 2004. Then implemented procedure for opacity readings that complies with Method 9 for both pyroscrubbers and both rotary cooler bag houses associated with Kiln #1 and Kiln #2 as per the current CAAP Permit;
16. Updated visible emissions testing inspection forms to include start and end times and to more accurately reflect the language of Method 22 and Condition 7.2.5 of its former current CAAPP Permit. The present CAAPP permit requires that such inspections are done in accordance with the requirements and specifications of USEPA Method 9;
17. On July 10, 2010, submitted its Annual Emissions Report to Illinois EPA for calendar year 2011;
18. In June 2004, revised reporting and recordkeeping system and updated internal policies to ensure proper maintenance of records and reporting of deviations as required by its then existing CAAPP Permit and revised again in January of 2012 to respond to the Illinois EPA;

19. In January 2012, implemented routine internal training of all personnel regarding:
 - a. Notification requirements and procedures;
 - b. Recordkeeping and records access;
 - c. Opacity monitoring;
 - d. Proper coke feed rate; and,
 - e. Bypass operations, including emissions minimization; and,
20. In August 2016, Respondent updated its log for tracking malfunctions and breakdowns such that the log now links work orders for corresponding repairs for malfunctions and breakdowns. Respondent also trained all of its Control Board Operators and Back-Up Control Board Operators in the use of, and new procedures for, the updated log ("Updated Log System").

II. APPLICABILITY

This Stipulation shall apply to and be binding upon the Parties to the Stipulation. The Respondent shall not raise as a defense to any enforcement action taken pursuant to this Stipulation the failure of any of its officers, directors, agents, employees or successors or assigns to take such action as shall be required to comply with the provisions of this Stipulation. This Stipulation may be used against the Respondent in any subsequent enforcement action or permit proceeding as proof of a past adjudication of violation of the Act and the Board Regulations for all violations alleged in the Third Amended Complaint in this matter, for purposes of Sections 39 and 42 of the Act, 415 ILCS 5/39 and 42 (2014).

The Respondent shall notify each contractor to be retained to perform work required in this Stipulation of each of the requirements of this Stipulation relevant to the activities to be performed by that contractor, including all relevant work schedules and reporting deadlines, and shall provide a copy of this Stipulation to each contractor already retained no later than thirty (30) calendar days after the date of entry of this Stipulation. In addition, the Respondent shall provide copies of all schedules for implementation of the provisions of this Stipulation to the prime vendor(s) supplying the control technology systems and other equipment required by this Stipulation.

No change in ownership, corporate status or operator of the facility shall in any way alter the responsibilities of the Respondent under this Stipulation. In the event that the Respondent proposes to sell or transfer any real property or operations subject to this Stipulation, the Respondent shall notify the Complainant thirty (30) calendar days prior to the conveyance of title, ownership or other interest, including a leasehold interest in the facility or a portion thereof. The Respondent shall make as a condition of any such sale or transfer, that the purchaser or successor provide to Respondent site access and all cooperation necessary for Respondent to perform to completion any compliance obligation(s) required by this Stipulation. The Respondent shall provide a copy of this Stipulation to any such successor in interest. The requirements of this Applicability Section shall not apply with respect to the proposed gas easement and proposed temporary construction easements described in the "Easement Description" which is attached to this Stipulation as Exhibit 1. The Applicability Section shall not apply to either the proposed gas easement or the proposed temporary construction easements depicted or otherwise described in the "Easement Sketch," which is Exhibit 2 to this Stipulation.

This provision does not relieve the Respondent from compliance with any regulatory requirement regarding notice and transfer of applicable facility permits.

III. IMPACT ON THE PUBLIC RESULTING FROM ALLEGED NON-COMPLIANCE

Section 33(c) of the Act, 415 ILCS 5/33(c) (2014), provides as follows:

In making its orders and determinations, 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 Parties to the Stipulation state the following:

1. Human health and the environment were threatened and the Illinois EPA's ability to gather information regarding the compliance status of the Facility was hindered by the Respondent's violations;
2. There is social and economic benefit to the Facility;
3. Operation of the Facility was suitable for the area in which it occurred;
4. Compliance with the terms of the Respondent's CAAPP Permit and the

particulate matter emissions limits is both technically practicable and economically reasonable; and,

5. Respondent has taken steps to come into compliance with the Act, the Board Air Pollution Regulations, Illinois EPA Air Pollution Regulations, Operating Permit and the CAAPP Permit.

IV. CONSIDERATION OF SECTION 42(h) FACTORS

Section 42(h) of the Act, 415 ILCS 5/42(h) (2014), provides as follows:

In determining the appropriate civil penalty to be imposed under . . . 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 respondent 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 respondent because of delay in compliance with requirements, in which case the economic benefits shall be determined by the lowest cost alternative for achieving compliance;
4. the amount of monetary penalty which will serve to deter further violations by the respondent and to otherwise aid in enhancing voluntary compliance with this Act by the respondent and other persons similarly subject to the Act;
5. the number, proximity in time, and gravity of previously adjudicated violations of this Act by the respondent;
6. whether the respondent voluntarily self-disclosed, in accordance with subsection i of this Section, the non-compliance to the Agency; and

7. whether the respondent has agreed to undertake a “supplemental environmental project,” which means an environmentally beneficial project that a respondent agrees to undertake in settlement of an enforcement action brought under this Act, but which the respondent is not otherwise legally required to perform.

In response to these factors, the Parties to the Stipulation state as follows:

1. The Respondent’s initial violations began on or around April 1998 and the Illinois EPA continued to cite the Respondent for various violations of the Act, the Board Air Pollution Regulations, Illinois EPA Air Regulations, and the Respondent’s CAAPP Permit up through September 12, 2012.

2. The Complainant alleges and Respondent denies that Respondent demonstrated an absence of due diligence in attempting to comply with the Act, the Board Air Pollution Regulations, Illinois EPA Air Regulations, and, initially, with the terms and conditions of its Operating Permit, and, subsequently, with the terms and conditions of its CAAPP Permit, as evidenced by its failure to properly operate and maintain the #2 Kiln and #2 Cooler and Respondent’s serious recalcitrance in record maintenance.

3. The Respondent realized an economic benefit as the result of its alleged failure to properly operate and maintain the Facility, through its failure to comply with applicable particulate regulations, and its failure to keep and maintain the required records related to its operation of the Facility.

4. The Complainant has determined, based upon the specific facts of this matter that a penalty of Two Hundred and Thirty-Five Thousand Dollars (\$235,000.00) will serve to deter the Respondent from committing any further violations of the Act, the Board Air Pollution Regulations, the Illinois EPA Air Pollution Regulations, and its CAAPP Permit, and will aid in

enhancing voluntary compliance with the aforementioned requirements in the future.

5. To the Complainant's knowledge, the Respondent has no previously adjudicated violations of the Act.

6. The Respondent failed to self-disclose any of the violations that are alleged in the Second Amended Complaint or the 2009 Violation Notice. Additionally, the Respondent failed to notify the Illinois EPA of certain malfunctions at the Facility and, further, of its operational deviations from the terms and conditions contained in its CAAPP Permit.

7. The settlement of this matter does not include a supplemental environmental project.

V. TERMS OF SETTLEMENT

A. Penalty Payment

1. The Respondent shall pay a civil penalty in the sum of Two Hundred and Thirty-Five Thousand Dollars (\$235,000.00) within thirty (30) days from the date the Board adopts and accepts this Stipulation.

B. Stipulated Penalties, Interest and Default

1. If the Respondent fails to complete any activity or fails to comply with any response or reporting requirement by the date specified in this Stipulation, the Respondent shall provide notice to the Complainant of each failure to comply with this Stipulation and shall pay stipulated penalties in the amount of \$500.00 per day until such time that compliance is achieved. The Complainant may make a demand for stipulated penalties upon the Respondent for its noncompliance with this Stipulation. However, failure by the Complainant to make this demand shall not relieve the Respondent of the obligation to pay stipulated penalties. All

stipulated penalties shall be payable within thirty (30) calendar days of the date the Respondent knows or should have known of its noncompliance with any provision of this Stipulation.

2. If the Respondent fails to make any payment required by this Stipulation on or before the date upon which the payment is due, the Respondent shall be in default and the remaining unpaid balance of the penalty, plus any accrued interest, shall be due and owing immediately. In the event of default, the Complainant shall be entitled to reasonable costs of collection, including reasonable attorney's fees.

3. Pursuant to Section 42(g) of the Act, interest shall accrue on any penalty amount owed by the Respondent not paid within the time prescribed herein. Interest on unpaid penalties shall begin to accrue from the date such are due and continue to accrue to the date full payment is received. Where partial payment is made on any penalty amount that is due, such partial payment shall be first applied to any interest on unpaid penalties then owing.

4. The stipulated penalties shall be enforceable by the Complainant and shall be in addition to, and shall not preclude the use of, any other remedies or sanctions arising from the failure to comply with this Stipulation.

C. Payment Procedures

All payments required by this Stipulation shall be made by certified check or money order payable to the Illinois EPA for deposit into the Environmental Protection Trust Fund ("EPTF"). Payments shall be sent by first class mail and delivered to:

Illinois Environmental Protection Agency
Fiscal Services
1021 North Grand Avenue East
P.O. Box 19276
Springfield, IL 62794-9276

The case name and case number shall appear on the face of the certified check or money order.

A copy of the certified check or money order and any transmittal letter shall be sent to:

Evan J. McGinley
Environmental Bureau
Illinois Attorney General's Office
69 West Washington Street, Suite 1800
Chicago, Illinois 60602

D. Future Compliance

1. Immediately, upon adoption of this Stipulation by the Pollution Control Board, the Respondent shall:

- a. Perform one USEPA Method 9 reading each day, pursuant to the terms and conditions set forth in Respondent's current CAAPP Permit;
- b. Continue to monitor kiln cooler exhaust temperatures of each unit, so as to ensure that the bags are not exposed to excessive temperatures (i.e., temperatures above 700° F);
- c. Continue to conduct its quarterly Vibration Analysis Program;
- d. Continue to use its Updated Log System;
- e. Ensure that at least one replacement fan is always on-site for each bag house, except when a fan has been replaced. Respondent shall begin the procurement process for a new fan immediately following the replacement of an existing bag house fan, for whatever reason;
- f. Except during startup and malfunction/breakdown conditions of either Line #1 (Kiln #1) or Line #2 (Kiln #2), Respondent shall at all times operate its pyro scrubbers as follows:

3. Within thirty (30) days following Respondent's installation of the redundant thermocouples required under Section V.D.2 of this Stipulation, above, Respondent shall submit to Complainant in writing, in accordance with the notice procedures specified under Section V.G, below:

- a. A detailed inspection procedure which Respondent shall use when either of the Facility's bag houses are shut down for internal maintenance or bag replacement; and,
- b. An application for Significant Modification to the CAAPP Permit issued on January 2, 2014. This Significant Modification shall request to incorporate the items specified under Section V.D.1 and 2 of this Stipulation.

4. In addition to any other authorities, the Illinois EPA, its employees and representatives, and the Attorney General, her employees and representatives, shall have the right of entry into and upon the Respondent's facility which is the subject of this Stipulation, at all reasonable times for the purposes of conducting inspections and evaluating compliance status. In conducting such inspections, the Illinois EPA, its employees and representatives, and the Attorney General, her employees and representatives, may take photographs, samples, and collect information, as they deem necessary.

5. This Stipulation in no way affects the responsibilities of the Respondent to comply with any other federal, state or local laws or regulations, including but not limited to the Act and the Board Regulations.

6. The Respondent shall cease and desist from future violations of the Act, the Board Air Pollution Regulations, the Illinois EPA Air Pollution Regulations, and CAAPP Permit that were the subject matter of the Complaint.

E. Release from Liability

In consideration of the Respondent's payment of the Two Hundred and Thirty-Five Thousand Dollars (\$235,000.00) penalty, its commitment to cease and desist as contained in Section V.D.6, above, its completion of all the requirements herein, and upon the Board's approval of this Stipulation, the Complainant releases, waives and discharges the Respondent from any further liability or penalties for the violations of the Act, Board Air Pollution Regulations, the Illinois EPA Air Pollution Regulations, Respondent's now-expired Operating Permit and its CAAPP Permit that were the subject matter of the Third Amended Complaint. The release set forth above does not extend to any matters other than those expressly specified in the Third Amended Complaint. The Complainant reserves, and this Stipulation is without prejudice to, all rights of the State of Illinois against the Respondent with respect to all other matters, including but not limited to, the following:

- a. criminal liability;
 - b. liability for future violation of state, federal, local, and common laws and/or regulations;
 - c. liability for natural resources damage arising out of the alleged violations;
- and,
- d. liability or claims based on the Respondent's failure to satisfy the requirements of this Stipulation.

Nothing in this Stipulation is intended as a waiver, discharge, release, or covenant not to sue for any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, which the State of Illinois may have against any person, as defined by Section 3.315 of the Act, 415 ILCS 5/3.315 (2014), or entity other than the Respondent.

F. Enforcement and Modification of Stipulation

1. Upon the entry of the Board's Order approving and accepting this Stipulation, that Order is a binding and enforceable order of the Board and may be enforced as such through any and all available means.

2. The Parties to the Stipulation may, by mutual written consent, agree to extend any compliance dates or modify the terms of this Stipulation. A request for any modification shall be made in writing and submitted to the contact persons identified in Section V.G. Any such request shall be made by separate document, and shall not be submitted within any other report or submittal required by this Stipulation. Any such agreed modification shall be in writing, signed by authorized representatives of the Parties to the Stipulation.

G. Notices and Submittals

Except for payments, the submittal of any notice, reports or other documents required under this Stipulation, shall be delivered to the following designated representatives:

As to the Complainant

Evan McGinley
Assistant Attorney General
Illinois Attorney General
Environmental Bureau
69 West Washington Street, 18th Floor
Chicago, Illinois 60601

Crystal Myers-Wilkins
Assistant Counsel
Division of Legal Counsel
Illinois EPA
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

Mike Reed
Manager of CAAPP Unit
Bureau of Air
Illinois EPA
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

Yasmine Kepner
Manager, Compliance Unit
Bureau of Air
Illinois EPA
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

As to the Respondent

Daniel Fearday
Plant Manager
Rain CII Carbon LLC
12187 E. 950th Avenue
Robinson, Illinois 62454

Roy M. Harsch
Drinker Biddle & Reath LLP
191 North Wacker Drive, Suite 3700
Chicago, IL 60606-1698

H. Execution of Stipulation

The undersigned representatives for the Parties to the Stipulation certify that they are fully authorized by the party whom they represent to enter into the terms and conditions of this

Stipulation and to legally bind them to it.

WHEREFORE, the Parties to the Stipulation request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

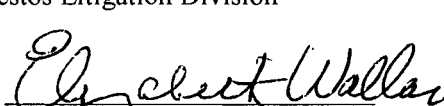
AGREED:

PEOPLE OF THE STATE OF ILLINOIS, FOR THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

LISA MADIGAN
Attorney General
State of Illinois

ALEC MESSINA, Acting Director
Illinois Environmental Protection Agency

MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

BY: 
ELIZABETH WALLACE, Chief
Environmental Bureau
Assistant Attorney General

BY: 
JOHN J. KIM
Chief Legal Counsel

DATE: 12/29/16

DATE: 12/23/16

RAIN CII CARBON, LLC

BY: _____

Name: _____

Title: _____

DATE: _____

Stipulation and to legally bind them to it.

WHEREFORE, the Parties to the Stipulation request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

AGREED:

PEOPLE OF THE STATE OF ILLINOIS, FOR THE ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

LISA MADIGAN
Attorney General
State of Illinois

ALEC MESSINA, Acting Director
Illinois Environmental Protection Agency

MATTHEW J. DUNN, Chief
Environmental Enforcement/
Asbestos Litigation Division

BY: _____
ELIZABETH WALLACE, Chief
Environmental Bureau
Assistant Attorney General

BY: _____
JOHN J. KIM
Chief Legal Counsel

DATE: _____

DATE: _____

RAIN CII CARBON, LLC

BY:  _____

Name: GERARD SWEENEY

Title: PRESIDENT & CEO

DATE: January 5, 2017

EXHIBIT "B" SHEET 1

PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER & PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 2, TOWNSHIP 6 NORTH, RANGE 12 WEST, SECOND PRINCIPAL MERIDIAN CRAWFORD COUNTY, ILLINOIS

A permanent gas main easement being a part of the Southwest Quarter of the Southwest Quarter and part of the Southeast Quarter of the Southwest Quarter Section 2, Township 6 North, Range 12 West of the Second Principal Meridian, Crawford County, State of Illinois, described as follows:

Commencing at 5/8" Iron Rod at the southwest corner of said Southwest Quarter of the Southwest Quarter of Section 2; thence, along the south line of said Southwest Quarter of the Southwest Quarter, North 89 degrees 40 minutes 51 seconds East a distance of 1265.17 feet to the west line of the former Big Four/C.C.C. & St. Louis Railroad right of way; thence, along said west line, North 30 degrees 36 minutes 50 seconds West a distance of 32.46 feet to the point of beginning.

From said point of beginning; thence, continuing on last said west line, North 30 degrees 36 minutes 50 seconds West a distance of 23.20 feet; thence North 89 degrees 50 minutes 33 seconds East a distance of 204.34 feet to the east line former Big Four/C.C.C. & St. Louis Railroad right of way; thence, along last said east line, South 37 degrees 41 minutes 37 seconds East a distance of 25.22 feet; thence South 89 degrees 50 minutes 33 seconds West a distance of 207.94 feet to the point of beginning.

Said easement contains 0.095 acres, more or less.

Also a 20 foot temporary construction easement lying north of and being parallel and adjacent to the above described permanent gas main easement and a 16 foot temporary construction easement lying south of and being parallel with and adjacent to the above described permanent gas main easement. Said temporary construction easement lines to be extended or shortened to terminate at the east and west lines of the subject parcel.

Said temporary construction easements containing 0.170 acres, more or less.

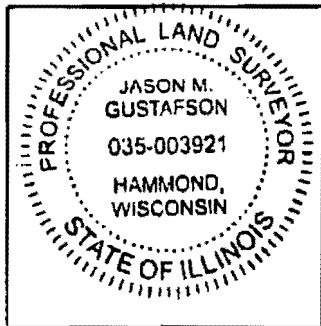
Subject to any and all easements, conditions and restrictions of record.

As shown on Exhibit B Sheet 2 attached hereto and made a part hereof.

NOTES:

1. THE OWNERSHIP OF THE SUBJECT TRACT, SHOWN HEREON, IS BASED UPON ABSTRACTOR'S LIMITED TITLE CERTIFICATE DATED 8/18/2016 AND DOCUMENTS RECEIVED FROM REPRESENTATIVES OF G&P LAND COMPANY. NO OTHER RESEARCH WAS PERFORMED BY THE UNDERSIGNED SURVEYOR.
2. SEE SHEET 2 FOR SKETCH OF EASEMENT AREA DESCRIBED HEREON.
3. THIS DESCRIPTION AND SKETCH DOES NOT CONSTITUTE A BOUNDARY SURVEY PER ILLINOIS MINIMUM STANDARDS ADMINISTRATIVE RULES SECTION 1270.56.

IF THIS EXHIBIT WITH DESCRIPTION IS NOT STAMPED AND SIGNED BY THE P.L.S. WHOSE SIGNATURE APPEARS HEREON, IT SHOULD BE CONSIDERED A COPY AND NOT THE ORIGINAL.



I, Jason M. Gustafson, Illinois Professional Land Surveyor No. 035-003921, do hereby certify that these easement exhibits were prepared by me or under my direct supervision and that they are true and correct to the best of my knowledge and belief.

Jason M. Gustafson 9/22/2016
Signature Date

Jason M. Gustafson, PLS
License Number 035-003921
License expiration date: November 30, 2016.
Pages or sheets covered by this certification: 1 & 2

RAIN CII CARBON LLC
PIN: 05-3-02-000-004-001

REVISIONS

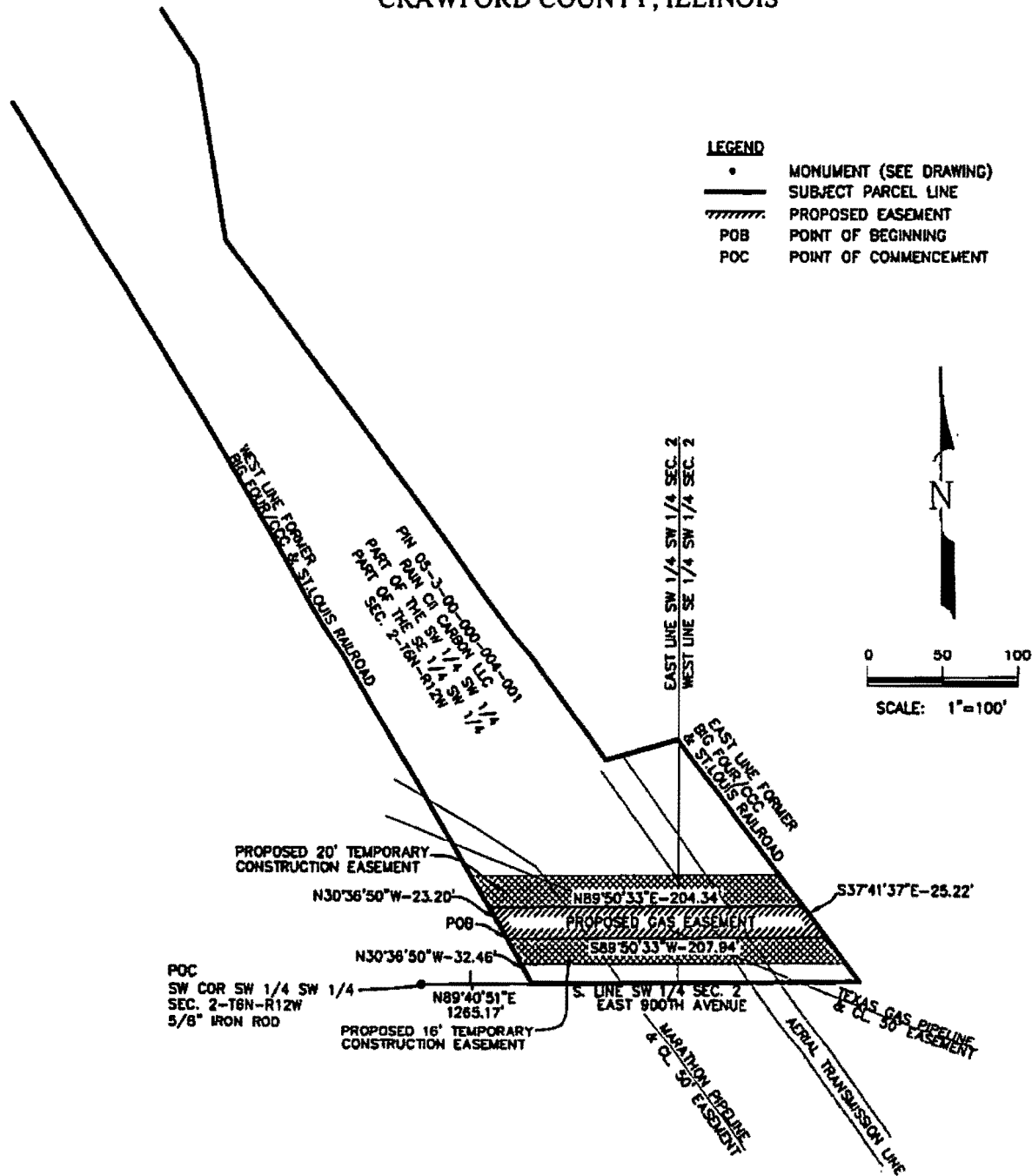
	PREPARED BY:	UNIVERSAL PETASIS INTERNATIONAL	JOB NO. 23359	EASEMENT DESCRIPTION		
	4848 LOOP CENTRAL DR. Suite 100 HOUSTON, TX. 77081 PH. 713-877-7770	DATE: 9/22/2016	SCALE: NA			
	APPROVED: JMG	DRAWN: JMG	<div style="border: 2px solid black; padding: 5px; display: inline-block;"> EXHIBIT 1 </div>			
	APPROVED: JMG	DATE: 9/22/2016				REV 0

EXHIBIT "B" SHEET 2

PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER &
PART OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF
SECTION 2, TOWNSHIP 6 NORTH, RANGE 12 WEST, SECOND PRINCIPAL MERIDIAN
CRAWFORD COUNTY, ILLINOIS

LEGEND

- MONUMENT (SEE DRAWING)
- SUBJECT PARCEL LINE
- ▨ PROPOSED EASEMENT
- POB POINT OF BEGINNING
- POC POINT OF COMMENCEMENT



REVISIONS

PREPARED FOR: 	PREPARED BY: UniversalPegasus INTERNATIONAL 4848 LOOP CENTRAL DR. Suite 100 HOUSTON, TX. 77081 PH. 713-877-7770	JOB NO. 23359	EASEMENT SKETCH	
		DATE: 9/22/2016		
		DRAWN: JMG	<div style="border: 2px solid black; padding: 5px; display: inline-block;"> EXHIBIT 2 </div>	
		APPROVED: JMG		
		SCALE: 1"=100'	PAGE 2 OF 2	DOC P-81.1-19
				REV 0