

SERVICE LIST

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)	
by LISA MADIGAN, Attorney)	
General of the State of Illinois,)	
)	
Complainant,)	
)	
v.	)	PCB No. 13-
	)	(Enforcement - Water)
)	
BAG MAKERS, INC., an Illinois corporation,)	
)	
Respondent.)	

COMPLAINT FOR CIVIL PENALTIES

Complainant, PEOPLE OF THE STATE OF ILLINOIS, by LISA MADIGAN, Attorney General of the State of Illinois, complains of Respondent, BAG MAKERS, INC., as follows:

COUNT I
FAILURE TO TIMELY COMPLY WITH THE CLEAN AIR ACT PERMIT PROGRAM
("CAAPP") PERMIT RENEWAL REQUIREMENTS

1. This Complaint is brought 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 at the request of the Illinois Environmental Protection Agency ("Illinois EPA") pursuant to Section 31 of the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/31 (2010).

2. The Illinois EPA is an administrative agency established in the executive branch of the State government by Section 4 of the Act, 415 ILCS 5/4 (2010), and is charged, *inter alia*, with the duty of enforcing the Act.

3. At all times relevant to this Complaint, Bag Makers, Inc. ("Bag Makers"), was and is an Illinois corporation in good standing with the Illinois Secretary of State and duly authorized to transact business in Illinois.

4. Bag Makers operates a packaging printing plant located at 6606 South Union

Road, Union, McHenry County, Illinois, which produces various types of bags, such as silkscreen-printed, paper, and plastic ("Facility").

5. The Facility's emission units include 21 flexographic printing presses, 33 silk screen printing presses, 9 natural gas fired heaters, and 6 dryers (collectively "Emission Units").

6. The Emission Units at the Facility emit or are capable of emitting Volatile Organic Material ("VOM") into the environment.

7. Bag Makers potential to emit at the Facility is at least 27 tons of VOM per year.

8. Bag Makers' operation of the Facility is subject to the Act and the rules and regulations promulgated by the Illinois Pollution Control Board ("Board") and the Illinois EPA. The Board's regulations for air pollution are found in Title 35, Subtitle B, Chapter I, of the Illinois Administrative Code ("Board Air Pollution Regulations").

9. Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b) (2010), provides as follows:

Prohibitions

* * *

b. After the applicable CAAPP permit or renewal application submittal date, as specified in subsection 5 of this Section, no person shall operate a CAAPP source without a CAAPP permit unless the complete CAAPP permit or renewal application for such source has been timely submitted to the Agency.

10. Section 3.315 of the Act, 415 ILCS 5/3.315 (2010), provides the following definition:

"Person" is any individual, partnership, co-partnership, firm, company, limited liability company, corporation, association, joint stock company, trust, estate, political subdivision, state agency, or any other legal entity, or their legal representative, agent or assigns.

11. Bag Makers, Inc., an Illinois corporation, is a "person" as that term is defined in

Section 3.315 of the Act, 415 ILCS 5/3.315 (2010).

12. Section 39.5(1) of the Act, 415 ILCS 5/39.5(1) (2010), provides, in pertinent part, the following definitions:

“CAAPP” means the Clean Air Act Permit Program, developed pursuant to Title V of the Clean Air Act.

“CAAPP Permit” or “permit” (unless the context suggests otherwise) means any permit issued, renewed, amended, modified or revised pursuant to Title V of the Clean Air Act.

“CAAPP source” means any source for which the owner or operator is required to obtain a CAAPP permit pursuant to subsection 2 of this Section.

“Major source” means a source for which emissions of one or more air pollutants meet the criteria for major status pursuant to paragraph(c) of subsection 2 of this Section.

“Owner or operator” means any person who owns, leases, operates, controls, or supervises a stationary source.

“Potential to emit” means the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation is enforceable by USEPA.

“Regulated air pollutant” means the following:

- (1) Nitrogen oxides (NO_x) or any volatile organic compound.

“Source” means any stationary source (or any group of stationary sources) that is located on one or more contiguous or adjacent properties that are under common control of the same person (or persons under common control) and that belongs to a single major industrial grouping. For the purposes of defining “source,” a stationary source or group of stationary sources shall be considered part of a single major industrial grouping if all of the pollutant emitting activities at such source or group of sources located on contiguous or adjacent properties and under common control belong to the same Major Group (i.e., all have the same two-digit code) as

described in the Standard Industrial Classification Manual, 1987, or such pollutant emitting activities at a stationary source (or group of stationary sources) located on contiguous or adjacent properties and under common control constitute a support facility. The determination as to whether any group of stationary sources is located on contiguous or adjacent properties, and/or is under common control, and/or whether the pollutant emitting activities at such group of stationary sources constitute a support facility shall be made on a case by case basis.

"Stationary source" means any building, structure, facility, or installation that emits or may emit any regulated air pollutant or any pollutant listed under Section 112(b) of the Clean Air Act.

13. The Facility is a "stationary source" as that term is defined by Section 39.5(1) of the Act, 415 ILCS 5/39.5(1) (2010).

14. Bag Makers is an "owner or operator" of a "stationary source", as those terms are defined by Section 39.5(1) of the Act, 415 ILCS 5/39.5(1) (2010).

15. The Facility is a "major source" as that term is defined by Section 39.5(1) of the Act, 415 ILCS 5/39.5(1) (2010).

16. The Facility is a "CAAPP source" and therefore subject to the CAAPP permit requirements.

17. Section 39.5(3)(c) of the Act, 415 ILCS 5/39.5(3)(c) (2010), provides as follows:

(3) Agency Authority To Issue CAAPP Permits and Federally Enforceable State Operating Permits.

* * *

(c) The Agency shall have the authority to issue a State operating permit for a source under subsection (a) of Section 39 of this Act, as amended, and regulations promulgated thereunder, which includes federally enforceable conditions limiting the "potential to emit" of the source to a level below the major source threshold for that source as described in paragraph (c) of subsection 2 of this Section, thereby excluding the source from the CAAPP, when requested by the applicant pursuant to

paragraph (u) of subsection 5 of this Section. . . .

18. Pursuant to 39.5(3)(c) of the Act, 415 ILCS 5/39.5(3)(c) (2010), Bag Makers applied for and obtained Federally Enforceable State Operating Permit (“FESOP”) No. 03070014 for its Facility.

19. Bag Makers’ FESOP limited its emissions from flexographic presses 1 through 15 and silk screen presses 1 through 10 at the Facility, constructed between 1992 and 2005, to levels below 25 tons of VOM per year, the major source threshold at the time those units were constructed.

20. On April 27, 2009, the Illinois EPA issued Bag Makers Revised FESOP Number 03070014 for the Facility, with an expiration date of May 10, 2010 (“April 27, 2009 Revised FESOP”). See April 27, 2009 Revised FESOP, attached hereto and incorporated herein as Attachment A.

21. The April 27, 2009 Revised FESOP limited emissions of air pollutants from the Facility to less than major source thresholds. See Attachment A, Condition 1a(i).

22. Section 39.5(5)(l) of the Act, 415 ILCS 5/39.5(5)(l) (2010), provides as follows:

5. Applications and Completeness

* * *

1. Unless a timely and complete renewal application has been submitted consistent with this subsection, a CAAPP source operating upon the expiration of its CAAPP permit shall be deemed to be operating without a CAAPP permit. Such operation is prohibited under this Act.

23. Section 201.162(b) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.162, provides as follows:

Applications for renewal of an operating permit shall be submitted to the

Agency at least 90 days prior to the expiration of the prior permit . . .

24. Bag Makers was required to submit its FESOP renewal application to the Illinois EPA no later than February 9, 2010, 90 days prior to the expiration of the April 27, 2009 Revised FESOP.

25. On or around December 16, 2011, Bag Makers submitted a FESOP renewal application to the Illinois EPA ("FESOP renewal application"), approximately 676 days late.

26. On June 5, 2012, Bag Makers was issued a renewal FESOP ("Renewal FESOP").

27. From May 10, 2010, when Bag Makers April 27, 2009 Revised FESOP expired, to June 5, 2012, when Bag Makers Renewal FESOP was granted, Bag Makers was operating a CAAPP source without the requisite CAAPP permit.

28. By operating a CAAPP source without a CAAPP permit, Bag Makers violated Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b) (2010).

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, respectfully requests that the Pollution Control Board enter an order against the Respondent, BAG MAKERS, INC., with respect to this Count I:

1. Authorizing a hearing in this matter at which time the Respondent will be required to answer the allegations contained herein;

2. Finding the Respondent has violated Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b);

3. Ordering the Respondent to timely apply for and obtain all requisite CAAPP permits for the Facility in the future;

4. Assessing against Respondent a civil penalty of ten thousand dollars (\$10,000.00) for each day of violation;

5. Taxing all costs against the Respondent, including attorney, expert witness and consultant fees expended by the State in its pursuit of this action pursuant to Section 42(f) of the Act, 415 ILCS 5/42(f) (2010); and

6. Granting such other and further relief as the Board deems appropriate and just.

COUNT II
USE OF VOM IN VIOLATION OF FESOP CONDITION

1-21. Complainant realleges and incorporates by reference herein paragraphs 1 through 8, 10 through 21, and 26 of Count I as paragraphs 1 through 21 of this Count II.

22. Section 9(b) of the Act, 415 ILCS 5/9(b) (2010) provides as follows:

No person shall:

* * *

(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, of any type designated by Board regulations, (1) without a permit granted by the Agency unless otherwise exempt by this Act or Board regulations or (2) in violation of any conditions imposed by such permit.

23. On December 20, 2007, the Illinois EPA issued Bag Makers Revised FESOP Number 03070014 for the Facility, with an expiration date of May 10, 2010 ("December 20, 2007 Revised FESOP"). See December 20, 2007 Revised FESOP, attached hereto and incorporated herein as Attachment B.

24. On July 9, 2008, the Illinois EPA issued Bag Makers Construction Permit Number 080200004 for the Facility ("Construction Permit"). See Construction Permit, attached hereto and incorporated herein as Attachment C.

25. The December 20, 2007 Revised FESOP and Construction Permit limited

emissions of air pollutants from the Facility to less than major source thresholds. See Attachment B, Condition 1a(i) and Attachment C, Condition 1b.

26. Condition 6b of the December 20, 2007 Revised FESOP provides as follows:

Combined VOM emissions from all fifteen silk screen printing presses shall not exceed 0.1 tons/mo and 0.6 tons/year.

See Attachment B, Condition 6b.

27. Condition 6b of the Construction Permit provides as follows:

VOM emissions from twenty-nine silk screen printing presses shall not exceed 0.15 tons/mo and 1.16 tons/year (including 0.56 tons/yr from fourteen new presses, SP16-29).

See Attachment C, Condition 6b.

28. Condition 6b of the April 27, 2009 Revised FESOP provides as follows:

Emissions from forty-one¹ silk screen printing presses (SP1-SP41) shall not exceed the following limits:

<u>Emission Units</u>	<u>VOM Usage</u>		<u>VOM Emissions</u>	
	<u>(ton/mo)</u>	<u>(ton/yr)</u>	<u>(ton/mo)</u>	<u>(ton/yr)</u>
Silk Screen Presses SP 01-15	0.06	0.60	0.06	0.60
Silk Screen Presses SP 16-29	0.06	0.56	0.06	0.56
Silk Screen Presses SP 30-41	0.05	0.48	0.05	0.48
			Total:	1.64

See Attachment A, Condition 6b.

29. On May 27, 2011, Bag Makers submitted a deviation report to the Illinois EPA

¹ Bag Makers has never had more than 33 silk screen printing presses at their Facility. The reference to 41 silk screen printing presses was an error that has been rectified in the Renewal FESOP issued on June 5, 2012.

reporting that its VOM emissions from its silkscreen operations for calendar year 2010 were 4.69 tons and that Bag Makers had failed to timely submit a FESOP renewal application to the Illinois EPA (“May 27, 2011 deviation report”).

30. On December 19, 2011, Bag Makers reported that it had emitted 2.18 tons of VOM in 2008, 4.69 tons of VOM in 2009, and 5.82 tons of VOM in 2010 from its silk screen printing presses.

31. On April 19, 2012, the Illinois EPA issued Bag Makers Revised Construction Permit Number 11120033 (“Revised Construction Permit”). See Revised Construction Permit, attached hereto and incorporated herein as Attachment D.

32. Condition 6a of the Revised Construction Permit allowed Bag Makers to emit VOM from its silk screen presses as follows:

Emissions from thirty-three silk screen printing presses (SP1-SP33) shall not exceed the following limits:

<u>Emission Units</u>	<u>VOM Usage</u>		<u>VOM Emissions</u>	
	<u>(ton/mo)</u>	<u>(ton/yr)</u>	<u>(ton/mo)</u>	<u>(ton/yr)</u>
Silk Screen Presses SP 01-10	0.10	0.97	0.10	0.97
Silk Screen Presses SP 11-33	0.40	3.45	0.40	3.45
			Total:	4.42

See Attachment D, Condition 6a.

33. The VOM usage and emission limitations found in Condition 6a of the Revised Construction Permit superseded the VOM usage and emission limitations found in Condition 6b of the April 27, 2009 Revised FESOP until the Renewal FESOP was issued on June 5, 2012.

See Attachment D, Condition 1c.

34. Section 3.115 of the Act, 415 ILCS 5/3.115 (2010), provides the following definition:

"AIR POLLUTION" is the presence in the atmosphere of one or more contaminants in sufficient quantities and of such characteristics and duration as to be injurious to human, plant, or animal life, to health, or to property, or to unreasonably interfere with the enjoyment of life or property.

35. Section 3.165 of the Act, 415 ILCS 5/ 3.165 (2010), provides the following definition:

"CONTAMINANT" is any solid, liquid, gaseous matter, any odor, or any form of energy, from whatever source.

36. VOM is a "contaminant" as that term is defined in Section 3.165 of the Act, 415 ILCS 5/3.165 (2010).

37. Because the silk screen presses at the Facility emit or are capable of emitting VOM, a contaminant, into the atmosphere, the silk screen presses are capable of causing or contributing to air pollution.

38. From at least 2008, when Bag Makers first exceeded its VOM usage and emission limitations, to April 19, 2012, when the Revised Construction Permit was issued, Bag Makers emitted VOM from its silk screen presses in excess of the limits imposed by Condition 6b of the December 20, 2007 Revised FESOP, Condition 6b of the Construction Permit, and Condition 6b of the April 27, 2009 Revised FESOP.

39. By violating Condition 6b of the December 20, 2007 Revised FESOP, Condition 6b of the Construction Permit, and Condition 6b of the April 27, 2009 Revised FESOP, Bag Makers thereby violated Section 9(b) of the Act, 415 ILCS 5/9(b) (2010).

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, respectfully requests that the Pollution Control Board enter an order against the Respondent, BAG MAKERS, INC., with respect to this Count II:

1. Authorizing a hearing in this matter at which time the Respondent will be required to answer the allegations contained herein;
2. Finding the Respondent has violated Section 9(b) of the Act, 415 ILCS 5/9(b) (2010), and Condition 6b of the December 20, 2007 Revised FESOP, Condition 6b of the Construction Permit, and Condition 6b of the April 27, 2009 Revised FESOP;
3. Ordering the Respondent to comply with the VOM usage and emission limitations in its Renewal FESOP permit;
4. Assessing against Respondent a civil penalty of fifty thousand dollars (\$50,000.00) for each and every violation of the Act, with an additional penalty of ten thousand dollars (\$10,000.00) for each day of violation;
5. Taxing all costs against the Respondent, including attorney, expert witness and consultant fees expended by the State in its pursuit of this action pursuant to Section 42(f) of the Act, 415 ILCS 5/42(f) (2010); and
6. Granting such other and further relief as the Board deems appropriate and just.

COUNT III
FAILURE TO TIMELY OBTAIN A CONSTRUCTION PERMIT

1-38. Complainant realleges and incorporates by reference herein paragraphs 1 through 8, 10 through 21, and 26 of Count I, and paragraphs 22 through 38 of Count II, as paragraphs 1 through 38 of this Count III.

39. Section 201.142 of the Board Air Pollution Regulations, 35 Ill. Adm. Code

201.142, provides as follows:

Construction Permit Required

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 Sections 201.146 or Section 201.170(b) of this Part.

40. Section 201.102 of the Board Air Pollution Regulations, 35 Ill. Adm. Code

201.102, provides the following definitions:

"Commence": the act of entering into a binding agreement or contractual obligation to undertake and complete, within a reasonable time, a continuous program of construction or modifications.

"Construction": commencement of on-site fabrication, erection or installation of an emission source or of air pollution control equipment.

"Emission Source": Any equipment or facility of a type capable of emitting specified air contaminants to the atmosphere.

"Existing Emission Source": any emission source, the construction or modification of which has commenced prior to April 14, 1972.

"Modification": any physical change in, or change in the method of operations, of an emission source or of air pollution control equipment which increases the amount of any specified air contaminant emitted by such source or equipment or which results in the emission of any specified air contaminant not previously emitted. It shall be presumed that an increase in the use of raw materials, the time of operation or the rate of production will change the amount of any specified air contaminant emitted. Notwithstanding any other provisions of this definition, for purposes of permits issued pursuant to Subpart D, the Illinois Environmental Agency (Agency) may specify conditions under which an emission source or air pollution control equipment may be operated without causing a modification as herein defined, and normal cyclical variations, before the date operating permits are required, shall not be considered modifications.

"Person": any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, agency, political subdivision of this State, any other State or political subdivision or agency thereof or any

legal successor, representative, agent or agency of the foregoing.

“Specified Air Contaminant”: any air contaminant as to which this Subtitle contains emission standards or other specific limitations and any contaminant regulated in Illinois pursuant to Section 9.1 of the Act.

41. VOM is a “specified air contaminant” as that term is defined in Section 201.102 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.102.

42. Bag Makers’ silk screen printing presses are “existing emission sources” as that term is defined in Section 201.102 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.102.

43. From at least 2008, when Bag Makers first exceeded its VOM usage and emission limitations, to April 19, 2012, when the Revised Construction Permit was issued, Bag Makers emitted VOM from its silk screen presses in excess of the limits imposed by Condition 6b of the December 20, 2007 Revised FESOP, Condition 6b of the Construction Permit, and Condition 6b of the April 27, 2009 Revised FESOP.

44. By exceeding its permitted limits, Bag Makers caused or allowed “modification” of an “existing emission source” at its Facility.

45. By causing or allowing modification of an existing emission source, Bag Makers was required to obtain a construction permit pursuant to Section 201.142 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.142.

46. Bag Makers’ silk screen presses are not exempted from the construction permit requirements in Section 201.142 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.142.

47. By modifying existing emission sources prior to obtaining a construction permit from the Illinois EPA, Bag Makers violated Section 201.142 of the Board Air Pollution

Regulations, 35 Ill. Adm. Code 201.142, and thereby, violated Section 9(b) of the Act, 415 ILCS 5/9(b) (2010).

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, respectfully requests that the Pollution Control Board enter an order against the Respondent, BAG MAKERS, INC., with respect to this Count III:

1. Authorizing a hearing in this matter at which time the Respondent will be required to answer the allegations contained herein;
2. Finding the Respondent has violated Section 9(b) of the Act, 415 ILCS 5/9(b) (2010), and Section 201.142 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.142;
3. Ordering the Respondent to timely apply for and obtain all requisite construction permits for the Facility in the future;
4. Assessing against Respondent a civil penalty of fifty thousand dollars (\$50,000.00) for each and every violation of the Act and pertinent regulations, with an additional penalty of ten thousand dollars (\$10,000.00) for each day of violation;
5. Taxing all costs against the Respondent, including attorney, expert witness and consultant fees expended by the State in its pursuit of this action pursuant to Section 42(f) of the Act, 415 ILCS 5/42(f) (2010); and
6. Granting such other and further relief as the Board deems appropriate and just.

COUNT IV
FAILURE TO TIMELY PAY CONSTRUCTION PERMIT FEES

1-46. Complainant realleges and incorporates by reference herein paragraphs 1 through 46 of Count III as paragraphs 1 through 46 of this Count IV.

47. Section 9.12(j) of the Act, 415 ILCS 5/9.12(j) (2010), provides as follows:

Construction Permit fees for air pollution sources

- (j) If the owner or operator undertakes construction without obtaining an air pollution construction permit, the fee under this Section is still required. Payment of the required fee does not preclude the Agency or the Attorney General or other authorized persons from pursuing enforcement against the applicant for failure to have an air pollution construction permit prior to commencing construction.

48. Bag Makers is an “owner or operator” who undertook “construction” without an air pollution construction permit as those terms are defined in Section 201.102 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.102.

49. Bag Makers was required to pay the requisite air pollution construction permit fees associated with its increased VOM usage and emissions from its silk screen presses.

50. On December 16, 2011, Bag Makers paid the required air pollution construction permit fees.

51. From at least 2008, when Bag Makers first exceeded its VOM usage and emission limitations and was required to have a construction permit, to December 16, 2011, when the air pollution construction permit fees were paid, Bag Makers violated Section 9.12(j) of the Act, 415 ILCS 5/9.12(j) (2010).

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, respectfully requests that the Pollution Control Board enter an order against the Respondent, BAG MAKERS, INC., with respect to this Count IV:

1. Authorizing a hearing in this matter at which time the Respondent will be required to answer the allegations contained herein;
2. Finding the Respondent has violated Section 9.12(j) of the Act, 415 ILCS 5/9.12(j) (2010);

3. Ordering the Respondent to timely pay any requisite air pollution construction permit fees for the Facility in the future;
4. Assessing against Respondent a civil penalty of fifty thousand dollars (\$50,000.00) for each and every violation of the Act, with an additional penalty of ten thousand dollars (\$10,000.00) for each day of violation;
5. Taxing all costs against the Respondent, including attorney, expert witness and consultant fees expended by the State in its pursuit of this action pursuant to Section 42(f) of the Act, 415 ILCS 5/42(f) (2010); and
6. Granting such other and further relief as the Board deems appropriate and just.

COUNT V
FAILURE TO SUBMIT COMPLETE AND ACCURATE ANNUAL EMISSIONS
REPORTS

1-14. Complainant realleges and incorporates by reference herein paragraphs 1 through 8, 10, and 11 of Count I, and paragraphs 34 through 37 of Count II, as paragraphs 1 through 14 of this Count V.

15. Section 9(a) of the Act, 415 ILCS 5/9(a) (2010), provides 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;

16. Section 201.302(a) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.302(a), provides as follows:

The owner or operator of any emission unit or air pollution control equipment, unless specifically exempted in this Section, shall submit to

the Agency as a minimum, annual reports detailing the nature, specific emission units and total annual quantities of all specified air contaminant emissions; provided, however, that the Agency may require more frequent reports where necessary to accomplish the purposes of the Act and this Chapter.

17. Bag Makers is not exempt from the provisions of Section 201.302(a) of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.302(a), and therefore is obligated to submit annual reports detailing the nature, specific emission units, and total annual quantities of all specified air contaminant emissions.

18. Section 254.132(a) of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.132(a), provides as follows:

Failure to file a complete Annual Emissions Report by the applicable deadlines prescribed in Section 254.137(a) of this Subpart shall be a violation of this Part and 35 Ill. Adm. Code 201.302(a).

19. Section 254.203 of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.203, provides, in pertinent part, as follows:

The Annual Emissions Report filed pursuant to this Subpart shall be limited to information requested by the Agency and required in the application for permits or renewals, including source identification information, emissions information, operating data, control device information, and exhaust point information for each regulated air pollutant emitted at the source. The information shall be provided for an individual emission unit or operation if this is also required in the application for permits or renewals.

20. Section 254.204 of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.204 (2010), provides as follows:

Complete Reports

The Annual Emissions Report shall be considered complete if it contains the information required by Section 254.203 of this Subpart for all regulated air pollutants emitted by the source to the extent that information is applicable to the activities, equipment or emissions of the source during

the year for which the report is submitted. Information required by Section 254.203 of this Subpart and provided by the Agency in the Source Inventory Report must be either verified as accurate or modified by the owner or operator, to the extent the Source Inventory Report is relied upon by the owner or operator to compile the Annual Emissions Report. Information required by Section 254.203 of this Subpart but not provided by the Agency must be provided by the owner or operator, unless the information has been previously provided to the Agency.

21. Section 211.4370 of the Board Air Pollution Regulations, 35 Ill. Adm. Code

211.4370, provides the following definition:

"Owner or operator" means any person who owns, operates, leases, controls, or supervises a source, an emission unit or air pollution control equipment.

22. Section 211.1950 of the Board Air Pollution Regulations, 35 Ill. Adm. Code

211.1950, provides the following definition:

"Emission unit" means any part or activity at a stationary source that emits or has the potential to emit any air pollutant.

23. Section 211.6370 of the Board Air Pollution Regulations, 35 Ill. Adm. Code

211.6370, provides the following definition:

"Stationary source" means any building, structure, facility, or installation that emits or may emit any air pollutant.

24. Section 211.370 of the Board Air Pollution Regulations, 35 Ill. Adm. Code

211.370, provides the following definition:

"Air pollutant" means an air pollution agent or combination of such agents, including any physical, chemical, biological, radioactive (including source material, special nuclear material, and byproduct material) substance or matter which is emitted into or otherwise enters the atmosphere. Such term includes any precursors to the formation of any air pollutant, to the extent that the relevant statute or rule has identified such precursor or precursors for particular purpose for which the term "air pollutant" is used.

25. The Emissions Units at the Facility emit or are capable of emitting air pollutants

in the form of VOM, and therefore are “emission units,” as that term is defined in Section 211.1950 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 211.1950.

26. Bag Makers is an owner or operator of emission units and, therefore, was required to submit a complete and accurate Annual Emissions Report (“AER”) for each of the calendar years 2006 through 2010.

27. Bag Makers did not submit complete and accurate AERs for calendar years 2006, 2007, 2008, 2009, and 2010 to the Illinois EPA because Bag Makers did not accurately report its annual emissions from its silk screen printing presses in those AER submissions, although they were timely filed.

28. On December 15, 2011, Bag Makers submitted revised AERs for the years 2006 through 2010 to the Illinois EPA.

29. By failing to completely and accurately report annual emissions from its silk screen printing presses in its AERs from 2006 until December 15, 2011, Bag Makers violated 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).

30. By violating 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), Bag Makers thereby also violated Section 9(a) of the Act, 415 ILCS 5/9(a) (2010).

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, respectfully requests that the Pollution Control Board enter an order against the Respondent, BAG MAKERS, INC., with respect to this Count V:

1. Authorizing a hearing in this matter at which time the Respondent will be

required to answer the allegations contained herein;

2. Finding the Respondent has violated Section 9(a) of the Act, 415 ILCS 5/9(a) (2010), 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);

3. Ordering the Respondent to completely and accurately submit AERs to the Illinois EPA for the Facility in the future;

4. Assessing against Respondent a civil penalty of fifty thousand dollars (\$50,000.00) for each and every violation of the Act and pertinent regulations, with an additional penalty of ten thousand dollars (\$10,000.00) for each day of violation;

5. Taxing all costs against the Respondent, including attorney, expert witness and consultant fees expended by the State in its pursuit of this action pursuant to Section 42(f) of the Act, 415 ILCS 5/42(f) (2010); and

6. Granting such other and further relief as the Board deems appropriate and just.

COUNT VI
FAILURE TO SUBMIT COMPLETE AND ACCURATE SEASONAL EMISSIONS
REPORTS

1-15. Complainant realleges and incorporates by reference herein paragraphs 1 through 15 of Count V as paragraphs 1 through 15 of this Count VI.

16. Section 9.8(b) of the Act, 415 ILCS 5/9.8(b) (2010), provides as follows:

- (b) The Agency shall design an emissions market system that will assist the State in meeting applicable post-1996 provisions under the CAAA of 1990, provide maximum flexibility for designated sources that reduce emissions, and that takes into account the findings of the national ozone transport assessment, existing air quality conditions, and resultant emissions levels necessary to achieve or maintain attainment.

17. Section 205.300 of the Board Air Pollution Regulations, 35 Ill. Adm. Code

205.300, provides, in pertinent part, as follows:

- a) For each year in which the source is operational, the owner or operator of each participating source and new participating source shall submit, as a component of its Annual Emissions Report, seasonal emissions information to the Agency for each seasonal allotment period after the effective date of this Part in accordance with the following schedule:

* * *

- 2) For each participating source or new participating source that generates VOM emissions from 10 or more emission units, by November 30 of each year.

- b) In addition to any information required pursuant to 35 Ill. Adm. Code 254, the seasonal emissions component of the Annual Emissions Report shall contain the following information for the preceding seasonal allotment period for each emission unit emitting or capable of emitting VOM, except that such information is not required for emission units excluded pursuant to Section 205.220 of this Part or for VOM emissions attributable to startup, malfunction or breakdown, as specified in Section 205.225 of this Part:

- 1) Actual seasonal emissions of VOM from the source;
- 2) A description of the methods and practices used to determine VOM emissions, as required by the source's CAAPP permit or FESOP, including any supporting documentation and calculations;
- 3) A detailed description of any monitoring methods that differ from the methods specified in the CAAPP permit or FESOP for the source, as provided in Section 205.337 of this Subpart;
- 4) If a source has experienced an emergency, as provided in Section 205.750 of this Part, it shall reference the associated emergency conditions report that has been approved by the Agency;
- 5) If a source's baseline emissions have been adjusted because

of a variance, consent order or CAAPP permit compliance schedule, as provided for in Section 205.320(e)(3) of this Subpart, it shall provide documentation quantifying the adjusted VOM emissions amount; and

- 6) If a source is operating a new or modified emission unit for which three years of operational data is not yet available, as specified in Section 205.320(f) of this Subpart, it shall specify seasonal emissions attributable to the new emission unit or the modification of the emission unit.

18. Bag Makers is not exempt from the provisions of Section 205.300 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 205.300, and is therefore obligated to submit seasonal reports detailing the nature, specific emission units, and total seasonal quantities of all specified air contaminant emissions.

19. Section 254.132(b) of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.132(b), provides as follows:

- b) Failure to file a complete Seasonal Emissions Report by the applicable deadlines prescribed in Section 254.137(b) of this Subpart shall be a violation of this Part and 35 Ill. Adm. Code 205.300.

20. From 2006 through 2010, Bag Makers failed to completely and accurately report its seasonal allotment period emissions because Bag Makers did not accurately report its annual emissions from its silk screen printing presses in its Seasonal Emissions Reports ("SERs").

21. On December 15, 2011, Bag Makers submitted revised SERs for the years 2006 through 2010 to the Illinois EPA.

22. By failing to completely and accurately report seasonal allotment period emissions in its SERs from 2006 until December 15, 2011, Bag Makers violated Section 205.300 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 205.300, and Section 254.132(b) of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.132(b).

23. By violating Section 205.300 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 205.300, and Section 254.132(b) of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.132(b), Bag Makers thereby also violated Section 9(a) of the Act, 415 ILCS 5/9(a) (2010).

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, respectfully requests that the Pollution Control Board enter an order against the Respondent, BAG MAKERS, INC., with respect to Count VI:

1. Authorizing a hearing in this matter at which time the Respondent will be required to answer the allegations contained herein;
2. Finding the Respondent has violated Section 9(a) of the Act, 415 ILCS 5/9(a) (2010), Section 205.300 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 205.300, and Section 254.132(b) of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.132(b);
3. Ordering the Respondent to completely and accurately submit SERs to the Illinois EPA for the Facility in the future;
4. Assessing against Respondent a civil penalty of fifty thousand dollars (\$50,000.00) for each and every violation of the Act and pertinent regulations, with an additional penalty of ten thousand dollars (\$10,000.00) for each day of violation;
5. Taxing all costs against the Respondent, including attorney, expert witness and consultant fees expended by the State in its pursuit of this action pursuant to Section 42(f) of the Act, 415 ILCS 5/42(f) (2010); and
6. Granting such other and further relief as the Board deems appropriate and just.

COUNT VII
VIOLATION OF ILLINOIS POLLUTION CONTROL BOARD ORDER

1-3. Complainant realleges and incorporates by reference herein paragraphs 1 through 3 of Count I as paragraphs 1 through 3 of this Count VII.

4. On April 29, 2005, Complainant filed a complaint against Bag Makers before the Board, pursuant to Section 31 of the Act, 415 ILCS 5/31.

5. The case was accepted by the Board for hearing and designated People v. Bag Makers, Inc., Case No. PCB 05-192.

6. On November 16, 2005, Complainant and Bag Makers filed a Stipulation and Proposal for Settlement ("Stipulation") with the Board. See Stipulation, attached hereto and incorporated herein as Attachment E.

7. On January 5, 2006, the Board issued its Opinion and Order accepting and incorporating by reference the Stipulation ("Board Order"). See Board Order, attached hereto and incorporated herein as Attachment F.

8. Section 33 of the Act, 415 ILCS 5/33 (2010), provides, in pertinent part, as follows:

(a) After due consideration of the written and oral statements, the testimony and arguments that shall be submitted at the hearing . . . the Board shall issue and enter such final order, or make such final determination, as it shall deem appropriate under the circumstances.

* * *

(d) All orders issued and entered by the Board pursuant to this Section shall be enforceable by injunction, mandamus, or other appropriate remedy, in accordance with Section 42 of this Act.

9. Section 42 of the Act, 415 ILCS 5/42(a) (2010), provides, in pertinent part, as

follows:

- (a) Except as provided in this Section, any person that violates ... any order of the Board pursuant to this Act, shall be liable for a civil penalty of not to exceed \$50,000 for the violation and an additional civil penalty of not to exceed \$10,000 for each day during which the violation continues; such penalties may, upon order of the Board or a court of competent jurisdiction, be made payable to the Environmental Protection Trust Fund, to be used in accordance with the provisions of the Environmental Protection Trust Fund Act.

10. The Board Order has not been modified, vacated, or set aside, and remains in full force and effect.

11. Section VIII.B of the Stipulation (Compliance Plan) provides as follows:

Respondent [Bag Makers] shall obtain appropriate construction and operating permits from the Illinois EPA Bureau of Air for future regulated equipment additions or changes.

See Attachment E, pg. 11.

12. Complainant realleges and incorporates by reference herein all allegations contained in Count I of this Complaint into this Count VII.

13. Complainant realleges and incorporates by reference herein all allegations contained in Count III of this Complaint into this Count VII.

14. By failing to timely renew its FESOP and obtain a construction permit for VOM usage and emission exceedances, Bag Makers violated the terms and conditions of Section VIII.B of the Stipulation.

15. By violating the terms and conditions of Section VIII.B of the Stipulation, Bag Makers violated the Board Order.

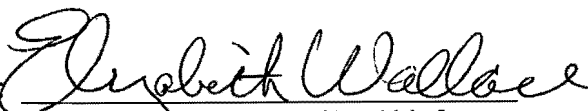
16. By violating the Board Order, Bag Makers is subject to the civil penalty provisions of Section 42(a) of the Act, 415 ILCS 5/42(a) (2010).

WHEREFORE, the Complainant, PEOPLE OF THE STATE OF ILLINOIS, respectfully requests that the Pollution Control Board enter an order against the Respondent, BAG MAKERS, INC., with respect to this Count VII:

1. Authorizing a hearing in this matter at which time the Respondent will be required to answer the allegations contained herein;
2. Finding the Respondent has violated the January 5, 2006 Board Order in People v. Bag Makers, Inc., Case No. PCB 05-192;
3. Assessing against Respondent a civil penalty of fifty thousand dollars (\$50,000.00) for each and every violation the Board Order, with an additional penalty of ten thousand dollars (\$10,000.00) for each day of violation;
4. Taxing all costs against the Respondent, including attorney, expert witness and consultant fees expended by the State in its pursuit of this action pursuant to Section 42(f) of the Act, 415 ILCS 5/42(f) (2010); and
5. Granting such other and further relief as the Board deems appropriate and just.

PEOPLE OF THE STATE OF ILLINOIS,
ex rel. LISA MADIGAN, Attorney
General of the State of Illinois,

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

By 
ELIZABETH WALLACE, Chief
Environmental Bureau
Assistant Attorney General

OF COUNSEL:

JENNIFER A. VAN WIE

Assistant Attorney General

Environmental Bureau

Illinois Attorney General's Office

69 W. Washington Street, Suite 1800

Chicago, Illinois 60602

(312) 814-0609

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

PERMITTEE

Bag Makers, Inc.
Attn: Don Brown
6606 South Union Road
Union, Illinois 60180

Application No.: 03070014

I.D. No.: 111804AAD

Applicant' Designation:

Date Received: February 3, 2009

Subject: Packaging Printing Plant

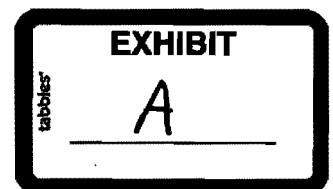
Date Issued: April 27, 2009

Expiration Date: May 10, 2010

Location: 6606 South Union Road, Union, McHenry County

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of twenty-one flexographic and forty-one silk screen printing presses and natural gas fired heaters and dryers pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This federally enforceable state operating permit is issued:
 - i. To limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year for totaled HAPs). As a result the source is excluded from the requirement to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.
 - ii. To limit the emissions of VOM from the construction of new emission units and other modifications at the source, which occurred without first obtaining construction permit(s) between November 15, 1992 and June 15, 2005 (the period during which the Chicago area was classified as severe nonattainment for ozone), to less than 25 tons/year. As a result, the source is excluded from the requirements of 35 Ill. Adm. Code Part 203, Major Stationary Sources Construction and Modification.
 - iii. To limit emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year to less than 15 tons. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205, except reporting requirements of Section 205.300.





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- iv. To establish federally enforceable production and operating limitations, which restrict the potential to emit for VOM to less than 25 tons per year so that the source is not subject to the requirements of 35 Ill. Adm. Code 218.401 (Flexographic and Rotogravure Printing).
- b. Prior to initial issuance, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permits issued for this location.
- 2a. Pursuant to 35 Ill. Adm. Code 218.204(c), except as provided in 35 Ill. Adm. Code 218.205, 218.207, 218.208, 218.212, 218.215 and 218.216, no owner or operator of a coating line shall apply at any time any coating in which the VOM content exceeds the following emission limitations for the specified coating. The following emission limitations are expressed in units of VOM per volume of coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied at each coating applicator, except where noted. Compounds which are specifically exempted from the definition of VOM should be treated as water for the purpose of calculating the "less water" part of the coating composition. Compliance with 35 Ill. Adm. Code 218 Subpart F must be demonstrated through the applicable coating analysis test methods and procedures specified in 35 Ill. Adm. Code 218.105(a) and the recordkeeping and reporting requirements specified in 35 Ill. Adm. Code 218.211(c) except where noted. The emission limitations are as follows:

	<u>kg/l</u>	<u>lb/gal</u>
Paper Coating	0.28	(2.3)

Note: The paper coating limitation shall not apply to any owner or operator of any paper coating line on which flexographic or rotogravure printing is performed if the paper coating line complies with the emissions limitations in 35 Ill. Adm. Code 218.401. In addition, screen printing on paper is not regulated as paper coating, but is regulated under 35 Ill. Adm. Code 218 Subpart TT.

- b. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, or 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall apply only to photochemically reactive material.
3. This permit is issued based upon the source not being subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for the Printing and Publishing Industry, 40 CFR 63, Subpart KK. The flexographic printing presses operated at the facility are not wide-web flexographic printing presses, as defined in 40 CFR 63.822(a).



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- 4a. Pursuant to 35 Ill. Adm. Code 218.209, no owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 is required to meet the limitations of 35 Ill. Adm. Code 218 Subpart G (35 Ill. Adm. Code 218.301 or 218.302), after the date by which the coating line is required to meet 35 Ill. Adm. Code 218.204.
- b. This permit is issued based upon the source not being subject to the requirements of 35 Ill. Adm. Code 218.401, Flexographic and Rotogravure Printing. This is a result of the federally enforceable production and operating limitations of this permit, which restrict the maximum theoretical emissions of VOM from this facility to less than 100 tons per year and the potential to emit for VOM emissions to less than 25 tons per year.
- c. Pursuant to 35 Ill. Adm. Code 218.980(d), no limits under 35 Ill. Adm. Code 218 Subpart TT shall apply to emission units with emissions of VOM to the atmosphere less than or equal to 2.3 Mg (2.5 tons) per calendar year if the total emissions from such emission units not complying with 35 Ill. Adm. Code 219.986 does not exceed 4.5 Mg (5.0 tons) per calendar year.
5. In the event that the operation of this source results in an odor nuisance, the Permittee shall take appropriate and necessary actions to minimize odors, including but not limited to, changes in raw material or installation of controls, in order to eliminate the odor nuisance.
- 6a. Emissions and operating of the flexographic printing presses and the silk screen printing presses shall not exceed the following limits:
- i. VOM emissions from fifteen flexographic printing presses (FP1 - FP15) and ten silk screen printing presses (SP1 - SP10) constructed before June 15, 2005 shall not exceed 350 lbs/day and 24.5 tons/year.
 - ii. VOM emissions from twenty-one flexographic printing presses shall not exceed 350 lb/day and 24.5 tons/year.
 - iii. The above limitations were established in Permit 08020004, pursuant to 35 Ill. Adm. Code Part 203. These limits ensure that the construction and/or modification addressed in the aforementioned permit does not constitute a new major source or major modification pursuant to Title I of the Clean Air Act, specifically 35 Ill. Adm. Code Part 203.
 - iv. Compliance with the annual limits of Condition 6(a) shall be determined on a daily basis from the sum of the data for the current day plus the preceding 364 days (running 365 day total).
- b. Emissions from forty-one silk screen printing presses (SP1 - SP41) shall not exceed the following limits:



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Emission Units	VOM Usage		VOM Emissions	
	(Ton/Mo)	(Ton/Yr)	(Ton/Mo)	(Ton/Yr)
Silk Screen Presses SP1 - SP15	0.06	0.60	0.06	0.60
Silk Screen Presses SP16 - SP29	0.06	0.56	0.06	0.56
Silk Screen Presses SP30 - SP41	0.05	0.48	0.05	0.48
			Total:	1.64

These limits are based on the maximum VOM usage and emissions. Note that there is a "nested" limit on the emissions of the combination of HAPs as a result of the limit on VOM emissions. The HAPs emitted at this source have been determined to be VOMs and therefore limiting VOM emissions also limits HAP emissions.

- c. Total VOM emissions from the source (all twenty-one flexographic and all forty-one silk screen printing presses) shall not exceed 2.6 tons/month and 26.14 tons/year.
- d. Total VOM emissions from the source natural gas fired heaters and dryers shall not exceed 0.03 tons/month and 0.24 tons/year.
- e. The emissions of Hazardous Air Pollutants (HAPs) as listed in Section 112(b) of the Clean Air Act from the source shall not exceed 0.9 tons/month and 9.0 tons/year of any single HAP and 2.25 tons/month and 22.5 tons/year of any combination of such HAPs. As a result of this condition, this permit is issued based on the emissions of any HAP from this source not triggering the requirements of Section 112(g) of the Clean Air Act.
- f. VOM and HAP emissions from printing operations shall be determined from the following equation:

$$E = [\sum(M_i \times C_i) - W \times C_w] / 2,000$$

where:

E = VOM or HAP emissions (tons);

M_i = Raw material usage (gallons);

C_i = VOM or HAP content of the raw material (lbs/gallon);

W = Certified amount of waste shipped-off (gallons);

C_w = certified VOM or HAP content of the waste (% by weight).

- g. Compliance with the annual limits of Conditions 6(b) through 6(e) shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month of total).
- 7a. Emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons.



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This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205.

- b. In the event that the source's VOM emissions during the seasonal allotment period exceed 15 tons, the source shall no longer be exempt from the ERMS and shall comply with 35 Ill. Adm. Code Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period.
- 8a. Pursuant to 35 Ill. Adm. Code 201.282, every emission source or air pollution control equipment shall be subject to the following testing requirements for the purpose of determining the nature and quantities of specified air contaminant emissions and for the purpose of determining ground level and ambient air concentrations of such air contaminants:
- i. Testing by Owner or Operator. The Illinois EPA may require the owner or operator of the emission source or air pollution control equipment to conduct such tests in accordance with procedures adopted by the Illinois EPA, at such reasonable times as may be specified by the Illinois EPA and at the expense of the owner or operator of the emission source or air pollution control equipment. The Illinois EPA may adopt procedures detailing methods of testing and formats for reporting results of testing. Such procedures and revisions thereto, shall not become effective until filed with the Secretary of State, as required by the APA Act. All such tests shall be made by or under the direction of a person qualified by training and/or experience in the field of air pollution testing. The Illinois EPA shall have the right to observe all aspects of such tests.
 - ii. Testing by the Illinois EPA. The Illinois EPA shall have the right to conduct such tests at any time at its own expense. Upon request of the Illinois EPA, the owner or operator of the emission source or air pollution control equipment shall provide, without charge to the Illinois EPA, necessary holes in stacks or ducts and other safe and proper testing facilities, including scaffolding, but excluding instruments and sensing devices, as may be necessary.
 - b. Testing required by Condition 9 shall be performed upon a written request from the Illinois EPA by a qualified independent testing service.
- 9a. Pursuant to 35 Ill. Adm. Code 218.211(a), the VOM content of each coating and the efficiency of each capture system and control device shall be determined by the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105 to establish the records required under 35 Ill. Adm. Code 218.211.



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- b. Pursuant to 35 Ill. Adm. Code 218.404(a), the VOM content of each coating and ink and the efficiency of each capture system and control device shall be determined by the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105 to establish the records required under 35 Ill. Adm. Code 218.404.
10. Pursuant to 40 CFR 63.10(b)(3), if an owner or operator determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants regulated by any standard established pursuant to section 112(d) or (f) of the Clean Air Act, and that stationary source is in the source category regulated by the relevant standard, but that source is not subject to the relevant standard (or other requirement established under 40 CFR Part 63) because of limitations on the source's potential to emit or an exclusion, the owner or operator must keep a record of the applicability determination on site at the source for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination must be signed by the person making the determination and include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) must be sufficiently detailed to allow the USEPA and/or Illinois EPA to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis must be performed in accordance with requirements established in relevant subparts of 40 CFR Part 63 for this purpose for particular categories of stationary sources. If relevant, the analysis should be performed in accordance with USEPA guidance materials published to assist sources in making applicability determinations under Section 112 of the Clean Air Act, if any. The requirements to determine applicability of a standard under 40 CFR 63.1(b)(3) and to record the results of that determination under 40 CFR 63.10(b)(3) shall not by themselves create an obligation for the owner or operator to obtain a Title V permit.
- 11a. Pursuant to 35 Ill. Adm. Code 218.211(c)(2), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 and complying by means of 35 Ill. Adm. Code 218.204 shall collect and record following information each day for each coating line and maintain the information at the source for a period of three years:
- i. The name and identification number of each coating as applied on the coating lines.
 - ii. The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on the coating lines.
- b. Pursuant to 35 Ill. Adm. Code 218.404(b)(2), the owner or operator of a printing line which is exempted from the limitations of 35 Ill. Adm. Code 218.401 because of the criteria in 35 Ill. Adm. Code 218.402 shall



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collect and record all of the following information each year for each printing line and maintain the information at the source for a period of three years:

- i. The name and identification number of each coating and ink as applied on each printing line.
 - ii. The VOM content and the volume of each coating and ink as applied each year on each printing line.
- 12a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Amount of each material, which contains either VOM or HAP, used on printing presses FP1 - FP15 and silk screen printing presses SP1 - SP10, which were constructed prior to June 15, 2005, (gallons/day and gallons/year);
 - ii. Amount of each material, which contains either VOM or HAP, used on all flexographic printing presses FP1 - FP21 (gallons/day, gallons/month, and gallons/year);
 - iii. Amount of each material, which contains either VOM or HAP, used on all silk screen printing presses SP1 - SP41 (gallons/month and gallons/year);
 - iv. VOM and HAP content of each material containing VOM or HAP (lbs/gallon);
 - v. Certified amount of waste shipped-off (lbs/month and lbs/year) and its VOM content (% by weight);
 - vi. Daily and annual VOM emissions for printing presses FP1 - FP15 and silk screen printing presses SP1 - SP10 (which were constructed prior to June 15, 2005) with supporting calculations (lbs/day and tons/year);
 - vii. Daily and annual VOM emissions from flexographic printing presses FP1 - FP21 with supporting calculations (lbs/day and tons/year);
 - viii. Monthly and annual VOM emissions from screen printing presses SP1 - SP41 with supporting calculations (tons/month and tons/year);
 - ix. Natural gas usage (mmscf/month and mmscf/year); and
 - x. Monthly and annual VOM and HAP emissions from the source with supporting calculations (tons/month and tons/year).
- b. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records



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retained in an electronic format (e.g., computer storage device) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.

- 13a. Pursuant to 35 Ill. Adm. Code 218.211(c)(3), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 of and complying by means of 35 Ill. Adm. Code 218.204 shall notify the Illinois EPA in the following instances:
- i. Any record showing violation of 35 Ill. Adm. Code 218.204 shall be reported by sending a copy of such record to the Illinois EPA within 30 days following the occurrence of the violation.
 - ii. At least 30 calendar days before changing the method of compliance from 35 Ill. Adm. Code 218.204 to 35 Ill. Adm. Code 218.205 or 35 Ill. Adm. Code 218.207, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.211(d)(1) or (e)(1), respectively. Upon changing the method of compliance from 35 Ill. Adm. Code 218.204 to 35 Ill. Adm. Code 218.205 or 35 Ill. Adm. Code 218.207, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.211(d) or (e), respectively.
- b. Pursuant to 35 Ill. Adm. Code 218.404(b)(3), any owner or operator of a printing line which is exempted from the limitations of 35 Ill. Adm. Code 218.401 because of the criteria in 35 Ill. Adm. Code 218.402 shall notify the Illinois EPA of any record showing that total maximum theoretical emissions of VOM from all printing lines exceed 90.7 Mg (100 tons) in any calendar year before the application of capture systems and control devices by sending a copy of such record to the Illinois EPA within 30 days after the exceedance occurs.
- c. Pursuant to 35 Ill. Adm. Code 218.990, upon request by the Illinois EPA, the owner or operator of an emission unit which is exempt from the requirements of 35 Ill. Adm. Code 218 Subparts PP, QQ, RR, TT or 35 Ill. Adm. Code 218.208(b) shall submit records to the Illinois EPA within 30 calendar days from the date of the request that document that the emission unit is exempt from those requirements.
- 14a. If there is an exceedance or a deviation of the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance or deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or deviation and efforts to reduce emissions and future occurrences.



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ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 North Grand Avenue East, P.O. Box 19276, Springfield, Illinois 62794-9276 • (217) 782-2829
James R. Thompson Center, 100 West Randolph, Suite 11-300, Chicago, IL 60601 • (312) 814-6026

PAT QUINN, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

b. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

It should be noted that this permit has been revised to include operation of the equipment described in Construction Permit 09020004.

If you have any questions on this, please call Valeriy Brodsky at 217/782-2113.

Edwin C. Bakowski, P.E.
Manager, Permit Section
Division of Air Pollution Control

Date Signed: _____

ECB:VJB:psj

cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from the packaging printing facility operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario which results in maximum emissions from such a plant. The resulting maximum emissions are below the levels (e.g., 100 tons/year for volatile organic material (VOM), 10 tons per year for a single HAP, and 25 tons per year for any combination of such HAP) at which this source would be considered a major source for purposes of the Clean Air Act Permit Program. Actual emissions from this source will be less than predicted in this summary to the extent that less material is handled and control measures are more effective than required in this permit.

<u>Process</u>	Emissions (tons/year)	<u>VOM</u>	<u>Single HAP</u>	<u>Total HAP</u>
Twenty-One Flexographic Printing Presses		24.50		
Forty-One Silk Screen Printing Presses		1.64		
Heaters and Dryers		0.24		
	Total	26.38	9.0	22.5

VJB:psj

Attachment B - Emissions Reduction Market System (ERMS)

1. Description of ERMS

The ERMS is a "cap and trade" market system for major stationary sources located in the Chicago ozone nonattainment area. It is designed to reduce VOM emissions from stationary sources to contribute to reasonable further progress toward attainment, as required by Section 182(c) of the Clean Air Act.

The ERMS addresses VOM emissions during a seasonal allotment period, from May 1 through September 30. Participating sources must hold "allotment trading units" (ATUs) for their actual seasonal VOM emissions. Each year participating sources are issued ATUs based on allotments set in the sources' FESOP or CAAPP permits. These allotments are established from historical VOM emissions or "baseline emissions" lowered to provide the emissions reductions from stationary sources required for reasonable further progress.

By December 31 of each year, the end of the reconciliation period following the seasonal allotment period, each source should have sufficient ATUs in its transaction account to cover its actual VOM emissions during the preceding season. A transaction account's balance as of December 31 will include any valid ATU transfer agreements entered into as of December 31 of the given year, provided such agreements are promptly submitted to the Illinois EPA for entry into the transaction account database. The Illinois EPA will then retire ATUs in sources' transaction accounts in amounts equivalent to their seasonal emissions. When a source does not appear to have sufficient ATUs in its transaction account, the Illinois EPA will issue a notice to the source to begin the process for Emissions Excursion Compensation.

In addition to receiving ATUs pursuant to their allotments, participating sources may also obtain ATUs from the market, including ATUs bought from other participating sources and general participants in the ERMS that hold ATUs (35 Ill. Adm. Code 205.630) and ATUs issued by the Illinois EPA as a consequence of VOM emissions reductions from an Emissions Reduction Generator or an Intersector Transaction (35 Ill. Adm. Code 205.500 and 35 Ill. Adm. Code 205.510). During the reconciliation period, sources may also buy ATUs from a secondary reserve of ATUs managed by the Illinois EPA, the "Alternative Compliance Market Account" (ACMA) (35 Ill. Adm. Code 205.710). Sources may also transfer or sell the ATUs that they hold to other sources or participants (35 Ill. Adm. Code 205.630).

2. Applicability

Emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons, not including VOM emissions from insignificant emission units and activities. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205.

3. Recordkeeping and Reporting

- a. The Permittee shall maintain the following records to determine compliance with the above limitation:
 - i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as specified in this permit, as appropriate, to determine actual VOM emissions during the seasonal allotment period;
 - ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures, which may be specified in this permit; and
 - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period.
- b. The Permittee shall submit the seasonal emissions component of the Annual Emissions Report by November 30 of each year, reporting actual emissions of VOM during the seasonal allotment period, in accordance with 35 Ill. Adm. Code 205.205(b) and 35 Ill. Adm. Code 205.300.
- c. In the event that the source's VOM emissions during the seasonal allotment period exceed 15 tons, the source shall no longer be exempt from the ERMS and shall immediately comply with 35 Ill. Adm. Code Part 205, including holding allotment trading units (ATUs) for its VOM emissions during the first seasonal allotment period it exceeds 15 tons and each seasonal allotment period, thereafter, pursuant to 35 Ill. Adm. Code 205.150(c).

VJB:psj



ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. Box 19506, SPRINGFIELD, ILLINOIS 62794-9506 - (217) 782-2113

ROD R. BLAGOJEVICH, GOVERNOR

DOUGLAS P. SCOTT, DIRECTOR

217/782-2113

FEDERALLY ENFORCEABLE STATE OPERATING PERMIT -- REVISED

PERMITTEE

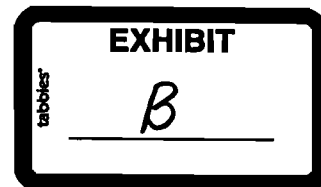
Bag Makers, Inc.
Attn: Don Brown
6606 South Union Road
Union, Illinois 60180

Application No.: 03070014
Applicant's Designation:
Subject: Packaging Printing Plant
Date Issued: December 20, 2007
Location: 6606 South Union Road, Union

I.D. No.: 111804AAD
Date Received: October 3, 2007
Expiration Date: May 10, 2010

This permit is hereby granted to the above-designated Permittee to OPERATE emission unit(s) and/or air pollution control equipment consisting of twenty flexographic and fifteen silk screen printing presses pursuant to the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This federally enforceable state operating permit is issued:
- i. To limit the emissions of air pollutants from the source to less than major source thresholds (i.e., 10 tons/year for a single hazardous air pollutant (HAP) and 25 tons/year for totaled HAPs). As a result the source is excluded from the requirement to obtain a Clean Air Act Permit Program (CAAPP) permit. The maximum emissions of this source, as limited by the conditions of this permit, are described in Attachment A.
 - ii. To limit the emissions of volatile organic materials (VOM) from the emission units constructed between November 15, 1992 and June 15, 2005 (the period during which the Chicago area was classified as severe nonattainment for ozone) without construction permit(s) to less than New Source Review major source threshold 25 tons/year established by 35 Ill. Adm. Code 203.206(b).
 - iii. To limit emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year to less than 15 tons. This limitation is established at the request of the source to exempt it from the requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205, except reporting requirements of Section 205.300.
- b. Prior to the initial issuance of a FESOP to this source, a draft of this permit has undergone a public notice and comment period.
- c. This permit supersedes all operating permits issued for this location.



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- 2a. This permit is issued based upon the source not being subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for the Printing and Publishing Industry, 40 CFR 63, Subpart KK. The flexographic printing presses operated at the facility are not wide-web flexographic printing presses, as defined in 40 CFR 63.822(a).
3. The emissions of Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act shall be less than 10 tons/year of any single HAP and 25 tons/year of any combination of such HAPs. As a result of this condition, this permit is issued based on the emissions of all HAPs from this source not triggering the requirements to obtain a Clean Air Act Permit Program Permit (CAAPP) permit.
- 4a. This permit is issued based upon the flexographic printing presses not being subject to the VOM control requirements of 35 Ill. Adm. Code 218.401: Flexographic and Rotogravure Printing. This is a consequence of the federally enforceable limitations of this permit limiting Potential to Emit and Maximum Theoretical Emissions of VOM to less than the applicability thresholds of 25 tons per year and 100 tons year, respectively, as established in Section 218.402(a).
- b. This Permit is issued based upon silk screen printing presses are not required to meet the control requirements of 35 Ill. Adm. Code 218.986 by qualifying for the exemption in 218.980(d). To qualify for this exemption, emissions of VOM from each silk screen printing press shall not exceed 2.5 tons per calendar year and emissions from all silk screen printing presses combined shall not exceed 5.0 tons per calendar year.
- c. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall apply only to photochemically reactive material.
5. Pursuant to 35 Ill. Adm. Code 218.204(c), the paper coating limitation shall not apply to any owner or operator of any paper coating line on which flexographic or rotogravure printing is performed if the paper coating line complies with the emissions limitations in 35 Ill. Adm. Code 218.401.
- 6a. VOM emissions from twenty flexographic printing presses and ten silk screen printing presses constructed before June 15, 2005 shall not exceed 3.0 ton/mo and 24.5 tons/year.
- b. Combined VOM emissions from all fifteen silk screen printing presses shall not exceed 0.1 ton/mo and 0.6 tons/year.

The VOM and HAP emissions shall be determined from the following equation:

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$E = [E(M_1 \times C_1) - W \times C_w] / 2,000$, where:

E - VOM/HAP emissions (tons);

M_1 - Raw material usage (gallons);

C_1 - VOM/HAP content of the raw material (lbs/gallon);

W - Certified amount of waste shipped-off (gallons);

C_w - certified VOM/HAP content of the waste (lbs/gallon).

Value of C_w for the current reporting period shall be used from the most recent waste shipment. Upon receiving updated C_w for the reporting period emissions shall be recalculated. Compliance with annual limits shall be determined from a running total of 12 months of data.

- 7a. Pursuant to 40 CFR 63.10(b)(3), if an owner or operator determines that his or her stationary source that emits (or has the potential to emit, without considering controls) one or more hazardous air pollutants regulated by any standard established pursuant to section 112(d) or (f) of the Clean Air Act, and that stationary source is in the source category regulated by the relevant standard, but that source is not subject to the relevant standard (or other requirement established under 40 CFR Part 63) because of limitations on the source's potential to emit or an exclusion, the owner or operator must keep a record of the applicability determination on site at the source for a period of 5 years after the determination, or until the source changes its operations to become an affected source, whichever comes first. The record of the applicability determination must be signed by the person making the determination and include an analysis (or other information) that demonstrates why the owner or operator believes the source is unaffected (e.g., because the source is an area source). The analysis (or other information) must be sufficiently detailed to allow the USEPA and/or Illinois EPA to make a finding about the source's applicability status with regard to the relevant standard or other requirement. If relevant, the analysis must be performed in accordance with requirements established in relevant subparts of 40 CFR Part 63 for this purpose for particular categories of stationary sources. If relevant, the analysis should be performed in accordance with USEPA guidance materials published to assist sources in making applicability determinations under Section 112 of the Clean Air Act, if any. The requirements to determine applicability of a standard under 40 CFR 63.1(b)(3) and to record the results of that determination under 40 CFR 63.10(b)(3) shall not by themselves create an obligation for the owner or operator to obtain a Title V permit.
- b. The Permittee shall maintain monthly records of the following items separately for emission units constructed before and after June 15, 2005 and separately for flexographic and silk screen printing presses:

Page 4

- i. Amount of each VOM/HAP containing material used (gallons/month, gallons/year);
 - ii. VOM and HAP content of each VOM/HAP-containing material (lbs/gallon);
 - iii. Certified amount of waste shipped-off (gallons/month, gallons/year) and its VOM content (lbs/gallon);
 - iv. VOM and HAP emission with supporting calculations (tons/month, tons/year).
8. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.
9. If there is an exceedance of the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or violation and efforts to reduce emissions and future occurrences.
10. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

It should be noted that this permit has been revised to correct NESHP and paper coating rules applicability conditions.

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If you have any questions on this, please call Valeriy Brodsky at 217/782-2113.

ECB

COPY

Original Signed by
Edwin C. Bakowski, P.E.

Edwin C. Bakowski, P.E.
Acting Manager, Permit Section
Division of Air Pollution Control

Date Signed: 12/20/2012

VJB RMB
ECB:VJB:jws

cc: Illinois EPA, FOS Region 1
Lotus Notes

Attachment A - Emission Summary

This attachment provides a summary of the maximum emissions from the packaging printing facility operating in compliance with the requirements of this federally enforceable permit. In preparing this summary, the Illinois EPA used the annual operating scenario which results in maximum emissions from such a plant. The resulting maximum emissions are below the levels, e.g., 100 tons/year for volatile organic material (VOM), 10 tons per year for a single HAP, and 25 tons per year for totaled HAP at which this source would be considered a major source for purposes of the Clean Air Act Permit Program and New Source Review. Actual emissions from this source will be less than predicted in this summary to the extent that less material is handled and control measures are more effective than required in this permit.

Emissions (tons/year)

Process	VOM	Single HAP	Total HAP
Existing Printing Operations	24.5		
New Printing Operations	0.6		
Total	25.1	<10	<25

VJB:jws

Attachment B - Emissions Reduction Market System (ERMS)

1. Description of ERMS

The ERMS is a "cap and trade" market system for major stationary sources located in the Chicago ozone nonattainment area. It is designed to reduce VOM emissions from stationary sources to contribute to reasonable further progress toward attainment, as required by Section 182(c) of the CAA.

The ERMS addresses VOM emissions during a seasonal allotment period from May 1 through September 30. Participating sources must hold "allotment trading units" (ATUs) for their actual seasonal VOM emissions. Each year participating sources are issued ATUs based on allotments set in the sources' CAAPP permits. These allotments are established from historical VOM emissions or "baseline emissions" lowered to provide the emissions reductions from stationary sources required for reasonable further progress.

By December 31 of each year, the end of the reconciliation period following the seasonal allotment period, each source should have sufficient ATUs in its transaction account to cover its actual VOM emissions during the preceding season. A transaction account's balance as of December 31 will include any valid ATU transfer agreements entered into as of December 31 of the given year, provided such agreements are promptly submitted to the Illinois EPA for entry into the transaction account database. The Illinois EPA will then retire ATUs in sources' transaction accounts in amounts equivalent to their seasonal emissions. When a source does not appear to have sufficient ATUs in its transaction account, the Illinois EPA will issue a notice to the source to begin the process for Emissions Excursion Compensation.

In addition to receiving ATUs pursuant to their allotments, participating sources may also obtain ATUs from the market, including ATUs bought from other participating sources and general participants in the ERMS that hold ATUs (35 Ill. Adm. Code 205.630) and ATUs issued by the Illinois EPA as a consequence of VOM emissions reductions from an Emissions Reduction Generator or an Intersector Transaction (35 Ill. Adm. Code 205.500 and 35 Ill. Adm. Code 205.510). During the reconciliation period, sources may also buy ATUs from a secondary reserve of ATUs managed by the Illinois EPA, the "Alternative Compliance Market Account" (ACMA) (35 Ill. Adm. Code 205.710). Sources may also transfer or sell the ATUs that they hold to other sources or participants (35 Ill. Adm. Code 205.630).

2. Applicability

Emissions of VOM from the source during the seasonal allotment period from May 1 through September 30 of each year shall not exceed 15 tons, not including VOM emissions from insignificant emission units and activities as identified in Section 3 of this permit. This limitation is established at the request of the source to exempt it from the

requirements of 35 Ill. Adm. Code Part 205, Emissions Reduction Market System (ERMS), pursuant to 35 Ill. Adm. Code 205.205.

3. Recordkeeping and Reporting

- a. The Permittee shall maintain the following records to determine compliance with the above limitation:
 - i. Records of operating data and other information for each individual emission unit or group of related emission units at the source, as specified in Sections 5 and 7 of this permit, as appropriate, to determine actual VOM emissions during the seasonal allotment period;
 - ii. Records of the VOM emissions, in tons, during the seasonal allotment period, with supporting calculations, for each individual emission unit or group of related emission units at the source, determined in accordance with the procedures specified in Sections 5 and 7 of this permit; and
 - iii. Total VOM emissions from the source, in tons, during each seasonal allotment period.
- b. The Permittee shall submit the seasonal emissions component of the Annual Emissions Report by November 30 of each year, reporting actual emissions of VOM during the seasonal allotment period, in accordance with 35 Ill. Adm. Code 205.205(b) and 35 Ill. Adm. Code 205.300.
- c. In the event that the source's VOM emissions during the seasonal allotment period exceed 15 tons, the source shall no longer be exempt from the ERMS and beginning with the following seasonal allotment period, shall comply with 35 Ill. Adm. Code Part 205, by holding allotment trading units (ATUs) for its VOM emissions during each seasonal allotment period.

217/782-2113

CONSTRUCTION PERMIT

PERMITTEE

Bag Makers, Inc.
Attn: Don Brown
6606 South Union Road
Union, Illinois 60180

Application No.: 08020004I.D. No.: 111804AADApplicant's Designation:Date Received: February 4, 2008Subject: Six Flexographic and Four Silk Screen PressesDate Issued: July 9, 2008Location: 6606 South Union Road, Union, McHenry County

This permit is hereby granted to the above-designated Permittee to CONSTRUCT emission unit(s) and/or air pollution control equipment consisting of one flexographic printing press (FP21) and fourteen silk screen printing presses (SP16 - SP29) as described in the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This permit is issued based on construction of one flexographic and fourteen silk screen printing presses not constituting a new major source or major modification pursuant to Title I of the Clean Air Act, specifically the Illinois EPA rules for Major Stationary Sources Construction and Modification, 35 Ill. Adm. Code Part 203. The source has requested that the Illinois EPA establish emission limitations and other appropriate terms and conditions in this permit that limit the volatile organic material (VOM) emissions from the above-listed equipment below the levels that would trigger the applicability of these rules.
- b. This permit is based on the emissions of Hazardous Air Pollutants (HAP) as listed in Section 112(b) of the Clean Air Act being less than 10 tons/year of any single HAP and 25 tons/year of any combination of such HAPs. As a result, this permit is issued based on the emissions of all HAPs from this source not triggering the requirements of Section 112(g) of the Clean Air Act.
- c. Prior to issuance, a draft of this permit has undergone a public notice and comment period.
- 2a. Pursuant to 35 Ill. Adm. Code 218.204(c), except as provided in 35 Ill. Adm. Code 218.205, 218.207, 218.208, 218.212, 218.215 and 218.216, no owner or operator of a coating line shall apply at any time any coating in which the VOM content exceeds the following emission limitations for the specified coating. The following emission limitations are expressed in units of VOM per volume of coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied at each coating applicator, except where noted. Compounds

EXHIBIT

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Page 2

which are specifically exempted from the definition of VOM should be treated as water for the purpose of calculating the "less water" part of the coating composition. Compliance with 35 Ill. Adm. Code 218 Subpart F must be demonstrated through the applicable coating analysis test methods and procedures specified in 35 Ill. Adm. Code 218.105(a) and the recordkeeping and reporting requirements specified in 35 Ill. Adm. Code 218.211(c) except where noted. The emission limitations are as follows:

	<u>kg/l</u>	<u>lb/gal</u>
Paper Coating	0.28	(2.3)

Note: The paper coating limitation shall not apply to any owner or operator of any paper coating line on which flexographic or rotogravure printing is performed if the paper coating line complies with the emissions limitations in 35 Ill. Adm. Code 218.401. In addition, screen printing on paper is not regulated as paper coating, but is regulated under 35 Ill. Adm. Code 218 Subpart TT.

- b. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hour (8 lbs/hour) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, or 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall apply only to photochemically reactive material.
3. This permit is issued based upon the source not being subject to the National Emission Standards for Hazardous Air Pollutants (NESHAP) for the Printing and Publishing Industry, 40 CFR 63, Subpart KK. The flexographic printing presses operated at the facility are not wide-web flexographic printing presses, as defined in 40 CFR 63.822(a).
- 4a. Pursuant to 35 Ill. Adm. Code 218.209, no owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 is required to meet the limitations of 35 Ill. Adm. Code 218 Subpart G (35 Ill. Adm. Code 218.301 or 218.302), after the date by which the coating line is required to meet 35 Ill. Adm. Code 218.204.
- b. This permit is issued based upon the source not being subject to the requirements of 35 Ill. Adm. Code 218.401, Flexographic and Rotogravure Printing. This is a consequence of the federally enforceable production and operating limitations of this permit, which restrict the maximum theoretical emissions of VOM from this facility to less than 100 tons per year and the potential to emit for VOM emissions to less than 25 tons per year.
- c. This permit is issued based upon the silk screen printing presses are not required to meet the control requirements of 35 Ill. Adm. Code 218.986 pursuant to 35 Ill. Adm. Code 218.980(d): No limits under 35 Ill. Adm. Code 218 Subpart TT shall apply to emission units with emissions of VOM to the atmosphere less than or equal to 2.3 Mg (2.5

Page 3

tons) per calendar year if the total emissions from such emission units not complying with 35 Ill. Adm. Code 219.986 does not exceed 4.5 Mg (5.0 tons) per calendar year.

5. In the event that the operation of this source results in an odor nuisance, the Permittee shall take appropriate and necessary actions to minimize odors, including but not limited to, changes in raw material or installation of controls, in order to eliminate the odor nuisance.
- 6a. Emissions and operating of the flexographic printing presses and the silk screen printing presses shall not exceed the following limits:
 - i. VOM emissions from fifteen flexographic printing presses (FP1 - FP15) and ten silk screen printing presses (SP1 - SP10) constructed before June 15, 2005 shall not exceed 350 lb/day and 24.5 tons/year.
 - ii. VOM emissions from twenty-one flexographic printing presses (including a new press FP21) shall not exceed 350 lb/day and 24.5 tons/year.
 - iii. The above limitations contain revisions to previously issued Federally Enforceable State Operating Permit (FESOP) 03070014. The source has requested that the Illinois EPA establish conditions in this permit that allow various refinements from the conditions of this aforementioned permit. The source has requested these revisions and has addressed the applicability and compliance of Title I of the Clean Air Act, specifically 35 Ill. Adm. Code Part 203, Major Stationary Sources Construction and Modification. These limits continue to ensure that the construction and/or modification addressed in this permit does not constitute a new major source or major modification pursuant to these rules. These limits are the primary enforcement mechanism for the equipment and activities permitted in this permit and the information in the above-listed construction permit application contains the most current and accurate information for the source. Specifically, the emission limits for VOM from the source have been separated by the applicable rules and timing of when the units were constructed.
 - iv. Compliance with the annual limits of Condition 6(a) shall be determined on a daily basis from the sum of the data for the current day plus the preceding 364 days (running 365 day total).
- b. VOM emissions from twenty-nine silk screen printing presses shall not exceed 0.15 ton/mo and 1.16 tons/year (including 0.56 tons/yr from fourteen new presses, SP16 - SP29).
- c. Total VOM emissions from the source (all twenty-one flexographic and all twenty-nine silk screen printing presses) shall not exceed 2.57 tons/month and 25.66 tons/year.

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d. The emissions of Hazardous Air Pollutants (HAPs) as listed in Section 112(b) of the Clean Air Act from the source shall not exceed 0.9 tons/month and 9.0 tons/year of any single HAP and 2.25 tons/month and 22.5 tons/year of any combination of such HAPs. As a result of this condition, this permit is issued based on the emissions of any HAP from this source not triggering the requirements of Section 112(g) of the Clean Air Act.

e. VOM and HAP emissions shall be determined from the following equation:

$$E = [\Sigma(M_i \times C_i) - W \times C_w] / 2,000$$

Where:

E = VOM or HAP emissions (tons);

M_i = VOM or HAP-containing raw material usage (gallons/day, gallons/month, and gallons/year);

C_i = VOM or HAP content of the raw material (lbs/gallon);

W = certified amount of waste shipped-off (lbs/day, lbs/month, and lbs/year); and

C_w = certified VOM or HAP content of the waste (% by weight).

f. Compliance with the annual limits of Conditions 6(b) through 6(e) shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month of total).

7a. Pursuant to 35 Ill. Adm. Code 201.282, every emission source or air pollution control equipment shall be subject to the following testing requirements for the purpose of determining the nature and quantities of specified air contaminant emissions and for the purpose of determining ground level and ambient air concentrations of such air contaminants:

i. Testing by Owner or Operator. The Illinois EPA may require the owner or operator of the emission source or air pollution control equipment to conduct such tests in accordance with procedures adopted by the Illinois EPA, at such reasonable times as may be specified by the Illinois EPA and at the expense of the owner or operator of the emission source or air pollution control equipment. The Illinois EPA may adopt procedures detailing methods of testing and formats for reporting results of testing. Such procedures and revisions thereto, shall not become effective until filed with the Secretary of State, as required by the APA Act. All such tests shall be made by or under the direction of a person qualified by training and/or experience in the field of air pollution testing. The Illinois EPA shall have the right to observe all aspects of such tests.

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- ii. Testing by the Illinois EPA. The Illinois EPA shall have the right to conduct such tests at any time at its own expense. Upon request of the Illinois EPA, the owner or operator of the emission source or air pollution control equipment shall provide, without charge to the Illinois EPA, necessary holes in stacks or ducts and other safe and proper testing facilities, including scaffolding, but excluding instruments and sensing devices, as may be necessary.
- b. Testing required by Condition 8 shall be performed upon a written request from the Illinois EPA by a qualified independent testing service.
- 8a. Pursuant to 35 Ill. Adm. Code 218.211(a), the VOM content of each coating and the efficiency of each capture system and control device shall be determined by the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105 to establish the records required under 35 Ill. Adm. Code 218.211.
- b. Pursuant to 35 Ill. Adm. Code 218.404(a), the VOM content of each coating and ink and the efficiency of each capture system and control device shall be determined by the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105 to establish the records required under 35 Ill. Adm. Code 218.404.
- 9a. Pursuant to 35 Ill. Adm. Code 218.211(c)(2), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 and complying by means of 35 Ill. Adm. Code 218.204 shall collect and record following information each day for each coating line and maintain the information at the source for a period of three years:
 - i. The name and identification number of each coating as applied on the coating lines.
 - ii. The weight of VOM per volume of each coating (minus water and any compounds which are specifically exempted from the definition of VOM) as applied each day on the coating lines.
- b. Pursuant to 35 Ill. Adm. Code 218.404(b)(2), the owner or operator of a printing line which is exempted from the limitations of 35 Ill. Adm. Code 218.401 because of the criteria in 35 Ill. Adm. Code 218.402 shall collect and record all of the following information each year for each printing line and maintain the information at the source for a period of three years:
 - i. The name and identification number of each coating and ink as applied on each printing line.
 - ii. The VOM content and the volume of each coating and ink as applied each year on each printing line.

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- 10a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Amount of each material, which contains either VOM or HAP, used on printing presses FP1 - FP15 and silk screen printing presses SP1 - SP10, which were constructed prior to June 15, 2005, (gallons/day, and gallons/year);
 - ii. Amount of each material, which contains either VOM or HAP, used on all flexographic printing presses FP1 - FP21 (gallons/day, gallons/month, and gallons/year);
 - iii. Amount of each material, which contains either VOM or HAP, used on all silk screen printing presses SP1 - SP29 (gallons/month, and gallons/year);
 - iv. VOM and HAP content of each material containing VOM or HAP (lbs/gallon);
 - v. Certified amount of waste shipped-off (lbs/month and lbs/year) and its VOM content (% by weight);
 - vi. Daily and annual VOM emissions for printing presses FP1 - FP15 and silk screen printing presses SP1 - SP10 (which were constructed prior to June 15, 2005) with supporting calculations (lbs/day and tons/year);
 - vii. Daily and annual VOM emissions for flexographic printing presses FP1 - FP21 with supporting calculations (lbs/day and tons/year);
 - viii. Monthly and annual VOM emissions for screen printing presses SP1 - SP29 with supporting calculations (tons/month and tons/year); and
 - ix. Monthly and annual VOM and HAP emissions from the source with supporting calculations (tons/month and tons/year).
- b. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records retained in an electronic format (e.g., computer) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.
11. If there is an exceedance of or deviation from the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance and Enforcement Section in Springfield, Illinois within 30 days after the exceedance/deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the

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relevant records, and a description of the exceedances or deviation and efforts to reduce emissions and future occurrences.

12a. Pursuant to 35 Ill. Adm. Code 218.211(c)(3), any owner or operator of a coating line subject to the limitations of 35 Ill. Adm. Code 218.204 of and complying by means of 35 Ill. Adm. Code 218.204 shall notify the Illinois EPA in the following instances:

- i. Any record showing violation of 35 Ill. Adm. Code 218.204 shall be reported by sending a copy of such record to the Illinois EPA within 30 days following the occurrence of the violation.
- ii. At least 30 calendar days before changing the method of compliance from 35 Ill. Adm. Code 218.204 to 35 Ill. Adm. Code 218.205 or 35 Ill. Adm. Code 218.207, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.211(d)(1) or (e)(1), respectively. Upon changing the method of compliance from 35 Ill. Adm. Code 218.204 to 35 Ill. Adm. Code 218.205 or 35 Ill. Adm. Code 218.207, the owner or operator shall comply with all requirements of 35 Ill. Adm. Code 218.211(d) or (e), respectively.

b. Pursuant to 35 Ill. Adm. Code 218.404(b)(3), any owner or operator of a printing line which is exempted from the limitations of 35 Ill. Adm. Code 218.401 because of the criteria in 35 Ill. Adm. Code 218.402 shall notify the Illinois EPA of any record showing that total maximum theoretical emissions of VOM from all printing lines exceed 90.7 Mg (100 tons) in any calendar year before the application of capture systems and control devices by sending a copy of such record to the Illinois EPA within 30 days after the exceedance occurs.

c. Pursuant to 35 Ill. Adm. Code 218.990, upon request by the Illinois EPA, the owner or operator of an emission unit which is exempt from the requirements of 35 Ill. Adm. Code 218 Subparts PP, QQ, RR, TT or 35 Ill. Adm. Code 218.208(b) shall submit records to the Illinois EPA within 30 calendar days from the date of the request that document that the emission unit is exempt from those requirements.

13. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance and Enforcement Section (#40)
P.O. Box 19276
Springfield, IL 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Page 8

Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

If you have any questions on this permit, please call Valeriy Brodsky at
217/782-2113.

Edwin C. Bakowski, P.E.
Acting Manager, Permit Section
Division of Air Pollution Control

Date Signed: _____

ECB:VJB:jws

cc: Region 1

217/785-1705

CONSTRUCTION PERMIT - REVISED

Bag Makers, Inc.
Attn: Jeremy Bayness
6606 South Union Road
Union, Illinois 60180

Application No.: 11120033

I.D. No.: 111804AAD

Applicant's Designation:

Date Received: March 26, 2012

Subject: Silkscreen Modifications

Date Issued: April 19, 2012

Location: 6606 South Union Road, Union, McHenry County

Permit is hereby granted to the above-designated Permittee to CONSTRUCT emission source(s) and/or air pollution control equipment consisting of modifications to thirty-three (33) silk screen printing presses (SP-1 through SP-33) to increase the permitted volatile organic material usage and emission limits as described in the above-referenced application. This Permit is subject to standard conditions attached hereto and the following special condition(s):

- 1a. This permit is issued based on the emission of Hazardous Air Pollutants (HAP) as listed in Section 112(g) of the Clean Air Act from the above-listed equipment being less than 10 tons/year of any single HAP and 25 tons/year of any combination of such HAPs. As a result, this permit is issued based on the emissions of all HAPs from the above-listed equipment not triggering the requirements of Section 112(g) of the Clean Air Act.
- b. This permit is issued based on the modification to the thirty-three silk screen printing presses not constituting a new major source or major modification pursuant to Title I of the Clean Air Act, specifically the Illinois rules for Major Stationary Sources Construction and Modification, 35 Ill. Adm. Code Part 203. The source has requested that the Illinois EPA establish emission limitations and other appropriate terms and conditions in this permit that limit the emissions of Volatile Organic Material (VOM) from the above-listed equipment below the levels that would trigger the applicability of these rules.
- c. Operation of the equipment listed above is allowed under this construction permit until final action is taken on the Federally Enforceable State Operating Permit (FESOP) application for this source.
- 2a. Pursuant to 35 Ill. Adm. Code 218.187(a)(1), on and after January 1, 2012: except as provided in 35 Ill. Adm. Code 218.187(a)(2), the requirements of 35 Ill. Adm. Code 218.187 shall apply to all cleaning operations that use organic materials at sources that emit a total of 226.8 kg per calendar month (500 lbs per calendar month) or more of VOM, in the absence of air pollution control equipment, from cleaning operations at the source other than cleaning operations identified in 35 Ill. Adm. Code 218.187(a)(2). For purposes of 35 Ill. Adm. Code

EXHIBIT

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218.187, "cleaning operation" means the process of cleaning products, product components, tools, equipment, or general work areas during production, repair, maintenance, or servicing, including but not limited to spray gun cleaning, spray booth cleaning, large and small manufactured components cleaning, parts cleaning, equipment cleaning, line cleaning, floor cleaning, and tank cleaning, at sources with emission units;

- b. Pursuant to 35 Ill. Adm. Code 218.187(b), no owner or operator of a source subject to 35 Ill. Adm. Code 218.187, other than manufacturers of coatings, inks, adhesives, or resins, shall perform any cleaning operation subject to 35 Ill. Adm. Code 218.187 unless the owner or operator meets the requirements in 35 Ill. Adm. Code 218.187(b)(1), (b)(2), or (b)(3). No owner or operator of a source that manufactures coatings, inks, adhesives, or resins shall perform any cleaning operation subject to 35 Ill. Adm. Code 218.187 unless the owner or operator meets the requirements in at least one of the following subsections: 35 Ill. Adm. Code 218.187(b)(1), (b)(2), (b)(3), (b)(4), or (b)(5).

- i. The VOM content of the as-used cleaning solutions does not exceed the following emissions limitations:

Cleaning of ink application equipment:

	kg/l	lb/gal
Screen printing, including screen reclamation activities	0.50	4.2

- ii. The VOM composite vapor pressure of each as-used cleaning solution used does not exceed 8.0 mmHg measured at 20°C (68°F);
- c. Pursuant to 35 Ill. Adm. Code 218.301, no person shall cause or allow the discharge of more than 3.6 kg/hr (8 lbs/hr) of organic material into the atmosphere from any emission unit, except as provided in 35 Ill. Adm. Code 218.302, 218.303, or 218.304 and the following exception: If no odor nuisance exists the limitation of 35 Ill. Adm. Code 218 Subpart G shall apply only to photochemically reactive material.
- 3a. This permit is issued based on the silk screen printing presses not being subject to 35 Ill. Adm. Code 218.204(c) (Paper Coating). Pursuant to 35 Ill. Adm. Code 218.204(c)(3), the paper coating limitation set forth in 35 Ill. Adm. Code 218.204(c) shall not apply to any owner or operator of any paper coating line on which flexographic, rotogravure, lithographic, or letterpress printing is performed if the paper coating line complies with the applicable emissions limitations in 35 Ill. Adm. Code 218 Subpart H. In addition, screen printing on paper is not regulated as paper coating, but is regulated under 35 Ill. Adm. Code 218 Subpart TT. On and after May 1, 2011, the paper coating limitation shall also not apply to coating performed on or in-line with

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any digital printing press, or to size presses and on-machine coaters on papermaking machines applying sizing or water-based clays.

- b. This permit is issued based on the silk screen printing presses not being subject to the control requirements of 35 Ill. Adm. Code Part 218 Subpart TT (Other Emission Units). Pursuant to 35 Ill. Adm. Code 218.980(d), no limits under 35 Ill. Adm. Code 218 Subpart TT shall apply to emission units with emissions of VOM to the atmosphere less than or equal to 2.3 Mg (2.5 tons) per calendar year if the total emissions from such emission units not complying with 35 Ill. Adm. Code 219.986 does not exceed 4.5 Mg (5.0 tons) per calendar year.
- 4a. Pursuant to 35 Ill. Adm. Code 218.187(c), the owner or operator of a subject source shall demonstrate compliance with 35 Ill. Adm. Code 218.187 by using the applicable test methods and procedures specified in 35 Ill. Adm. Code 218.187(g) and by complying with the recordkeeping and reporting requirements specified in 35 Ill. Adm. Code 218.187(e).
- b. Pursuant to 35 Ill. Adm. Code 218.187(d), the owner or operator of a source subject to the requirements of 35 Ill. Adm. Code 218.187 shall comply with the following for each subject cleaning operation. Such requirements are in addition to work practices set forth in 35 Ill. Adm. Code 218.187(b)(4) and (b)(5), as applicable:
 - i. Cover open containers and properly cover and store applicators used to apply cleaning solvents;
 - ii. Minimize air circulation around the cleaning operation;
 - iii. Dispose of all used cleaning solutions, cleaning towels, and applicators used to apply cleaning solvents in closed containers;
 - iv. Utilize equipment practices that minimize emissions.
 - v. When using cleaning solvent for wipe cleaning, sources that manufacture coatings, inks, adhesives, or resins shall:
 - A. Cover open containers used for the storage of spent or fresh organic compounds used for cleanup or coating, ink, adhesive, or resin removal; and
 - B. Cover open containers used for the storage or disposal of cloth or paper impregnated with organic compounds that are used for cleanup or coating, ink, adhesive, or resin removal.
- 5. In the event that the operation of this source results in an odor nuisance, the Permittee shall take appropriate and necessary actions to minimize odors, including but not limited to, changes in raw material or installation of controls, in order to eliminate the odor nuisance.

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- 6a. Emissions from thirty-three silk screen printing presses (SP1 - SP33) shall not exceed the following limits:

<u>Emission Units</u>	<u>VOM Usage</u>		<u>VOM Emissions</u>	
	<u>ton/mo</u>	<u>ton/yr</u>	<u>ton/mo</u>	<u>ton/yr</u>
Silk Screen Presses SP1 - SP10	0.1	0.97	0.1	0.97
Silk Screen Presses SP11 - SP33	0.4	3.45	0.4	3.45
			Total:	4.42

These limits are based on the maximum VOM usage and emissions. Note that there is a "nested" limit on the emissions of the combination of HAPs as a result of the limit on VOM emissions. The HAPs emitted at this source have been determined to be VOMs and therefore limiting VOM emissions also limits HAP emissions.

- b. VOM and HAP emissions from printing operations shall be determined from the following equation:

$$E = [\Sigma(M_i \times C_i) - W \times C_w]$$

where:

E = VOM or HAP emissions (tons);

M_i = Raw material usage (tons);

C_i = VOM or HAP content of the raw material ((% by weight);

W = Certified amount of waste shipped-off (tons);

C_w = Certified VOM or HAP content of the waste (% by weight).

- c. Compliance with the annual limits of this permit shall be determined on a monthly basis from the sum of the data for the current month plus the preceding 11 months (running 12 month total).
- 7a. Pursuant to 35 Ill. Adm. Code 201.282, every emission source or air pollution control equipment shall be subject to the following testing requirements for the purpose of determining the nature and quantities of specified air contaminant emissions and for the purpose of determining ground level and ambient air concentrations of such air contaminants:
- i. Testing by Owner or Operator. The Illinois EPA may require the owner or operator of the emission source or air pollution control equipment to conduct such tests in accordance with procedures adopted by the Illinois EPA, at such reasonable times as may be specified by the Illinois EPA and at the expense of the owner or operator of the emission source or air pollution control equipment. The Illinois EPA may adopt procedures detailing methods of testing and formats for reporting results of testing. Such procedures and revisions thereto, shall not become effective

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until filed with the Secretary of State, as required by the APA Act. All such tests shall be made by or under the direction of a person qualified by training and/or experience in the field of air pollution testing. The Illinois EPA shall have the right to observe all aspects of such tests.

- ii. Testing by the Illinois EPA. The Illinois EPA shall have the right to conduct such tests at any time at its own expense. Upon request of the Illinois EPA, the owner or operator of the emission source or air pollution control equipment shall provide, without charge to the Illinois EPA, necessary holes in stacks or ducts and other safe and proper testing facilities, including scaffolding, but excluding instruments and sensing devices, as may be necessary.
- b. Testing required by Condition 8 shall be performed upon a written request from the Illinois EPA by a qualified independent testing service.
- 8a. Pursuant to 35 Ill. Adm. Code 218.187(g)(1), testing to demonstrate compliance with the requirements of 35 Ill. Adm. Code 218.187 shall be conducted by the owner or operator within 90 days after a request by the Illinois EPA, or as otherwise specified in 35 Ill. Adm. Code 218.187. Such testing shall be conducted at the expense of the owner or operator and the owner or operator shall notify the Illinois EPA in writing 30 days in advance of conducting the testing to allow the Illinois EPA to be present during the testing;
- b. Pursuant to 35 Ill. Adm. Code 218.187(g)(2), testing to demonstrate compliance with the VOM content limitations in 35 Ill. Adm. Code 218.187(b)(1), and to determine the VOM content of cleaning solvents and cleaning solutions, shall be conducted as follows:
 - i. The applicable test methods and procedures specified in 35 Ill. Adm. Code 218.105(a) shall be used, provided, however, Method 24 shall be used to demonstrate compliance; or
 - ii. The manufacturer's specifications for VOM content for cleaning solvents may be used if such manufacturer's specifications are based on results of tests of the VOM content conducted in accordance with methods specified in 35 Ill. Adm. Code 218.105(a), however, Method 24 shall be used to determine compliance. In the event of any inconsistency between a Method 24 test and the manufacturer's specifications, the Method 24 test shall govern;
- c. Pursuant to 35 Ill. Adm. Code 218.187(g)(3), testing to determine the VOM composite partial vapor pressure of cleaning solvents, cleaning solvent concentrates, and as-used cleaning solutions shall be conducted in accordance with the applicable methods and procedures specified in 35 Ill. Adm. Code 218.110;

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- 9a. Pursuant to 35 Ill. Adm. Code 218.187(e)(3), all sources complying with 35 Ill. Adm. Code 218.187 pursuant to the requirements of 35 Ill. Adm. Code 218.187(b)(1) shall collect and record the following information for each cleaning solution used:
- i. For each cleaning solution that is prepared at the source with automatic equipment:
 - A. The name and identification of each cleaning solution;
 - B. The VOM content of each cleaning solvent in the cleaning solution;
 - C. Each change to the setting of the automatic equipment, with date, time, description of changes in the cleaning solution constituents (e.g., cleaning solvents), and a description of changes to the proportion of cleaning solvent and water (or other non-VOM);
 - D. The proportion of each cleaning solvent and water (or other non-VOM) used to prepare the as-used cleaning solution;
 - E. The VOM content of the as-used cleaning solution, with supporting calculations; and
 - F. A calibration log for the automatic equipment, detailing periodic checks;
 - ii. For each batch of cleaning solution that is not prepared at the source with automatic equipment:
 - A. The name and identification of each cleaning solution;
 - B. Date, time of preparation, and each subsequent modification of the batch;
 - C. The VOM content of each cleaning solvent in the cleaning solution;
 - D. The total amount of each cleaning solvent and water (or other non-VOM) used to prepare the as-used cleaning solution; and
 - E. The VOM content of the as-used cleaning solution, with supporting calculations. For cleaning solutions that are not prepared at the site but are used as purchased, the manufacturer's specifications for VOM content may be used if such manufacturer's specifications are based on results of tests of the VOM content conducted in accordance with methods specified in 35 Ill. Adm. Code 218.105(a);

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- b. Pursuant to 35 Ill. Adm. Code 218.187(e)(4), all sources complying with 35 Ill. Adm. Code 218.187 pursuant to the requirements of 35 Ill. Adm. Code 218.187(b)(2) shall collect and record the following information for each cleaning solution used:
 - i. The name and identification of each cleaning solution;
 - ii. Date, time of preparation, and each subsequent modification of the batch;
 - iii. The molecular weight, density, and VOM composite partial vapor pressure of each cleaning solvent, as determined in accordance with the applicable methods and procedures specified in 35 Ill. Adm. Code 218.110;
 - iv. The total amount of each cleaning solvent used to prepare the as-used cleaning solution; and
 - v. The VOM composite partial vapor pressure of each as-used cleaning solution, as determined in accordance with the applicable methods and procedures specified in 35 Ill. Adm. Code 218.110;
 - c. Pursuant to 35 Ill. Adm. Code 218.187(e)(10), all records required by 35 Ill. Adm. Code 218.187(e) shall be retained by the source for at least three years and shall be made available to the Illinois EPA upon request.
- 10a. The Permittee shall maintain records of the following items so as to demonstrate compliance with the conditions of this permit:
- i. Amount of each material, which contains either VOM or HAP, used on all silk screen printing presses SP1 - SP33 (tons/mo and tons/yr);
 - ii. VOM and HAP content of each material containing VOM or HAP (% by weight);
 - iii. Certified amount of waste shipped-off (tons/month and tons/year) and its VOM content (% by weight);
 - iv. Monthly and annual VOM and HAP emissions from screen printing presses SP1 - SP33 with supporting calculations (ton/month and tons/year);
- b. All records and logs required by this permit shall be retained at a readily accessible location at the source for at least five (5) years from the date of entry and shall be made available for inspection and copying by the Illinois EPA or USEPA upon request. Any records retained in an electronic format (e.g., computer storage device) shall be capable of being retrieved and printed on paper during normal source office hours so as to be able to respond to an Illinois EPA or USEPA request for records during the course of a source inspection.

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- 11a. Pursuant to 35 Ill. Adm. Code 218.187(e)(2)(B), all sources subject to the requirements of 35 Ill. Adm. Code 218.187 shall at least 30 calendar days before changing the method of compliance between 35 Ill. Adm. Code 218.187(b)(1), (b)(2), (b)(4), or (b)(5) and 35 Ill. Adm. Code 218.187(b)(3), notify the Illinois EPA in writing of such change. The notification shall include a demonstration of compliance with the newly applicable subsection;
- b. Pursuant to 35 Ill. Adm. Code 218.187(e)(9), all sources subject to the requirements of 35 Ill. Adm. Code 218.187(b) and (d) shall notify the Illinois EPA of any violation of 35 Ill. Adm. Code 218.187(b) or (d) by providing a description of the violation and copies of records documenting the violation to the Illinois EPA within 30 days following the occurrence of the violation.
- c. Pursuant to 35 Ill. Adm. Code 218.990, upon request by the Illinois EPA, the owner or operator of an emission unit which is exempt from the requirements of 35 Ill. Adm. Code 218 Subparts PP, QQ, RR, TT or 35 Ill. Adm. Code 218.208(b) shall submit records to the Illinois EPA within 30 calendar days from the date of the request that document that the emission unit is exempt from those requirements.
- 12a. If there is an exceedance of or a deviation from the requirements of this permit as determined by the records required by this permit, the Permittee shall submit a report to the Illinois EPA's Compliance Section in Springfield, Illinois within 30 days after the exceedance or deviation. The report shall include the emissions released in accordance with the recordkeeping requirements, a copy of the relevant records, and a description of the exceedance or deviation and efforts to reduce emissions and future occurrences.
- b. Two (2) copies of required reports and notifications shall be sent to:

Illinois Environmental Protection Agency
Division of Air Pollution Control
Compliance Section (#40)
P.O. Box 19276
Springfield, Illinois 62794-9276

and one (1) copy shall be sent to the Illinois EPA's regional office at the following address unless otherwise indicated:

Illinois Environmental Protection Agency
Division of Air Pollution Control
9511 West Harrison
Des Plaines, Illinois 60016

It should be noted that this permit has been revised to correct a typographical error in equipment listing.

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If you have any questions on this permit, please call Valeriy Brodsky at 217/785-1705.

Edwin C. Bakowski, P.E.
Manager, Permit Section
Division of Air Pollution Control

Date Signed: _____

ECB:VJB:jws

cc: Region 1

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)
)
 Complainant,)
)
)
)
)
 v.) PCB No. 05-192
) (Enforcement - Air)
)
)
 Bag Makers, Inc., an Illinois)
 corporation,)
)
 Respondent.)

NOTICE OF FILING

TO: See Attached Service List
(VIA ELECTRONIC FILING)

PLEASE TAKE NOTICE that today I have filed with the Office of the Clerk of the Illinois Pollution Control Board by electronic filing the following Stipulation and Proposal for Settlement and Motion for Relief from Hearing Requirement, copies of which are attached and hereby served upon you.

Respectfully submitted,

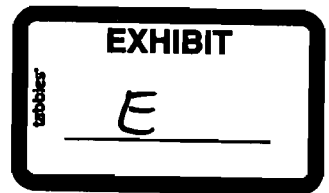
PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN
Attorney General
State of Illinois

BY: Jennifer A. Tomas
 Jennifer A. Tomas
 Assistant Attorney General
 Environmental Bureau
 188 W. Randolph St., 20th Floor
 Chicago, Illinois 60601
 312-814-0609

DATE: November 16, 2005

THIS FILING IS SUBMITTED ON RECYCLED PAPER



ELECTRONIC FILING, RECEIVED, CLERK'S OFFICE, NOVEMBER 16, 2005

Service List

Steven Murawski, Esq.
Gardner Carton & Douglas
191 N. Wacker Drive, Suite 3700
Chicago, Illinois 60606-1698

Maureen Wozniak
Assistant Counsel, Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

Bradley P. Halloran
Hearing Officer
Illinois Pollution Control Board
James R. Thompson Center, Suite 11-500
100 W. Randolph Street
Chicago, Illinois 60601

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)	
)	
Complainant,)	
)	
v.	)	PCB No. 05-192
	)	(Enforcement - Air)
)	
Bag Makers, Inc., an Illinois)	
corporation,)	
)	
Respondent.)	

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) (2004), 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) (2004). In support of this motion, Complainant states as follows:

1. The Complaint in this matter alleges violation of the Sections 9(a), 9(b) and 39.5(6)(b) of the Act, 415 ILCS 5/9(a), 9(b) and 39.5(6)(b) (2004) and Sections 201.142, 201.143, 203.201, 201.302(a), 254.137(a), 254.132(a) and 218.404(b) of the Board regulations, 35 Ill. Adm. Code 201.142, 201.143, 203.201, 201.302(a), 254.137(a), 254.132(a) and 218.404(b).

2. Complainant is filing this Motion and a Stipulation

and Proposal for Settlement with the Board.

3. The parties have reached agreement on all outstanding issues in this matter.

4. This agreement is presented to the Board in a Stipulation and Proposal for Settlement filed this same date.

5. 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) (2004).

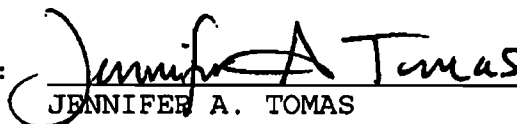
WHEREFORE, Complainant, PEOPLE OF THE STATE OF ILLINOIS, hereby requests that the Board grant this motion for relief from the hearing requirement set forth in Section 31(c)(1) of the Act, 415 ILCS 5/31(c)(1) (2004).

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN
Attorney General
State of Illinois

BY:


JENNIFER A. TOMAS

Assistant Attorney General
Environmental Bureau
188 W. Randolph St., 20th Floor
Chicago, Illinois 60601
(312) 814-0609

DATE: November 16, 2005.

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)	
)	
Complainant,)	
)	
)	
v.	)	PCB No. 05-192
	)	(Enforcement - Air)
)	
)	
Bag Makers, Inc., an Illinois)	
corporation,)	
)	
Respondent.)	

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 BAG MAKERS, INC., ("Respondent"), 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. The parties agree that the statement of facts contained herein represents a fair summary of the evidence and testimony which would be introduced by the parties if a hearing were held. The parties further stipulate that this statement of facts is made and agreed upon for purposes of settlement only and that neither the fact that a party has entered into this Stipulation, nor any of the facts stipulated herein, shall be introduced into evidence in any other proceeding regarding the

claims asserted in the Complaint except as otherwise provided herein. If the Board approves and enters this Stipulation, Respondent agrees to be bound by the Stipulation and Board Order and not to contest their validity in any subsequent proceeding to implement or enforce their terms.

I. JURISDICTION

The Board has jurisdiction of the subject matter herein and of the parties consenting hereto pursuant to the Illinois Environmental Protection Act ("Act"), 415 ILCS 5/1 et seq. (2004).

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 to legally bind them to it.

III. STATEMENT OF FACTS

A. Parties

1. On April 29, 2005, 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(2004), against the Respondent.

2. The Illinois EPA is an administrative agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2004).

3. At all times relevant to the Complaint, Respondent was and is an Illinois corporation that is authorized to transact business in the State of Illinois.

B. Site Description

1. At all times relevant to the Complaint, Respondent owned and operated a flexographic printing facility located at 6606 South Union Road, Union, McHenry County, Illinois ("site").

C. Allegations of Non-Compliance

Complainant contends that the Respondent has violated the following provisions of the Act and Board regulations:

Count I: CONSTRUCTING AIR EMISSION SOURCES WITHOUT A PERMIT, in violation of Section 9(b) of the Act, 415 ILCS 5/9(b) (2004), and 35 Ill. Adm. Code 201.142.

Count II: FAILURE TO OBTAIN OPERATING PERMITS FOR NEW EMISSION SOURCES, in violation of Section 9(b) of the Act, 415 ILCS 5/9(b) (2004), and 35 Ill. Adm. Code 201.143.

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- Count III: FAILURE TO OBTAIN A CLEAN AIR ACT PERMIT PROGRAM (CAAPP) PERMIT, in violation of Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b)(2004).
- Count IV: FAILURE TO COMPLY WITH NEW SOURCE REVIEW (NSR) REQUIREMENTS, in violation of Section 9(a) of the Act, 415 ILCS 5/9(a)(2004), and 35 Ill. Adm. Code 203.201.
- Count V: FAILURE TO SUBMIT TIMELY ANNUAL EMISSIONS REPORTS, in violation of Section 9(a) of the Act, 415 ILCS 5/9(a)(2004), and 35 Ill. Adm. Code 201.302(a), 254.137(a) and 254.132(a).
- Count VI: VIOLATION OF FLEXOGRAPHIC PRINTING RULES: FAILURE TO MAINTAIN RECORDS, in violation of Section 9(a) of the Act, 415 ILCS 5/9(a)(2004), and 35 Ill. Adm. Code 218.404(b).

D. Non-Admission of Violations

The Respondent neither admits nor denies the violations alleged in the Complaint filed in this matter and referenced herein.

E. Compliance Activities to Date

1. On July 1, 2003, Respondent submitted an application for a Federally Enforceable State Operating Permit ("FESOP") from the Illinois EPA.

2. On May 10, 2005, the Illinois EPA issued Respondent a FESOP for the site.

IV. APPLICABILITY

This Stipulation shall apply to and be binding upon the Complainant and the Respondent, and any officer, director, agent, or employee of the Respondent, as well as any successors or assigns of the Respondent. 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.

V. COMPLIANCE WITH OTHER LAWS AND REGULATIONS

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, 35 Ill. Adm. Code, Subtitles A through H.

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

Section 33(c) of the Act, 415 ILCS 5/33(c) (2004), 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,

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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 contends the following:

1. Human health and the environment were threatened and the Illinois EPA's information gathering responsibilities 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. Obtaining a permit prior to construction at the site, obtaining operating permits for new emission sources at the site, obtaining a Clean Air Act Permit Program ("CAAPP") permit, submitting timely reports, and properly maintaining records is technically practicable and economically reasonable.
5. Respondent has subsequently complied with the Act and the Board Regulations.

VII. CONSIDERATION OF SECTION 42(h) FACTORS

Section 42(h) of the Act, 415 ILCS 5/42(h) (2004), 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 Complainant contends the following:

1. The Respondent operated emission units without the required permits for a period of at least eight years. Respondent constructed numerous emission units without demonstrating compliance with the Board's NSR regulations. The Respondent failed to keep records and make reports as required by the Board's flexographic printing regulations. The permitting, CAAPP, NSR, flexographic printing and recordkeeping and reporting requirements are of programmatic significance to the Illinois EPA.
2. Respondent was diligent in responding to the Act's Section 31 process.
3. Respondent had an economic benefit of \$700.00 in avoided air pollution site fees. The penalty obtained includes this amount.
4. Complainant has determined, based upon the specific facts of this matter, that a penalty of \$62,700:00 will serve to deter further violations and aid in future voluntary compliance with the Act and Board regulations.
5. To Complainant's knowledge, Respondent has no previously adjudicated violations of the Act.

6. Self-disclosure is not at issue in this matter.
7. The settlement of this matter does not include a supplemental environmental project.

VIII. TERMS OF SETTLEMENT

A. Penalty Payment

1. The Respondent shall pay a civil penalty in the sum of Sixty Two Thousand Seven Hundred Dollars (\$62,700.00) within thirty (30) days from the date the Board adopts and accepts this Stipulation. The Respondent stipulates that payment has been tendered to Respondent's attorney of record in this matter in a form acceptable to that attorney. Further, Respondent stipulates that said attorney has been directed to make the penalty payment on behalf of Respondent, within thirty (30) days from the date the Board adopts and accepts this Stipulation, in a manner prescribed below. The penalty described in this Stipulation shall be paid by two certified checks, money orders or electronic funds transfers payable to the Illinois EPA; one payment of \$62,000.00 designated to the Illinois Environmental Protection Trust Fund and one payment of \$700.00 designated to the Illinois Environmental Permit and Inspection Fund. Both payments shall be submitted to:

Illinois Environmental Protection Agency
Fiscal Services Section
1021 North Grand Avenue East
P.O. Box 19276

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Springfield, IL 62794-9276

The name and number of the case and Respondent's Federal Employer Identification Number (FEIN), shall appear on the checks. A copy of the certified checks, money orders or records of electronic funds transfer and any transmittal letters shall be sent to:

Jennifer A. Tomas
Assistant Attorney General
Environmental Bureau
188 W. Randolph St., 20th Floor
Chicago, Illinois 60601

Maureen Wozniak
Assistant Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

2. Pursuant to Section 42(g) of the Act, 415 ILCS 5/42(g) (2004), interest shall accrue on any payment not paid within the time period prescribed above at the maximum rate allowable under Section 1003(a) of the Illinois Income Tax Act, 35 ILCS 5/1003 (2004). Interest on any unpaid payment shall begin to accrue from the date the payment is due and continue to accrue until the date payment is received. When partial payment(s) are made, such partial payment shall be first applied to any interest on unpaid payment then due and owing. All interest on payment owed shall be paid by certified check, money order or electronic funds transfer, payable to the Illinois EPA, designated to the Illinois

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Environmental Protection Trust Fund and delivered to the address and in the manner described above.

3. For purposes of payment and collection, Respondent may be reached at the following address:

Charles D. Sanford
President
Bag Makers, Inc.
6606 South Union Road
Union, IL 60180

4. In the event of default of this Section VIII.A, the Complainant shall be entitled to all available relief including, but not limited to, reasonable costs of collection and reasonable attorney's fees.

B. Compliance Plan

Respondent shall obtain appropriate construction and operating permits from the Illinois EPA Bureau of Air for future regulated equipment additions or changes.

C. Future Use

Notwithstanding any other language in this Stipulation to the contrary, and in consideration of the mutual promises and conditions contained in this Stipulation, including the Release from Liability contained in Section VIII.E, below, the Respondent hereby agrees that 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 promulgated thereunder for all violations alleged in the Complaint in this matter, for purposes of Section 39(a) and (i) and/or 42(h) of the Act, 415 ILCS 5/39(a) and(i) and/or 5/42(h) (2004). Further, Respondent agrees to waive any rights to contest, in any subsequent enforcement action or permit proceeding, any allegations that these alleged violations were adjudicated.

D. Cease and Desist

The Respondent shall cease and desist from future violations of the Act and Board Regulations that were the subject matter of the Complaint as outlined in Section III.C ("Allegations of Non-Compliance") of this Stipulation.

E. Release from Liability

In consideration of the Respondent's payment of the \$62,700.00 penalty and any specified costs and accrued interest, completion of all activities required hereunder, to Cease and Desist as contained in Section VIII.D and upon the Pollution Control Board's acceptance and approval of the terms of this Stipulation and Proposal for Settlement, the Complainant releases, waives and discharges the Respondent and its officers, directors, agents and employees from any further liability or

penalties for violations of the Act and Board Regulations that were the subject matter of the Complaint herein. The release set forth above does not extend to any matters other than those expressly specified in Complainant's Complaint filed on April 29, 2005. 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 or the Illinois EPA may have against any person, as defined by Section 3.315 of the Act, 415 ILCS 5/3.315, or entity other than the Respondent.

F. Right of Entry

In addition to any other authority, the Illinois EPA, its employees and representatives, and the Attorney General, her agents 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 carrying out inspections. 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.

G. Correspondence, Reports and Other Documents

Any and all correspondence, reports and any other documents required under this Stipulation, except for payments pursuant to Sections VIII.A ("Penalty Payment") of this Stipulation shall be submitted as follows:

As to the Complainant

Jennifer A. Tomas
Assistant Attorney General (or other designee)
Environmental Bureau
188 W. Randolph St., 20th Floor
Chicago, Illinois 60601

Maureen Wozniak
Assistant Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

As to the Respondent

Donald L. Brown
Executive Vice President
Bag Makers, Inc.
6606 South Union Road
Union, IL 60180

H. Modification of Stipulation

The parties 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 VIII.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 each party, and then accompany a joint motion to the Illinois Pollution Control Board seeking a modification of the prior order approving and accepting the Stipulation to approve and accept the Stipulation as amended.

I. Enforcement of Board Order

1. Upon the entry of the Board's Order approving and accepting this Stipulation and Proposal for Settlement, that Order is a binding and enforceable order of the Illinois

Pollution Control Board and may be enforced as such through any and all available means.

2. Respondent agrees that notice of any subsequent proceeding to enforce the Board Order approving and accepting this Stipulation and Proposal for Settlement may be made by mail and waives any requirement of service of process.

3. The parties agree that, if the Board does not approve and accept this Stipulation and Proposal for Settlement, then neither party is bound by the terms herein.

4. It is the intent of the Complainant and Respondent that the provisions of this Stipulation and Proposal for Settlement and any Board Order accepting and approving such shall be severable, and should any provision be declared by a court of competent jurisdiction to be inconsistent with state or federal law, and therefore unenforceable, the remaining clauses shall remain in full force and effect.

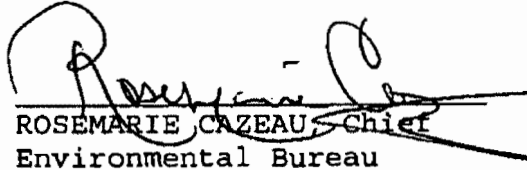
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WHEREFORE, Complainant and Respondent request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

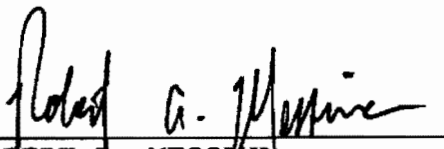
PEOPLE OF THE STATE OF ILLINOIS,

LISA MADIGAN
Attorney General
State of Illinois


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

BY:  DATE: 11/8/05
ROSEMARIE CAZEAU, Chief
Environmental Bureau
Assistant Attorney General

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

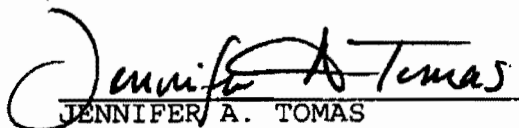
BY:  DATE: 11/2/05
ROBERT A. MESSINA
Chief Legal Counsel

Bag Makers, Inc.

BY:  DATE: 11/9/05
DONALD L. BROWN
Executive Vice President

CERTIFICATE OF SERVICE

I, JENNIFER A. TOMAS, an Assistant Attorney General, certify that on the 16th day of November 2005, I caused to be served by First Class United States Mail, the foregoing Stipulation and Proposal for Settlement and Motion for Relief from Hearing Requirement to the parties named on the attached service list, by depositing same in postage prepaid envelopes with the United States Postal Service located at 100 West Randolph Street, Chicago, Illinois 60601.


JENNIFER A. TOMAS

ILLINOIS POLLUTION CONTROL BOARD
January 5, 2006

PEOPLE OF THE STATE OF ILLINOIS,)	
)	
Complainant,)	
)	
v.	)	PCB 05-192
	)	(Enforcement - Air)
BAG MAKERS, INC., an Illinois corporation,)	
)	
Respondent.)	

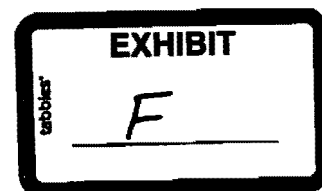
OPINION AND ORDER OF THE BOARD (by G.T. Girard):

On April 29, 2005, the Office of the Attorney General, on behalf of the People of the State of Illinois (People), filed a complaint against Bag Makers, Inc. (Bag Makers). *See* 415 ILCS 5/31(c)(1) (2004); 35 Ill. Adm. Code 103.204. The complaint concerns Bag Makers' flexographic printing facility at 6606 South Union Road, Union, McHenry County. The parties now seek to settle. For the reasons below, the Board accepts the parties' stipulation and proposed settlement.

Under the Environmental Protection Act (Act) (415 ILCS 5/1 *et seq.* (2004)), the Attorney General and the State's Attorneys may bring actions before the Board on behalf of the People to enforce Illinois' environmental requirements. *See* 415 ILCS 5/31 (2004); 35 Ill. Adm. Code 103. In this case, the People allege that Bag Makers violated Section 9(a) and (b) and 39.5(6)(b) of the Act (415 ILCS 5/9(a) and (b) and 39.5(6)(b) (2004)) and 35 Ill. Adm. Code 201.142, 201.143, 201.302(a), 203.201, 218.404(b), 254.132(a), and 254.137(a) by (1) constructing air emission sources without a permit; (2) failing to obtain operating permits for new air emission sources; (3) failing to obtain a Clean Air Act Permit Program permit; (4) failing to comply with New Source Review requirements; (5) failing to timely submit annual emissions reports; and (6) violating flexographic printing rules and failing to maintain records.

On November 16, 2005, the People and Bag Makers filed a stipulation and proposed settlement, accompanied by a request for relief from the hearing requirement of Section 31(c)(1) of the Act (415 ILCS 5/31(c)(1) (2004)). This filing is authorized by Section 31(c)(2) of the Act (415 ILCS 5/31(c)(2) (2004)), which requires that the public have an opportunity to request a hearing whenever the State and a respondent propose settling an enforcement action without a public hearing. *See* 35 Ill. Adm. Code 103.300(a). The Board provided notice of the stipulation, proposed settlement, and request for relief from hearing. The Board published newspaper notice in the *Northwest Herald* on November 22, 2005. The Board did not receive any requests for hearing. The Board grants the parties' request for relief from the hearing requirement. *See* 415 ILCS 5/31(c)(2) (2004); 35 Ill. Adm. Code 103.300(b).

Section 103.302 of the Board's procedural rules sets forth the required contents of stipulations and proposed settlements. 35 Ill. Adm. Code 103.302. These requirements include



stipulating to facts on the nature, extent, and causes of the alleged violations and the nature of Bag Makers's operations. Section 103.302 also requires that the parties stipulate to facts called for by Section 33(c) of the Act (415 ILCS 5/33(c) (2004)), which bears on the reasonableness of the circumstances surrounding the alleged violations.

Bag Makers neither admits nor denies the alleged violations. The stipulation also addresses the factors of Section 42(h) of the Act (415 ILCS 5/42(h) (2004)), which may mitigate or aggravate the civil penalty amount. Bag Makers has tendered to its attorney of record a civil penalty of \$62,700. One portion of the penalty, \$62,000, is payable to the Environmental Protection Trust Fund, and the second portion, \$700, is payable to the Illinois Environmental Permit and Inspection Fund.

The People and Bag Makers have satisfied Section 103.302. The Board accepts the stipulation and proposed settlement. This docket is now closed.

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

ORDER

1. The Board accepts and incorporates by reference the stipulation and proposed settlement.
2. Bag Makers, through its attorney of record, must pay a civil penalty of \$62,000 no later than February 6, 2006, which is the first business day after the 30th day after the date of this order. Bag Makers must pay the civil penalty by certified check, money order, or electronic funds transfer, payable to the Environmental Protection Trust Fund. The case number, case name, and Bag Makers' federal employer identification number must be included on the certified check or money order.
3. Bag Makers, through its attorney of record, must pay a civil penalty of \$700 no later than February 6, 2006, which is the first business day after the 30th day after the date of this order. Bag Makers must pay the civil penalty by certified check, money order, or electronic funds transfer, payable to the Environmental Permit and Inspection Fund. The case number, case name, and Bag Makers' federal employer identification number must be included on the certified check or money order.
4. Bag Makers, through its attorney of record, must send the certified checks, money orders, or electronic funds transfers to the following person at the indicated address:

Illinois Environmental Protection Agency
Fiscal Services Division
1021 North Grand Avenue East
P.O. Box 19276

Springfield, Illinois 62794-9276

5. Counsel for Bag Makers must send a copy of the certified checks, money orders, or record of electronic funds transfers and any transmittal letters to the following persons at the indicated addresses:

Jennifer A. Tomas, Assistant Attorney General
Environmental Bureau
188 West Randolph Street, 20th Floor
Chicago, Illinois 60601

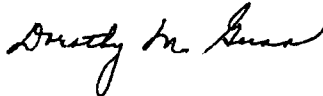
Maureen Wozniak, Assistant Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue East
P.O. Box 19276
Springfield, Illinois 62794-9276

5. Penalties unpaid within the time prescribed will accrue interest under Section 42(g) of the Environmental Protection Act (415 ILCS 5/42(g) (2004)) at the rate set forth in Section 1003(a) of the Illinois Income Tax Act (35 ILCS 5/1003(a) (2004)).
6. Bag Makers must cease and desist from the alleged violations.

IT IS SO ORDERED.

Section 41(a) of the Environmental Protection Act provides that final Board orders may be appealed directly to the Illinois Appellate Court within 35 days after the Board serves the order. 415 ILCS 5/41(a) (2004); *see also* 35 Ill. Adm. Code 101.300(d)(2), 101.906, 102.706. Illinois Supreme Court Rule 335 establishes filing requirements that apply when the Illinois Appellate Court, by statute, directly reviews administrative orders. 172 Ill. 2d R. 335. The Board's procedural rules provide that motions for the Board to reconsider or modify its final orders may be filed with the Board within 35 days after the order is received. 35 Ill. Adm. Code 101.520; *see also* 35 Ill. Adm. Code 101.902, 102.700, 102.702.

I, Dorothy M. Gunn, Clerk of the Illinois Pollution Control Board, certify that the Board adopted the above opinion and order on January 5, 2006, by a vote of 4-0.



Dorothy M. Gunn, Clerk
Illinois Pollution Control Board

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

PEOPLE OF THE STATE OF ILLINOIS,)	
)	
Complainant,)	
)	
v.	)	PCB No. 13-
	)	(Enforcement - Air)
BAG MAKERS, INC., an Illinois corporation,)	
)	
Respondent.)	

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) (2010), 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) (2010). In support of this motion, Complainant states as follows:

1. The Complaint in this matter alleges violations of Sections 9(a), 9(b), 9.12(j), and 39.5(6)(b) of the Act, 415 ILCS 5/9(a), 9(b), 9.12(j), and 39.5(6)(b) (2010); Sections 201.142, 201.302(a), and 205.300 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.142, 201.302(a), and 205.300; Sections 254.132(a) and 254.132(b) of the Illinois Environmental Protection Agency ("Illinois EPA") Regulations, 35 Ill. Adm. Code 254.132(a) and 254.132(b); Condition 6b of the December 20, 2007 Revised Federally Enforceable State Operating Permit ("FESOP"); Condition 6b of the Construction Permit; Condition 6b of the April 27, 2009 Revised FESOP, and the Board Order in People v. Bag Makers, Inc., PCB 05-192.
2. Complainant is filing the Complaint with the Board simultaneous with this Motion and a Stipulation and Proposal for Settlement.

against the Respondent.

2. The Illinois EPA is an administrative agency of the State of Illinois, created pursuant to Section 4 of the Act, 415 ILCS 5/4 (2010).

3. At all times relevant to this Complaint, Bag Makers, Inc. ("Bag Makers"), was and is an Illinois corporation in good standing with the Illinois Secretary of State and duly authorized to transact business in Illinois.

4. At all times relevant to the Complaint, Respondent owned and operated a packaging printing plant located at 6606 South Union Road, Union, McHenry County, Illinois ("Facility").

B. Allegations of Non-Compliance

Complainant contends that the Respondent has violated the following provisions of the Act, Board regulations, Illinois EPA regulations and Board Order:

- Count I: Failure to Timely Comply with the Clean Air Act Permit Program ("CAAPP") Permit Renewal Requirements, in violation of Section 39.5(6)(b) of the Act, 415 ILCS 5/39.5(6)(b) (2010);
- Count II: Use of Volatile Organic Material ("VOM") in Violation of Federally Enforceable State Operating Permit ("FESOP") Condition, in violation of Section 9(b) of the Act, 415 ILCS 5/9(b) (2010), Condition 6b of the December 20, 2007 Revised FESOP, Condition 6b of the Construction Permit, and Condition 6b of the April 27, 2009 Revised FESOP;
- Count III: Failure to Timely Obtain a Construction Permit, in violation of Section 9(b) of the Act, 415 ILCS 5/9(b) (2010), and Section 201.142 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 201.142;
- Count IV: Failure to Timely Pay Construction Permit Fees, in violation of Section 9.12(j) of the Act, 415 ILCS 5/9.12(j) (2010);
- Count V: Failure to Submit Complete and Accurate Annual Emissions Reports, in violation of Section 9(a) of the Act, 415 ILCS 5/9(a) (2010), 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);

- Count VI: Failure to Submit Complete and Accurate Seasonal Emissions Reports, in violation of Section 9(a) of the Act, 415 ILCS 5/9(a) (2010), Section 205.300 of the Board Air Pollution Regulations, 35 Ill. Adm. Code 205.300, and Section 254.132(b) of the Illinois EPA Air Pollution Regulations, 35 Ill. Adm. Code 254.132(b); and
- Count VII: Violation of Illinois Pollution Control Board Order in People v. Bag Makers, Inc., Case No. PCB 05-192.

C. Non-Admission of Violations

The Respondent neither admits nor denies the violations alleged in the Complaint filed in this matter and referenced within Section I.B herein.

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, the Board regulations, the Illinois EPA regulations, and Board Order for all violations alleged in the Complaint in this matter, for purposes of Sections 39 and 42 of the Act, 415 ILCS 5/39 and 42 (2010).

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

Section 33(c) of the Act, 415 ILCS 5/33(c) (2010), 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, Complainant contends the following:

1. The Illinois EPA's information gathering responsibilities were hindered by the Respondent's violations thereby threatening human health and the environment.
2. The Facility provides a social and economic benefit.
3. Operation of the Facility is suitable for the area in which it is located.
4. Timely obtaining permits, complying with permit conditions, paying fees, and timely and accurately submitting required reports are both technically practicable and economically reasonable.
5. Respondent has subsequently complied with the Act, the Board regulations, and the Illinois EPA regulations.

IV. CONSIDERATION OF SECTION 42(h) FACTORS

Section 42(h) of the Act, 415 ILCS 5/42(h) (2010, *effective as of August 23, 2011*), 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;
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; and
8. whether the respondent has successfully completed a Compliance Commitment Agreement under subsection (a) of Section 31 of this Act to remedy the violations that are the subject of the complaint.

In response to these factors, Complainant contends as follows:

1. The Respondent failed to timely submit its FESOP renewal application to the Illinois EPA, failed to comply with permitted emission limits, failed to timely obtain a construction permit, failed to timely pay the construction permits fees, failed to timely submit accurate annual emission reports and seasonal emission reports to the Illinois EPA, and to comply with the Board Order in People v. Bag Makers, Inc., Case No. 05-192. The violations began in approximately 2008 and have been resolved at various times in 2011 and 2012.
2. Respondent was diligent in addressing noncompliance with the Act, Board

regulations, Illinois EPA regulations, and Board Order.

3. Any economic benefit realized by Respondent will be recouped as part of the civil penalty.

4. Complainant has determined, based upon the specific facts of this matter, that a penalty of Thirty Thousand Dollars (\$30,000) will serve to deter further violations and aid in future voluntary compliance with the Act, Board regulations, Illinois EPA regulations, and Board Orders.

5. On April 29, 2005, a complaint was filed before the Board and against Bag Makers for construction and operation of emission units without the requisite permits, failure to timely obtain a CAAPP permit, failure to comply with New Source Review requirements, failure to timely submit annual emission reports, and failure to maintain required records. People v. Bag Makers, Inc., Case No. PCB 05-192. On January 5, 2006, the violations were resolved when the Board accepted the Stipulation and Proposal for Settlement, including a \$62,700 civil penalty.

6. Self-disclosure is not at issue in this matter.

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

8. A Compliance Commitment Agreement was not at issue in this matter.

V. TERMS OF SETTLEMENT

A. Penalty Payment

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

B. Interest and Default

1. 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.

2. 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.

C. Payment Procedures

1. 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. 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, Illinois 62794-9276

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

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

Jennifer A. Van Wie
Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800

Chicago, Illinois 60602

D. Future Compliance

1. The Respondent shall timely apply for and obtain all required permits for the Facility.
2. The Respondent shall comply with all terms and conditions of any permits it obtains for the Facility.
3. The Respondent shall timely pay all required permit fees.
4. The Respondent shall timely and accurately submit all required reports to the Illinois EPA.
5. The Respondent shall comply with prior Board Orders in which it was a party.
6. 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.
7. 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, the Board Regulations, the Illinois EPA regulations, and Board Orders.
8. The Respondent shall cease and desist from future violations of the Act, Board Regulations, and Illinois EPA Regulations that were the subject matter of the Complaint.

E. Release from Liability

In consideration of the Respondent's payment of the \$30,000.00 penalty, any accrued interest, its commitment to cease and desist as contained in Section V.D.8 above, 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, the Board's regulations, the Illinois EPA's regulations, and Board's Order that were the subject matter of the Complaint herein. The release set forth above does not extend to any matters other than those expressly specified in Complainant's Complaint filed on December 14, 2012. 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, or entity other than the Respondent.

F. Enforcement of Stipulation

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.

G. 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.

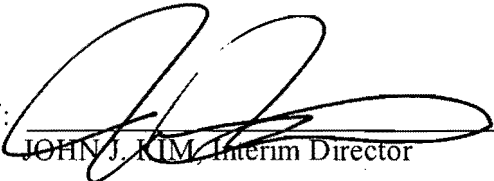
WHEREFORE, the Parties to the Stipulation request that the Board adopt and accept the foregoing Stipulation and Proposal for Settlement as written.

PEOPLE OF THE STATE OF ILLINOIS ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

LISA MADIGAN
Attorney General
State of Illinois

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

BY: 
ELIZABETH WALLACE, Chief
Assistant Attorney General
Environmental Bureau

BY: 
JOHN J. KIM, Interim Director

DATE: 12/7/12

DATE: 12/13/12

RESPONDENT

BAG MAKERS, INC.

BY: _____

Its _____

DATE: _____

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

PEOPLE OF THE STATE OF ILLINOIS ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

LISA MADIGAN
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Asbestos Litigation Division

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


BY: _____
JOHN J. KIM, Interim Director

DATE: _____

DATE: _____

RESPONDENT

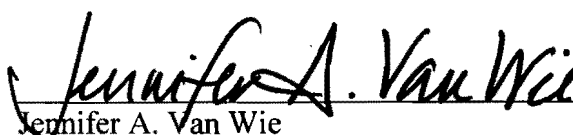
BAG MAKERS, INC.

BY: 
Its Jeremy Baynes
Director of Computer Operations
Bag makers

DATE: 12-7-12

CERTIFICATE OF SERVICE

I, JENNIFER A. VAN WIE, an Assistant Attorney General, certify that on the 14th day of December 2012, I caused to be served by U.S. Certified Mail (return receipt requested), the foregoing Complaint, Stipulation and Proposal for Settlement, Motion for Relief from Hearing Requirement, and Notice of Filing to the parties named on the attached Service List, by depositing same in postage prepaid envelopes with the United States Postal Service located at 100 West Randolph Street, Chicago, Illinois 60601.



Jennifer A. Van Wie
Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800
Chicago, Illinois 60602
(312) 814-0609

3. The parties have reached agreement on all outstanding issues in this matter.
4. This agreement is presented to the Board in a Stipulation and Proposal for Settlement filed this same date.
5. 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) (2010).

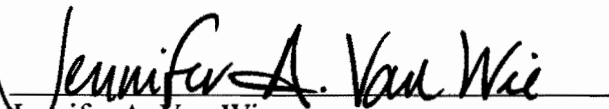
WHEREFORE, Complainant, PEOPLE OF THE STATE OF ILLINOIS, hereby requests that the Board grant this motion for relief from the hearing requirement set forth in Section 31(c)(1) of the Act, 415 ILCS 5/31(c)(1) (2010).

Respectfully submitted,

PEOPLE OF THE STATE OF ILLINOIS

LISA MADIGAN
Attorney General
State of Illinois

BY:


Jennifer A. Van Wie

Assistant Attorney General
Environmental Bureau
Illinois Attorney General's Office
69 W. Washington Street, Suite 1800
Chicago, Illinois 60602
(312) 814-0609

DATE: December 14, 2012