



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
SAGINAW BAY DISTRICT OFFICE



C. HEIDI GREYER
DIRECTOR

August 30, 2016

Mr. Gary Glawe
Isabella Pellet
6900 West Baseline Road
Lake Isabella, Michigan 48893

SRN: P0215, Isabella County

Dear Mr. Glawe:

VIOLATION NOTICE

On August 23, 2016, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of Isabella Pellet located at 3900 West Baseline Road, Lake Isabella, Michigan. The purpose of this inspection was to determine Isabella Pellet's compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the Air Pollution Control Rules; and the conditions of Permit to Install (PTI) number 30-11B.

During the inspection, staff observed the following:

| Process Description | Rule/Permit Condition Violated | Comments |
|---------------------|--------------------------------|--|
| EUdryer | PTI 30-11B VI 3 | Moisture contents were being determined on the chips as received, not as fed into the dryer. |
| EUdryer | PTI 30-11B VI 4 | Records absent most of May; when present, records indicated < 3 tph. |
| EUdryer | PTI 30-11B VI 7 | Hourly fuel consumption rate not being recorded. |
| FGwoodpellets | PTI 30-11B VI 2 | Records absent for raw chips processed on a monthly and 12 month rolling time period. |
| FGwoodpellets | PTI 30-11B VI 3 | Records absent for hours of operation on a monthly and 12 month rolling time period. |
| FGwoodpellets | PTI 30-11B VI 4 | Records absent. |
| FGmaterial | PTI 30-11B III 1 | Material conveyance losing dried material outside building. |

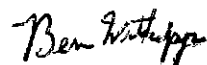
It should be noted the facility is subject to the conditions of a Consent Order (AQD 43-2014) which was effective as of September 16, 2014. The violations presented above may result in stipulated penalties for the facility.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by September 21, 2016 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

If Isabella Pellet believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violations cited above and for the cooperation that was extended to me during my inspection of Isabella Pellet. If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Ben Witkopp
Environmental Engineer
Air Quality Division
989-894-6219

cc/via e-mail: Ms. Lynn Fiedler, DEQ
Ms. Mary Ann Dolehanty, DEQ
Mr. Chris Ethridge, DEQ
Mr. Thomas Hess, DEQ
Mr. Chris Hare, DEQ