

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
OFFICE OF THE DIRECTOR

In the matter of administrative proceedings)
against **SEBEWAING LIGHT AND WATER**, a)
public utility organized under the laws of the)
State of Michigan and doing business at 120)
West Main Street, City of Sebewaing, County)
of Huron, State of Michigan)
)

AQD No. 2018-06

SRN: P0829

STIPULATION FOR ENTRY OF FINAL ORDER
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality (MDEQ) Air Quality Division (AQD) against Sebewaing Light and Water (Utility), a public utility organized under the laws of the State of Michigan and doing business at 120 West Main Street, City of Sebewaing, County of Huron, State of Michigan, with State Registration Number P0829. The MDEQ alleges that the Utility is in violation Mich Admin Code, R 336.1201 (Rule 201) and R 336.1210 (Rule 210). Specifically, the MDEQ alleges that the Utility has operated Engine 5 without obtaining a Permit to Install (PTI) and has failed to obtain and maintain a Renewable Operating Permit (ROP) for the facility, as cited herein and in the Violation Notice dated August 30, 2017. The Utility and MDEQ stipulate to the termination of this proceeding by entry of a Stipulation for Entry of a Final Order by Consent (Consent Order).

The Utility and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451 (NREPA), MCL 324.101 *et seq.* is an act that controls pollution to protect the environment and natural resources in this State.
2. Article II, Pollution Control, Part 55 of the NREPA (Part 55), MCL 324.5501 *et seq.* provides for air pollution control regulations in this State.
3. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 2011-1 and has all statutory authority, powers, duties, functions and responsibilities to administer and enforce all provisions of Part 55.
4. The MDEQ Director has delegated authority to the Director of the AQD (AQD Director) to enter into this Consent Order.

5. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.

6. The Utility and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Utility that the law has been violated.

7. This Consent Order becomes effective on the date of execution (effective date of this Consent Order) by the AQD Director.

8. The Utility shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

9. A. On November 1, 2017, the Utility submitted to the AQD, pursuant to the administrative rules of Part 55, a Permit to Install application for Engine 5.

9. B. Upon issuance of Permit to Install No. 164-17 and any subsequent permit revision, it shall be attached hereto as Exhibit A of this Consent Order.

9. C. On and after the effective date of this Consent Order, the Utility shall comply with Exhibit A of this Consent Order.

SUPPLEMENTAL ENVIRONMENTAL PROJECT

10. A. In addition to the civil fine in this Consent Order for the violations alleged in the Violation Notice, the Utility agrees to undertake the Supplemental Environmental Project (SEP) described in Exhibit B, which is attached, incorporated by reference, and made an enforceable part of this Consent Order. Performance of the SEP will benefit the environment and the Utility agrees to implement the SEP in accordance with the details specified in Exhibit B and in accordance with the following terms and conditions below:

10. B. The total expenditure for the SEP shall not be less than \$7,260.00. All costs of the SEP shall be the responsibility of the Utility. The Utility certifies that any economic benefit, including tax abatement(s), tax credit(s), or similar tax relief, that the Utility will realize as a result of the SEP is detailed in Exhibit B. If the SEP that is fully and completely implemented, to the extent that the actual expenditures for the SEP totals less than \$7,260.00, the Utility shall pay to

the MDEQ as a civil fine, within thirty (30) days of submission of the SEP certificate of completion required in subparagraph 10.G below, the difference between the actual expenditures and the amount of the monetary shortfall.

10. C. The plans included as Exhibit B contain schedules, including specific dates for the implementation of the SEP. The Utility shall fully implement all aspects of the SEP within the specified schedules.

10. D. The Utility further certifies that the Utility has not received, and is not presently negotiating to receive, a credit for the SEP as part of any other enforcement action or any grant from the state, U.S. Environmental Protection Agency (U.S. EPA) or any other entity. The Utility also certifies that the Utility will not seek tax benefits following completion of the SEP.

10. E. In the event the Utility fails to fully and completely implement the SEP as provided herein to the reasonable satisfaction of the MDEQ, the MDEQ will provide written notice to the Utility describing the nature of the deficiency. The Utility shall have thirty (30) days from receipt of the notice to submit documentation to the AQD Saginaw Bay District Supervisor demonstrated that the deficiency has been corrected. In the event the deficiency is not corrected to the satisfaction of the MDEQ, the Utility will be notified and the Utility will be in violation of this Consent Order and required to pay a stipulated penalty of up to \$5,332.00 to the MDEQ within thirty (30) days of notification from the MDEQ. The amount of the stipulated penalty may be reduced or waived by the MDEQ if the Utility made good faith and timely efforts to complete the project. Payment of stipulated penalties under the terms of this paragraph shall satisfy the Utility's obligation to complete the SEP under this Consent Order. Payment of any stipulated penalty shall be made as outlined in Paragraph 15.

10. F. The Utility agrees that any public statement, oral or written, making reference to the SEP shall include the following language: "This project was undertaken in connection with the settlement of an enforcement action taken by the MDEQ for violations of air quality law."

10. G. No later than thirty (30) days after the completion of all activities specified in Exhibit B, the Utility shall submit written certification of completion of the SEP to the AQD Director demonstrating that all SEP activities specified in Exhibit B have been completed in accordance with the terms and conditions of this Consent Order and Exhibit B. The certification shall be

the total expenditure made by the Utility as a result of implementing the activities specified under Exhibit B. It shall be the sole determination of the MDEQ whether the Utility has completely implemented the activities specified in Exhibit B of this Consent Order.

GENERAL PROVISIONS

11. On and after the effective date of this Consent Order, except as otherwise provided by the administrative rules of Part 55, the Utility shall not install, construct, reconstruct, relocate, alter, or modify any process or process equipment including control equipment pertaining thereto, which may emit an air contaminant, unless a permit to install which authorizes such action is issued by the MDEQ pursuant to Rule 201, the Utility is issued a waiver pursuant to Rule 202, or the change is exempt from the requirements of Rule 201.

12. This Consent Order in no way affects the Utility's responsibility to comply with any other applicable state, federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 *et seq.*, Act 451, Part 55 or their rules and regulations, or to the State Implementation Plan.

13. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.

14. Within thirty (30) days after the effective date of this Consent Order, the Utility shall pay to the General Fund of the State of Michigan, in the form of a check made payable to the "State of Michigan" and mailed to the Michigan Department of Environmental Quality, Accounting Services Division, Cashier's Office, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$2,668.00, which includes AQD costs for investigation and enforcement. This total settlement amount shall be paid within thirty (30) days of the effective date of this Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the "Payment Identification Number AQD40188" on the front of the check and/or in the cover letter with the payment. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Utility by law.

15. On and after the effective date of this Consent Order, if the Utility fails to comply with paragraphs 9.C or 11 of this Consent Order, the Utility is subject to stipulated fines of up to \$2,000.00 per violation. On and after the effective date of this Consent Order, if the Utility fails to comply with any other provision of this Consent Order, the Utility is subject to a stipulated fine of up to \$500.00 per violation. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be mailed to the Michigan Department of Environmental Quality, Accounting Services Division, Cashier's Office, P.O. Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the "Payment Identification Number AQD40188-S" on the front of the check and/or in the cover letter with the payment. Payment of stipulated fines shall not alter or modify in any way the Utility's obligation to comply with the terms and conditions of this Consent Order.

16. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or MDEQ administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

17. If the Utility fails to pay any part of the settlement amount assessed in paragraph 13 or any stipulated fines assessed pursuant to paragraph 14 under this Consent Order by the due date, the Utility shall pay a late payment penalty of \$50.00 per day for each day that the settlement amount or stipulated fines are past due.

18. The Utility agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 13. The Utility also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 14 of this Consent Order, but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by MDEQ of stipulated fines is made. In addition, the Utility agrees that said fines have not been assessed by the MDEQ pursuant to Section 5529 of Part 55 and therefore are not reviewable under Section 5529 of Part 55.

19. This compliance program is not a variance subject to the 12 month limitation specified in Section 5538 of Part 55.

20. This Consent Order shall remain in full force and effect for a period of at least two (2) years. Thereafter, this Consent Order shall terminate only upon written notice of termination issued by the AQD Director. Prior to issuance of a written notice of termination, the Utility shall submit a request, to the AQD Director at the Michigan Department of Environmental Quality, Air Quality Division, P.O. Box 30260, Lansing, Michigan 48909-7760, consisting of a written certification that the Utility has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Saginaw Bay District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility; and, (iv) such information as may be requested by the AQD Director.

21. In the event Sebewaing Light and Water sells or transfers the facility, with SRN P0829, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Utility shall also notify the AQD Saginaw Bay District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, Sebewaing Light and Water must obtain the consent of the purchaser and/or transferee, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be forwarded to the AQD Saginaw Bay District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

22. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

23. Section 5530 of Part 55 may serve as a source of authority but not a limitation under which this Consent Order may be enforced. Further, Part 17 of Act 451 and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

24. The Utility hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations of its facility located at 120 West Main Street, City of Sebawaing, County of Huron, State of Michigan. The Utility further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Utility files for bankruptcy in the future. The Utility will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Utility will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged. The Utility, during and after any future bankruptcy proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Utility to the extent allowed by applicable bankruptcy law.

The undersigned certifies that he/she is fully authorized by the Utility to enter into this Consent Order and to execute and legally bind the Utility to it.

SEBEWAING LIGHT AND WATER

Melanie L. McCoy, Superintendent
Print Name and Title

[Signature] Date: 11/5/18
Signature

The above signatory subscribed and sworn to before me this 5 day of November, 2018

GAYLE A. GENOW
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF HURON
My Commission Expires Jan. 1, 2021
Acting in the County of Huron

Gayle A. Genow
Notary Public Signature

Approved as to Content:

Approved as to Form:

Mary Ann Dolehanty
Mary Ann Dolehanty, Division Director
AIR QUALITY DIVISION
DEPARTMENT OF
ENVIRONMENTAL QUALITY

Neil Gordon
Neil Gordon, Section Head
ENVIRONMENTAL REGULATION SECTION
ENVIRONMENT, NATURAL RESOURCES,
AND AGRICULTURE DIVISION
DEPARTMENT OF ATTORNEY GENERAL

Dated: 11/16/18

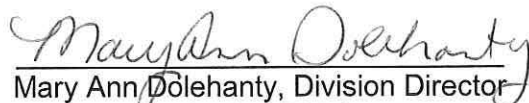
Dated: 11/13/2018

FINAL ORDER

The Director of the Air Quality Division having had opportunity to review this Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environmental Quality pursuant to the provisions of Part 55 of Act 451 and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that this Consent Order is approved and shall be entered in the record of the MDEQ as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY


Mary Ann Dolehanty, Division Director
Air Quality Division

Effective Date: 11/16/18

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION

February 13, 2018

PERMIT TO INSTALL
164-17

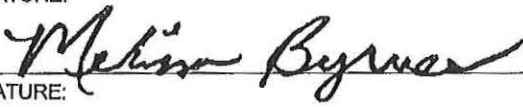
ISSUED TO
Sebewaing Light & Water

LOCATED AT
120 West Main Street
Sebewaing, Michigan

IN THE COUNTY OF
Huron

STATE REGISTRATION NUMBER
P0829

The Air Quality Division has approved this Permit to Install, pursuant to the delegation of authority from the Michigan Department of Environmental Quality. This permit is hereby issued in accordance with and subject to Section 5505(1) of Article II, Chapter I, Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended. Pursuant to Air Pollution Control Rule 336.1201(1), this permit constitutes the permittee's authority to install the identified emission unit(s) in accordance with all administrative rules of the Department and the attached conditions. Operation of the emission unit(s) identified in this Permit to Install is allowed pursuant to Rule 336.1201(6).

DATE OF RECEIPT OF ALL INFORMATION REQUIRED BY RULE 203: January 12, 2018	
DATE PERMIT TO INSTALL APPROVED: February 13, 2018	SIGNATURE: 
DATE PERMIT VOIDED:	SIGNATURE:
DATE PERMIT REVOKED:	SIGNATURE:

PERMIT TO INSTALL

Table of Contents

Section	Page
Alphabetical Listing of Common Abbreviations / Acronyms	2
General Conditions	3
Special Conditions	5
Emission Unit Summary Table.....	5
Special Conditions for EUENGINE5	5
Flexible Group Summary Table	8
Special Conditions for FGFACILITY	8

Common Abbreviations / Acronyms

Common Acronyms		Pollutant / Measurement Abbreviations	
AQD	Air Quality Division	acfm	Actual cubic feet per minute
BACT	Best Available Control Technology	BTU	British Thermal Unit
CAA	Clean Air Act	°C	Degrees Celsius
CAM	Compliance Assurance Monitoring	CO	Carbon Monoxide
CEM	Continuous Emission Monitoring	CO _{2e}	Carbon Dioxide Equivalent
CFR	Code of Federal Regulations	dscf	Dry standard cubic foot
COM	Continuous Opacity Monitoring	dscm	Dry standard cubic meter
Department/ department	Michigan Department of Environmental Quality	°F	Degrees Fahrenheit
EU	Emission Unit	gr	Grains
FG	Flexible Group	HAP	Hazardous Air Pollutant
GACS	Gallons of Applied Coating Solids	Hg	Mercury
GC	General Condition	hr	Hour
GHGs	Greenhouse Gases	HP	Horsepower
HVLP	High Volume Low Pressure*	H ₂ S	Hydrogen Sulfide
ID	Identification	kW	Kilowatt
IRSL	Initial Risk Screening Level	lb	Pound
ITSL	Initial Threshold Screening Level	m	Meter
LAER	Lowest Achievable Emission Rate	mg	Milligram
MACT	Maximum Achievable Control Technology	mm	Millimeter
MAERS	Michigan Air Emissions Reporting System	MM	Million
MAP	Malfunction Abatement Plan	MW	Megawatts
MDEQ	Michigan Department of Environmental Quality	NMOC	Non-methane Organic Compounds
MSDS	Material Safety Data Sheet	NO _x	Oxides of Nitrogen
NA	Not Applicable	ng	Nanogram
NAAQS	National Ambient Air Quality Standards	PM	Particulate Matter
NESHAP	National Emission Standard for Hazardous Air Pollutants	PM10	Particulate Matter equal to or less than 10 microns in diameter
NSPS	New Source Performance Standards	PM2.5	Particulate Matter equal to or less than 2.5 microns in diameter
NSR	New Source Review	pph	Pounds per hour
PS	Performance Specification	ppm	Parts per million
PSD	Prevention of Significant Deterioration	ppmv	Parts per million by volume
PTE	Permanent Total Enclosure	ppmw	Parts per million by weight
PTI	Permit to Install	psia	Pounds per square inch absolute
RACT	Reasonable Available Control Technology	psig	Pounds per square inch gauge
ROP	Renewable Operating Permit	scf	Standard cubic feet
SC	Special Condition	sec	Seconds
SCR	Selective Catalytic Reduction	SO ₂	Sulfur Dioxide
SNCR	Selective Non-Catalytic Reduction	TAC	Toxic Air Contaminant
SRN	State Registration Number	Temp	Temperature
TEQ	Toxicity Equivalence Quotient	THC	Total Hydrocarbons
USEPA/EPA	United States Environmental Protection Agency	tpy	Tons per year
VE	Visible Emissions	µg	Microgram
		µm	Micrometer or Micron
		VOC	Volatile Organic Compounds
		yr	Year

*For HVLP applicators, the pressure measured at the gun air cap shall not exceed 10 psig.

GENERAL CONDITIONS

1. The process or process equipment covered by this permit shall not be reconstructed, relocated, or modified, unless a Permit to Install authorizing such action is issued by the Department, except to the extent such action is exempt from the Permit to Install requirements by any applicable rule. **(R 336.1201(1))**
2. If the installation, construction, reconstruction, relocation, or modification of the equipment for which this permit has been approved has not commenced within 18 months, or has been interrupted for 18 months, this permit shall become void unless otherwise authorized by the Department. Furthermore, the permittee or the designated authorized agent shall notify the Department via the Supervisor, Permit Section, Air Quality Division, Michigan Department of Environmental Quality, P.O. Box 30260, Lansing, Michigan 48909-7760, if it is decided not to pursue the installation, construction, reconstruction, relocation, or modification of the equipment allowed by this Permit to Install. **(R 336.1201(4))**
3. If this Permit to Install is issued for a process or process equipment located at a stationary source that is not subject to the Renewable Operating Permit program requirements pursuant to R 336.1210, operation of the process or process equipment is allowed by this permit if the equipment performs in accordance with the terms and conditions of this Permit to Install. **(R 336.1201(6)(b))**
4. The Department may, after notice and opportunity for a hearing, revoke this Permit to Install if evidence indicates the process or process equipment is not performing in accordance with the terms and conditions of this permit or is violating the Department's rules or the Clean Air Act. **(R 336.1201(8), Section 5510 of Act 451, PA 1994)**
5. The terms and conditions of this Permit to Install shall apply to any person or legal entity that now or hereafter owns or operates the process or process equipment at the location authorized by this Permit to Install. If the new owner or operator submits a written request to the Department pursuant to R 336.1219 and the Department approves the request, this permit will be amended to reflect the change of ownership or operational control. The request must include all of the information required by subrules (1)(a), (b), and (c) of R 336.1219 and shall be sent to the District Supervisor, Air Quality Division, Michigan Department of Environmental Quality. **(R 336.1219)**
6. Operation of this equipment shall not result in the emission of an air contaminant which causes injurious effects to human health or safety, animal life, plant life of significant economic value, or property, or which causes unreasonable interference with the comfortable enjoyment of life and property. **(R 336.1901)**
7. The permittee shall provide notice of an abnormal condition, start-up, shutdown, or malfunction that results in emissions of a hazardous or toxic air pollutant which continue for more than one hour in excess of any applicable standard or limitation, or emissions of any air contaminant continuing for more than two hours in excess of an applicable standard or limitation, as required in Rule 912, to the Department. The notice shall be provided not later than two business days after start-up, shutdown, or discovery of the abnormal condition or malfunction. Written reports, if required, must be filed with the Department within 10 days after the start-up or shutdown occurred, within 10 days after the abnormal conditions or malfunction has been corrected, or within 30 days of discovery of the abnormal condition or malfunction, whichever is first. The written reports shall include all of the information required in Rule 912(5). **(R 336.1912)**
8. Approval of this permit does not exempt the permittee from complying with any future applicable requirements which may be promulgated under Part 55 of 1994 PA 451, as amended or the Federal Clean Air Act.
9. Approval of this permit does not obviate the necessity of obtaining such permits or approvals from other units of government as required by law.
10. Operation of this equipment may be subject to other requirements of Part 55 of 1994 PA 451, as amended and the rules promulgated thereunder.

11. Except as provided in subrules (2) and (3) or unless the special conditions of the Permit to Install include an alternate opacity limit established pursuant to subrule (4) of R 336.1301, the permittee shall not cause or permit to be discharged into the outer air from a process or process equipment a visible emission of density greater than the most stringent of the following. The grading of visible emissions shall be determined in accordance with R 336.1303. **(R 336.1301)**
 - a) A six-minute average of 20 percent opacity, except for one six-minute average per hour of not more than 27 percent opacity.
 - b) A visible emission limit specified by an applicable federal new source performance standard.
 - c) A visible emission limit specified as a condition of this Permit to Install.
12. Collected air contaminants shall be removed as necessary to maintain the equipment at the required operating efficiency. The collection and disposal of air contaminants shall be performed in a manner so as to minimize the introduction of contaminants to the outer air. Transport of collected air contaminants in Priority I and II areas requires the use of material handling methods specified in R 336.1370(2). **(R 336.1370)**
13. The Department may require the permittee to conduct acceptable performance tests, at the permittee's expense, in accordance with R 336.2001 and R 336.2003, under any of the conditions listed in R 336.2001. **(R 336.2001)**

SPECIAL CONDITIONS

EMISSION UNIT SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Emission Unit ID	Emission Unit Description (Process Equipment & Control Devices)	Installation Date / Modification Date	Flexible Group ID
EUENGINE5	12.9 MMBtu/hr heat input (1140 KW) engine firing natural gas and / or No. 2 fuel oil	1979	NA
Changes to the equipment described in this table are subject to the requirements of R 336.1201, except as allowed by R 336.1278 to R 336.1290.			

The following conditions apply to: EUENGINE5

DESCRIPTION: 12.9 MMBtu/hr heat input (1140 KW) engine firing natural gas and / or No. 2 fuel oil

Flexible Group ID: NA

POLLUTION CONTROL EQUIPMENT: Oxidation Catalyst

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. NO _x	25.5 tpy ^a	12-month rolling time period as determined at the end of each calendar month	EUENGINE5	SC VI.3	R 336.1205(1)(a) and (3) 40 CFR 52.21 (c) & (d)
2. Formaldehyde	660.0 lb/yr ^b	12-month rolling time period as determined at the end of each calendar month	EUENGINE5	SC VI.3	R 336.1225

^aThe NO_x limit is based on an emission factor of 4.08 pounds per MMBtu of fuel used.

^bThe formaldehyde limit is based on an emission factor of 0.0528 pound per MMBtu of fuel used

II. MATERIAL LIMITS

1. The permittee shall only burn natural gas and / or No. 2 fuel oil in EUENGINE5. (R 336.1205, R 336.1225, R 336.1702(a), 40 CFR 52.21 (c) & (d))
2. The total combined natural gas and No. 2 fuel oil use for EUENGINE5 shall not exceed 12,500 MMBtu per 12-month rolling time period as determined at the end of each calendar month. (R 336.1205(1)(a) and (3), R 336.1225, R 336.1702(a), 40 CFR 52.21 (c) & (d))
3. The permittee shall not burn No. 2 fuel oil in EUENGINE5 unless the No. 2 fuel oil meets the requirements in 40 CFR 80.510(b) for nonroad diesel fuel including a maximum sulfur content of 15 ppm.(R 336.1205)

III. PROCESS/OPERATIONAL RESTRICTIONS

1. The permittee shall not operate EUENGINE5 unless the oxidation catalyst is installed, maintained and operated in a satisfactory manner. Satisfactory operation of the oxidation catalyst includes a minimum CO destruction efficiency of 70 percent (by weight), minimum VOC destruction efficiency of 70 percent (by weight), a catalyst bed inlet temperature of at least 450°F but no more than 1350°, and a pressure drop across the catalyst does not change by more than 2 inches of water from the pressure drop across the catalyst that was measured during the initial performance test. (R 336.1205, R 336.1224, R 336.1225, R 336.1702, R 336.1910, 40 CFR 52.21(c) and (d))

IV. DESIGN/EQUIPMENT PARAMETERS

1. The permittee shall install, calibrate, maintain and operate in a satisfactory manner, a temperature monitoring device to continuously monitor and record the inlet and outlet temperatures of the oxidation catalyst catalytic bed on EUENGINE5. (R 336.1205, R 336.1224, R 336.1225, R 336.1702, R 336.1910, 40 CFR 52.21(c) and (d), 40 CFR 63.6603(a), 40 CFR 63.6635)

V. TESTING/SAMPLING

Records shall be maintained on file for a period of five years. (R 336.1201(3))

NA

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. (R 336.1201(3))

1. The permittee shall complete all required calculations in a format acceptable to the AQD District Supervisor by the 15th day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. (R 336.1205, 40 CFR 52.21 (c) & (d))
2. The permittee shall keep, in a satisfactory manner, a record of the types of fuel burned in EUENGINE5 and the total MMBtu of all fuels burned in EUENGINE5 on a monthly and 12-month rolling time period basis. (R 336.1205, R 336.1225, R 336.1702(a), 40 CFR 52.21 (c) & (d))
3. The permittee shall keep, in a satisfactory manner, monthly and previous 12-month NO_x and formaldehyde emission calculation records for EUENGINE5, as required by SC I.1 and SC I.2. The permittee shall keep all records on file and make them available to the Department upon request. (R 336.1205, 40 CFR 52.21 (c) & (d), 40 CFR Part 72.7)
4. The permittee shall keep records of the specifications of No. 2 fuel oil used in EUENGINE5. The record shall contain Material Safety Data Sheets (MSDS) or equivalent provided from the fuel supplier and shall be updated at least once per calendar year. The permittee shall keep all records on file and make them available to the Department upon request. (R 336.1205(3))
5. The permittee shall keep records confirming the VOC control efficiency of the oxidation catalyst for EUENGINE5. The record shall contain testing data or design information provided by the manufacturer. The permittee shall keep all records on file and make them available to the Department upon request. (R 336.1205(3), R 336.1225)
6. The permittee shall keep records of all repair and maintenance activities on EUENGINE5 and the oxidation catalyst. The permittee shall keep all records on file and make them available to the Department upon request. (R 336.1205(3), R 336.1225)

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

The exhaust gases from the stacks listed in the table below shall be discharged unobstructed vertically upwards to the ambient air unless otherwise noted:

Stack & Vent ID	Maximum Exhaust Diameter/ Dimensions (inches)	Minimum Height Above Ground (feet)	Underlying Applicable Requirements
1. SVENGINE5	15.5	36	R 336.1225, 40 CFR 52.21 (c) & (d)

IX. OTHER REQUIREMENTS

1. The permittee shall comply with all applicable provisions of the National Emission Standards for Hazardous Air Pollutants, as specified in 40 CFR, Part 63, Subpart A and Subpart ZZZZ, as they apply to EUENGINE5. **(40 CFR Part 63 Subparts A and ZZZZ, 40 CFR 63.6595)**

Footnotes:

¹This condition is state only enforceable and was established pursuant to Rule 201(1)(b).

FLEXIBLE GROUP SUMMARY TABLE

The descriptions provided below are for informational purposes and do not constitute enforceable conditions.

Flexible Group ID	Flexible Group Description	Associated Emission Unit IDs
FGFACILITY	All process equipment source-wide including equipment covered by other permits, grand-fathered equipment and exempt equipment.	

The following conditions apply to: FGFACILITY

DESCRIPTION: All process equipment source-wide including equipment covered by other permits, grand-fathered equipment and exempt equipment.

POLLUTION CONTROL EQUIPMENT:

I. EMISSION LIMITS

Pollutant	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. NO _x	89.8 tpy ^a	12-month rolling time period as determined at the end of each calendar month	FGFACILITY	SC VI.3	336.1205(1)(a) and (3)

^aThe NO_x limit is based on an emission factor of 4.08 pounds per MMBtu of fuel used.

II. MATERIAL LIMITS

Material	Limit	Time Period / Operating Scenario	Equipment	Testing / Monitoring Method	Underlying Applicable Requirements
1. Total Fuel	44,000 MMBtu/yr	12-month rolling time period as determined at the end of each calendar month	All stationary fuel burning sources	SC VI.2	336.1205(1)(a) and (3)

III. PROCESS/OPERATIONAL RESTRICTIONS

NA

IV. DESIGN/EQUIPMENT PARAMETERS

NA

V. TESTING/SAMPLING

NA

VI. MONITORING/RECORDKEEPING

Records shall be maintained on file for a period of five years. (R 336.1201(3))

1. The permittee shall complete all required calculations in a format acceptable to the AQD District Supervisor by the 15th day of the calendar month, for the previous calendar month, unless otherwise specified in any monitoring/recordkeeping special condition. (R 336.1205, 40 CFR 52.21 (c) & (d))
2. The permittee shall keep, in a satisfactory manner, a record of the total MMBtu of all fuels burned in FGFACILITY on a monthly and 12-month rolling time period basis. (336.1205(1)(a) and (3), 40 CFR 52.21 (c) & (d))
3. The permittee shall keep, in a satisfactory manner, monthly and previous 12-month NO_x emission calculation records for FGFACILITY, as required by SC I.1. The permittee shall keep all records on file and make them available to the Department upon request. (R 336.1205, 40 CFR 52.21 (c) & (d))

VII. REPORTING

NA

VIII. STACK/VENT RESTRICTIONS

NA

IX. OTHER REQUIREMENTS

NA

Sebewaing Light and Water SEP Proposal – Sebewaing Tree Nursery Project

1. Name and Location of Entity Subject to the Enforcement Action

Sebewaing Light and Water 120 West Main Street, Village of Sebewaing, County of Huron, State of Michigan, with State Registration Number P0829

2. Regulatory Information

The Michigan Department of Environmental Quality (MDEQ) alleges that the Utility is in violation of Mich Admin Code, R 336.1201 (Rule 201) and R 336.1210 (Rule 210). Specifically, the MDEQ alleges that the Utility has operated Engine 5 without obtaining a Permit to Install (PTI) and has failed to obtain and maintain a Renewable Operating Permit (ROP) for the facility, as cited herein and in the Violation Notice dated August 30, 2017.

3. Project Name

Sebewaing Tree Nursery Project

4. Project Manager

Melanie McCoy, SLW Superintendent
110 West Main Street
Sebewaing, MI 48759
Phone: 989 883 2700 Fax: 989.883.2792
Email: mmccoy@sebewaing.net

5. DEQ Contact Person

Ben Witkopp
MDEQ Air Quality Division
Phone: 989-894-6219
Email: witkoppb@michigan.gov

6. Geographic Area to Benefit from the Project

Village of Sebewaing, Huron County, Tuscola County, Lake Huron and Sebewaing watershed

7. SEP Categories

Pollution Reduction

Environmental Restoration and Protection

Public Health

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AIR QUALITY DIVISION

8. Project Description

Sebewaing Light and Water (SLW) will purchase an assortment of native trees for the planting and creation of the Unionville Sebewaing Area Schools (USA) tree nursery site. The trees will be managed by the Agricultural Science Department of USA school.

Need for the Project

The Tree Nursery project will allow new native trees to be planted and grown at USA Schools and replanted in the Sebewaing Village area with the support of the High School. With the loss of the Ash trees due to invasive insects and the strong straight-line winds experienced in 2008, Sebewaing is continuing to repopulate the trees.

Availability of other similar services in the area

The creation of the tree nursery is a unique project and we are not aware of similar services in the area.

Project Implementation Tasks

Outreach: SLW has reached out to Unionville Sebewaing Area High School and received input from the school on the proposed Project location, creation and operations.

Operations: SLW will purchase the trees for planting by the Ag Science and Future Farmers of America (FFA) during the fall 2018. Initial nursery development will require assistance from the Maintenance Department. The trees will be maintained by the school. Maintenance during the summer months will be coordinated with the FFA.

9. Expected Environmental Benefits

One of the main environmental benefits is to improve tree density with native trees in the area. The ability to plant new seedlings each year will provide continued environmental benefits. The Tree Nursery Project will also enhance public awareness of tree benefits. Each tree that is sold or planted from the nursery will have a tag with the CO2 benefit from the tree.

The Sebewaing Light and Water Department will purchase the seedlings and provide them to the school in accordance with the project budget. The School will plant, nurture and care for the trees until they are of sufficient size to sell. The trees will be sold to the area residents and proceeds will be available to continue the plantings. In addition to the sale of trees to the public, SLW will purchase a number of the larger trees from the school using utility funds; these funds are not part of the SEP budget. SLW will provide and plant those trees for residents free of charge, to improve the tree density and replace trees that have been lost to disease and storms. The trees will be provided on a first come first serve basis, on a list maintained by Sebewaing Light and Water.

The tree nursery area has also been selected due to the benefit of a wind buffer near the soccer fields.

10. Project Budget

Capital	\$1,500.00 2018 trees, fertilizer, water
	\$3,000.00 2019 trees, fertilizer, water
	\$1,500.00 2020 trees, fertilizer, water
Freight	\$300.00 (estimate) total cost
Installation	\$420.00 labor for Maintenance Department and Contractor, total cost
Total Installation	\$6,720.00

Operating cost \$180.00 water, fertilizer, per year

SLW is a tax-exempt municipal, so we would not be paying any taxes on our SEP.

11. Project Schedule

Within 60 days after finalization and approval of the proposed SEP, SLW will purchase the first batch of trees. The tree selection will be coordinated with the Ag Science department. Working with the USA school district schedule, SLW anticipates initiation of the Project within 45 days of school starting on August 28, 2018. Trees will initially be planted in the fall of 2018 and spring of 2019, followed by similar schedule for fall of 2019 and spring of 2020. SLW will notify the MDEQ of the tree delivery dates, 7 days prior to each scheduled planting, and will provide a report detailing the installation and purchase costs within 30 days of planting. SLW will monitor the operations on a regular basis, depending on the season. Within 60 days of the completion of each planting session, SLW will submit a report to the MDEQ.

12. Accounting - NA

13. Reporting

SLW will document:

- The date of purchase and planting of the trees.
- The type and number of trees planted each season.
- The cost of the trees by providing a copy of the invoice.
- The estimated costs associated with the installation.

All reports will be submitted to the MDEQ AQD Saginaw Bay District Supervisor.

14. Prior Commitments and/or Regulatory Requirements

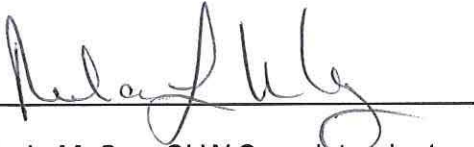
USA School Board has reviewed the project and approval is anticipated in September 2018.

15. Certification of Expenditures by the Alleged Violator

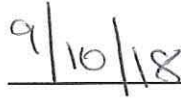
Certification of Expenditures by the Alleged Violator

The proposed SEP is solely attributable to the settlement of the current enforcement action and no funding has been budgeted to the project prior to the approval of the project, nor is the proposed project funded by grants, donations, low interest loans, or other sources of funding not attributable to the alleged violator's normal budgetary process. In addition, the proposed project is not being done, nor will receive credit, as part of an environmental incentive or awards program offered by local, state, federal government, or industry.

Signed by:



Melanie McCoy, SLW Superintendent



Date