

October 14, 2010

Mr. Steven Leroy
Paramount NV Asphalt
P.O. Box 2247
Fernley, NV 89408

Re: Notice of Alleged Air Quality Violation and Order No. 2273
Class II Air Quality Operating Permit AP5032-2054 (FIN A0508)

Dear Mr. Leroy:

On September 9, 2010, the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) held an enforcement conference with Paramount NV Asphalt Company, LLC (Paramount), to discuss alleged violations related to operations at Paramount's asphalt storage and transfer facility in Fernley, Lyon County, Nevada. Based on the information presented and discussed during the conference, the NDEP concluded that issuance of a Notice of Air Quality Violation and Order (NOAV) to Paramount was warranted.

The attached Notice of Alleged Air Quality Violation and Order (NOAV) Nos. 2273 alleges that Paramount is in violation of **Nevada Administrative Code (NAC) 445B.275 Violations: Acts constituting; notice**. **NAC 445B.275** states, in part, that: "1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

- (e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit

An appeal of NOAV No. 2273 may be requested pursuant to **Nevada Revised Statutes (NRS) 445B.360** and to the SEC's administrative rules. A copy of SEC Appeal Form #3 has been enclosed. Appeals must be received within 10 days of receipt of this notice, pursuant to **NRS 445B.340**. Appeals are processed through John Walker, the Executive Secretary for the SEC, at 901 South Stewart Street, Suite 4001, Carson City, Nevada, 89701-5249. Mr. Walker can be reached at 775-687-9308, or by fax at 775-687-5856. Please provide me with a copy of any correspondence your company may have with the SEC.

Paramount NV Asphalt
October 14, 2010
Page 2

If you have any questions about the alleged violations or the enforcement conference, please call me at 775-687-9343.

Sincerely,

Francisco Vega
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

FV/rc

Enclosures: 1. Notice of Alleged Air Quality Violation and Order No. 2273
2. SEC Appeal Form #3

cc: John Walker, SEC
Lyon County Board of Commissioners
June Christman (via email)
David Broderick (via email)
Files (FIN A0508)

Route to: Colleen Cripps, NDEP
Michael Elges, NDEP

Certified Mail #: 7009 3410 0000 1454 2040

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
BUREAU OF AIR POLLUTION CONTROL
901 SOUTH STEWART ST., SUITE 4001
CARSON CITY, NEVADA 89701-5249

NO. 2273

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Steven Leroy

Company Name: Paramount NV Asphalt

Address: PO Box 2247, Fernley, NV 89408

Permit Number: AP5032-2054

FIN: A0508

Site of Alleged Violation: Paramount NV Asphalt, 425 Logan Lane, Fernley, NV 89408

Date of Observation: 4/14/2010 **Arrival:** 10:00AM **Departure:** 12:00 PM

Ambient Temperature: Not Taken °F **Clear:** **Cloudy:** **Rain:** **Snow:**

Wind Speed: N/A mph **Wind Direction:** N/A

It is alleged that the following regulation was violated by the person named in this notice:

NAC 445B.275 Violations: Acts constituting; notice. 1. Failure to comply with any requirement of NAC 445B.001 to 445B.3791, inclusive, any applicable requirement or any condition of an operating permit constitutes a violation. As required by NRS 445B.450, the Director shall issue a written notice of an alleged violation to any owner or operator for any violation, including, but not limited to:

(e) Failure to comply with any requirement for recordkeeping, monitoring, reporting or compliance certification contained in an operating permit

It is alleged that the following act or practice constitutes the violation:

Failure to maintain required monitoring records.

Evidence:

Paramount NV Asphalt Company, LLC (Paramount) operates an asphalt storage and transfer facility in Fernley, Lyon County, Nevada under Class II Air Quality Operating Permit AP5032-2054. Class II Air Quality Operating permits AP5032-2054 was issued by the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP-BAPC) on October 18, 2005. On April 13 and 14, 2010, Paramount conducted source testing on three natural gas fired units including a commercial boiler (System 8) and two heaters (Systems 1 and 2). Prior to source testing it was discovered that there was no meter on System 8 and that the meter for System 1 was broken. Paramount self-reported this on April 13, 2010.

Prompted by the self-report from Paramount, a compliance inspection was conducted at the facility on April 14, 2010. During the inspection it was verified that the commercial boiler (System 8) did not have its own gas meter. The two heaters (Systems 1 and 2) did have individual meters, however, the meter for System 1 was broken and had historically been broken. It was also found that gas meter records had not been kept for the boiler or heaters. The only records of gas usage came from the main meter for the facility and the gas company bill. As a result of this a records request was made on April 20, 2010 for the period of January 1, 2008 to March 31, 2010. The records were received on May 17, 2010.

Upon review of the requested records it was found that System 1 had 807 days of no throughput records, System 2 had 637 days of no throughput records, and System 8 had 779 days of no throughput records. Hours of operation for each system had been assumed to be 24 hours a day, however, no actual records for hours of operation were recorded. This results in 818 days of no recorded hours of operation for Systems 1, 2 and 8.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2273

Evidence (continued):

In accordance with NAC 445B.281 Violations: Classification; administrative fines, the first three (3) failures to monitor constitute minor violations; the next 4,674 constitute major violations. Notice of Alleged Air Quality Violation and Order (NOAV) No. 2273 represents Paramount's first air quality violation.

ORDER

Under the authority of NRS 445B.100 to 445B.640, inclusive, the person named in this notice is ordered:

_____ To pay the following administrative fine in accordance with 445B.281.1: _____ \$ _____

To take corrective action: Operate all monitors in accordance with manufacturer specifications.
Maintain all required monitoring records as required by AQOP AP5032-2054.

_____ To appear for a hearing before the Environmental Commission at:
Date: _____ Time: _____

_____ To appear for an enforcement conference at:
Date: _____ Time: _____

_____ This notice is a warning.

Signature _____
Issued by: Francisco Vega
Supervisor
Compliance and Enforcement Branch

Phone: 775-687-9343 Date: October 14, 2010

CERTIFIED MAIL #: 7009 3410 0000 1454 2040

This order becomes final unless appealed within ten (10) days after receipt of this notice or ten (10) days after a required enforcement conference. The person named in this order may appeal this notice by submitting a written request for a hearing to the Chairman of the Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. An administrative fine may be levied by the Environmental Commission of not more than \$10,000 per day of violation.