



STATE OF IDAHO
DEPARTMENT OF
ENVIRONMENTAL QUALITY

1410 North Hilton • Boise, Idaho 83706 • (208) 373-0502

October 2, 2012

C.L. "Butch" Otter, Governor
Curt Fransen, Director

Les Lonning, Director of Technical & Environmental Affairs
McFarland Cascade Pole & Lumber Company
P. O. Box 1496
Tacoma, Washington, 98401-1496

RE: Facility ID No. 017-00004, McFarland Cascade Pole & Lumber Company, Sandpoint
Final Permit Letter

Dear Mr. Lonning:

The Department of Environmental Quality (DEQ) is issuing Permit to Construct (PTC) No. P-2012.0048 Project 61093 to McFarland Cascade Pole & Lumber Company for the renewal of the facility's Tier II operating permit (T2) and to convert the T2 to PTC for the facility located at Sandpoint, Idaho.

This PTC is issued in accordance with IDAPA 58.01.01.200 through 228 (Rules for the Control of Air Pollution in Idaho) and is based on the certified information provided in your PTC application received July 20, 2012.

This permit is effective immediately and replaces Tier II Operating Permit No. T2-060130, issued November 30, 2006. This permit does not release McFarland Cascade Pole & Lumber Company from compliance with all other applicable federal, state, or local laws, regulations, permits, or ordinances.

In order to fully understand the compliance requirements of this permit, DEQ highly recommends that you schedule a meeting with Almer Casile, Air Quality Compliance Officer, at (208) 769-1422 to review and discuss the terms and conditions of this permit. Should you choose to schedule this meeting, DEQ recommends that the following representatives attend the meeting: your facility's plant manager, responsible official, environmental contact, and any other staff responsible for day-to-day compliance with permit conditions.

Pursuant to IDAPA 58.01.23, you, as well as any other entity, may have the right to appeal this final agency action within 35 days of the date of this decision. However, prior to filing a petition for a contested case, I encourage you to contact Harbi Elshafei at (208) 373-0502 or harbi.elshafei@deq.idaho.gov to address any questions or concerns you may have with the enclosed permit.

Sincerely,

A handwritten signature in black ink that reads "Mike Simon".

Mike Simon
Stationary Source Program Manager
Air Quality Division

MSHE

Permit No. P-2012.0048 PROJ 61093
Enclosures

Air Quality

PERMIT TO CONSTRUCT

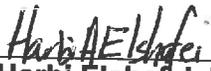
Permittee	McFarland Cascade Pole and Lumber Company
Permit Number	P-2012.0048
Project ID	61093
Facility ID	017-00004
Facility Location	977 Baldy Mountain Road Sandpoint, Idaho 83864

Permit Authority

This permit (a) is issued according to the "Rules for the Control of Air Pollution in Idaho" (Rules), IDAPA 58.01.01.200-228; (b) pertains only to emissions of air contaminants regulated by the State of Idaho and to the sources specifically allowed to be constructed or modified by this permit; (c) has been granted on the basis of design information presented with the application; (d) does not affect the title of the premises upon which the equipment is to be located; (e) does not release the permittee from any liability for any loss due to damage to person or property caused by, resulting from, or arising out of the design, installation, maintenance, or operation of the proposed equipment; (f) does not release the permittee from compliance with other applicable federal, state, tribal, or local laws, regulations, or ordinances; and (g) in no manner implies or suggests that the Idaho Department of Environmental Quality (DEQ) or its officers, agents, or employees assume any liability, directly or indirectly, for any loss due to damage to person or property caused by, resulting from, or arising out of design, installation, maintenance, or operation of the proposed equipment. Changes in design, equipment, or operations may be considered a modification subject to DEQ review in accordance with IDAPA 58.01.01.200-228.

Date Issued

October 2, 2012


Harbi Elshafei, Permit Writer


Mike Simon, Stationary Source Manager

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Acronyms, Units, and Chemical Nomenclatures

CDSAP	chemical dust suppressant application plan
CFR	Code of Federal Regulations
DEQ	Department of Environmental Quality
ESCDS	environmental safe chemical dust suppressant
IDAPA	a numbering designation for all administrative rules in Idaho promulgated in accordance with the Idaho Administrative Procedures Act
PM	particulate matter
PTC	Permit to Construct
Rules	Rules for the Control of Air Pollution in Idaho
Tier II OP	Tier II Operating Permit

1 Permit Scope

Purpose

- 1.1 The purpose of this permitting action is to renew the facility's Tier II operating permit (Tier II OP) No.T2-060130, issued November 30, 2006 and to convert the Tier II OP to a permit to construct (PTC).
- 1.2 Those permit conditions that have been modified or revised by this permitting action are identified by the permit issue date citation located directly under the permit condition and on the right-hand margin.
- 1.3 This PTC replaces Tier II OP No. T2-060130, issued November 30, 2006.

Regulated Sources

Table 1.1 lists all sources of regulated emissions in this permit.

Table 1.1 Summary of Regulated sources.

Permit Section	Source	Control Equipment
2	Pole/log peeler with hood and with maximum throughput of 8.9 tons per hour of logs; Bark conveyor system; Montgomery 34 HD punch and die bark hog; and Two Peerless 14-unit storage bins	None
2	Vehicle traffic on paved and unpaved roads	Reasonable Control

[10/2/12]

2 Log Peeling Operation

2.1 Process Description

The logs are fed through the peeler where the bark is removed. The peeler with bark hood has a maximum throughput of 8.9 tons per hour of logs. The bark is then conveyed to a bark hog where it is further processed for sale as hog fuel. The conveyor has a maximum transfer rate of 1.2 tons per hour of bark material. After the bark has passed through the Montgomery 34 HD punch and dies bark hog, it is stored in two Peerless 14-unit storage bins until shipment off-site. The peeled logs are also shipped off-site for further processing.

[10/2/12]

2.2 Control Device Descriptions

The emissions from the log peeling operation are uncontrolled.

Emission Limits

2.3 Opacity Limit

The permittee shall not discharge any air pollutant into the atmosphere from any point of emissions for a period or periods aggregating more than three minutes in any 60-minute period which is greater than twenty percent (20%) opacity. Opacity shall be determined by the procedures contained in IDAPA 58.01.01.625.

2.4 Visible Emission Limits at Property Boundary

Fugitive emissions shall not be observed leaving the property boundary for a period or periods aggregating more than three minutes in any 60-minute period. Visible emissions shall be determined by Method 22, as described in 40 CFR Part 60, Appendix A, or a DEQ-approved alternative method.

Operating Requirements

2.5 Fugitive Emissions

- All reasonable precautions shall be taken to prevent particulate matter (PM) from becoming airborne in accordance with IDAPA 58.01.01.650-651. In determining what is reasonable, considerations will be given to factors such as the proximity of dust-emitting operations to human habitations and/or activities and atmospheric conditions that might affect the movement of particulate matter. Some of the reasonable precautions include, but are not limited to, the following:
 - Use, where practical, of water or chemicals for control of dust in the demolition of existing buildings or structures, construction operations, the grading of roads, or the clearing of lands.
 - Application, where practical, of asphalt, oil, water, or suitable chemicals to, or covering of, dirt roads, material stockpiles, and other surfaces which can create dust.

- Installation and use, where practical, of hoods, fans, and fabric filters or equivalent systems to enclose and vent the handling of dusty materials. Adequate containment methods should be employed during sandblasting or other operations.
- Covering, where practical, of open-bodied trucks transporting materials likely to give rise to airborne dusts.
- Paving of roadways and their maintenance in a clean condition, where practical.
- Prompt removal of earth or other stored material from streets, where practical.

2.6 Odors

- The permittee shall not allow, suffer, cause, or permit the emission of odorous gases, liquids, or solids to the atmosphere in such quantities as to cause air pollution.
- The permittee shall maintain records of all odor complaints received. If the complaint has merit, the permittee shall take appropriate corrective action as expeditiously as practicable. The records shall, at a minimum, include the date that each complaint was received and a description of the following: the complaint, the permittee's assessment of the validity of the complaint, any corrective action taken, and the date the corrective action was taken.

2.7 Open Burning

The permittee shall comply with the requirements of the Rules for Control of Open Burning, IDAPA 58.01.01.600-623.

2.8 Hours of Operation

Operation of the log peeler shall not exceed 16 hours per day.

Monitoring and Recordkeeping Requirements

- 2.9 The permittee shall monitor and maintain records of the frequency and the method(s) used (i.e., water, environmentally safe chemical dust suppressants, etc.) as well as the circumstances under which no controls are used to reasonably control fugitive emissions). The most recent five years compilation of data shall be kept on site and shall be made available to DEQ representatives upon request.
- 2.10 The permittee shall maintain records of all fugitive dust complaints received. The permittee shall take appropriate corrective action as expeditiously as practicable after receipt of a valid complaint. The records shall include, at a minimum, the date that each complaint was received and a description of the following: the complaint, the permittee's assessment of the validity of the complaint, any corrective action taken, and the date the corrective action was taken.
- 2.11 The permittee shall conduct a quarterly facility-wide inspection of potential sources of fugitive emissions, during daylight hours and under normal operating conditions to ensure that the methods used to reasonably control fugitive emissions are effective. If fugitive emissions are not being reasonably controlled, the permittee shall take corrective action as expeditiously as practicable. The permittee shall maintain records of the results of each fugitive emissions inspection. The records shall include, at a minimum, the date of each inspection and a description of the following: the permittee's assessment of the conditions existing at the time fugitive emissions were present (if observed), any corrective action taken in response to the fugitive emissions, and the date the corrective action was taken.

2.12 Opacity Monitoring

The permittee shall conduct a quarterly facility-wide inspection of potential sources of visible emissions, during daylight hours and under normal operating conditions. Sources that are monitored using a continuous opacity monitoring system (COMS) are not required to comply with this permit condition. The inspection shall consist of a see/no see evaluation for each potential source of visible emissions. If any visible emissions are present from any point of emission, the permittee shall either

a) take appropriate corrective action as expeditiously as practicable to eliminate the visible emissions. Within 24 hours of the initial see/no see evaluation and after the corrective action, the permittee shall conduct a see/no see evaluation of the emissions point in question. If the visible emissions are not eliminated, the permittee shall comply with b).
or

b) perform a Method 9 opacity test in accordance with the procedures outlined in IDAPA 58.01.01.625. A minimum of 30 observations shall be recorded when conducting the opacity test. If opacity is greater than 20%, as measured using Method 9, for a period or periods aggregating more than three minutes in any 60-minute period, the permittee shall take all necessary corrective action and report the exceedance in its annual compliance certification and in accordance with IDAPA 58.01.01.130-136.

The permittee shall maintain records of the results of each visible emission inspection and each opacity test when conducted. The records shall include, at a minimum, the date and results of each inspection and test and a description of the following: the permittee's assessment of the conditions existing at the time visible emissions are present (if observed), any corrective action taken in response to the visible emissions, and the date corrective action was taken.

2.13 Monitoring Hours of Operation

The permittee shall monitor and maintain records of the daily hours of operation of the log peeler. The most recent five years compilation shall be kept on site and shall be made available to DEQ representatives upon request.

2.14 Reports and Certifications

Any reporting required by this permit, including, but not limited to, records, monitoring data, supporting information, requests for confidential treatment, notifications of intent to test, testing reports, or compliance certifications, shall contain a certification by a responsible official. The certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document(s) are true, accurate, and complete. Any reporting required by this permit shall be submitted to the following address:

Air Quality Permit Compliance
Department of Environmental Quality
Coeur d'Alene Regional Office
2110 Ironwood Parkway
Coeur d'Alene, ID 83814
Phone: (208) 769-1422
Fax: (208) 769-1404

Vehicle Traffic on Paved and Unpaved Roads

Process Description

- 2.15 This section of the permit includes vehicle traffic on paved and unpaved roads. Fugitive emissions from log peeling storage piles are considered minimal due to the typically coarse nature and high moisture content of waste products.

Operating Requirements

2.16 Water Truck

Use of a water truck and water flushing is required on paved roads and other paved areas of facility property at least once per week during periods when the pavement is dry and weather conditions make it reasonable to do so.

2.17 Reasonable Control of Fugitive Emissions

All reasonable precautions shall be taken to prevent PM from becoming airborne in accordance with IDAPA 58.01.01.650-651. In determining what is reasonable, considerations will be given to factors such as the proximity of dust emitting operations to human habitations and/or activities and atmospheric conditions that might affect the movement of particulate matter. Some of the reasonable precautions include, but are not limited to, the following:

- Use, where practical, of water or chemicals for control of dust in the demolition of existing buildings or structures, construction operations, the grading of roads, or the clearing of lands.
- Application, where practical, of asphalt, oil, water, or suitable chemicals to, or covering of, dirt roads, material stockpiles, and other surfaces which can create dust.
- Installation and use, where practical, of hoods, fans, and fabric filters or equivalent systems to enclose and vent the handling of dusty materials. Adequate containment methods should be employed during sandblasting or other operations.
- Covering, where practical, of open bodied trucks transporting materials likely to give rise to airborne dusts.
- Paving of roadways and their maintenance in a clean condition, where practical.
- Prompt removal of earth or other stored material from streets, where practical.

Monitoring and Recordkeeping Requirements

2.18 Water Truck Operation

The permittee shall monitor and maintain records of the operation of the water truck. The records shall include a description of conditions when weekly using of water truck was not necessary (e.g., snow cover, freezing conditions, etc.). The most recent five years compilation shall be kept on site and shall be made available to DEQ representatives upon request.

2.19 Fugitive Reasonable Control Measures

The permittee shall monitor and maintain records of the periodic method(s) used to reasonably control fugitive emissions from this facility during operation. The records shall include the type of control used (e.g., water, environmentally safe chemical dust suppressants, etc.) as well as the circumstances under which no controls are used. The most recent five years compilation of data shall be kept on site and shall be made available to DEQ representatives upon request.

2.20 Chemical Dust Suppressant Application Plan

The permittee shall develop and keep current a Chemical Dust Suppressant Application Plan (CDSAP). The CDSAP shall include:

- Brand name and chemical composition of the Environmental safe chemical dust suppressant (ESCDS) selected for use.
- Dilution ratio (volume of water: volume of ESCDS) to be used in the formation of each ESCDS solution ready for direct application.
- Projected date(s) of ESCDS solution application.
- Proposed application intensity, in gallons per square yard, of the ESCDS solution for each projected treatment date.

Facility plot plan illustrating the proposed treatment areas.

2.21 Chemical Dust Suppressant Application Record

The Permittee shall maintain records of the following information each time the ESCDS is applied and maintain the records on site for the most recent five years period and shall be made available to DEQ representatives upon request.

All of the required information as listed in Section 3.6 of this permit.

Name of the firm, and of the operator responsible for the ESCDS solution application. The operator shall initial these required records to verify their accuracy.

Reporting Requirements

2.22 Chemical Dust Suppressant Application Plan

A copy of the CDSAP shall be made available to DEQ representatives upon request.

The permittee shall notify DEQ in writing of any changes in an existing CDSAP at least 30 days prior to the proposed date of change.

3 General Provisions

General Compliance

- 3.1 The permittee has a continuing duty to comply with all terms and conditions of this permit. All emissions authorized herein shall be consistent with the terms and conditions of this permit and the "Rules for the Control of Air Pollution in Idaho." The emissions of any pollutant in excess of the limitations specified herein, or noncompliance with any other condition or limitation contained in this permit, shall constitute a violation of this permit, the "Rules for the Control of Air Pollution in Idaho," and the Environmental Protection and Health Act (Idaho Code §39-101, et seq.)
[Idaho Code §39-101, et seq.]
- 3.2 The permittee shall at all times (except as provided in the "Rules for the Control of Air Pollution in Idaho") maintain in good working order and operate as efficiently as practicable all treatment or control facilities or systems installed or used to achieve compliance with the terms and conditions of this permit and other applicable Idaho laws for the control of air pollution.
[IDAPA 58.01.01.211, 5/1/94]
- 3.3 Nothing in this permit is intended to relieve or exempt the permittee from the responsibility to comply with all applicable local, state, or federal statutes, rules, and regulations.
[IDAPA 58.01.01.212.01, 5/1/94]

Inspection and Entry

- 3.4 Upon presentation of credentials, the permittee shall allow DEQ or an authorized representative of DEQ to do the following:
- Enter upon the permittee's premises where an emissions source is located, emissions-related activity is conducted, or where records are kept under conditions of this permit;
 - Have access to and copy, at reasonable times, any records that are kept under the conditions of this permit;
 - Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit; and
 - As authorized by the Idaho Environmental Protection and Health Act, sample or monitor, at reasonable times, substances or parameters for the purpose of determining or ensuring compliance with this permit or applicable requirements.
- [Idaho Code §39-108]

Construction and Operation Notification

- 3.5 This permit shall expire if construction has not begun within two years of its issue date, or if construction is suspended for one year.
[IDAPA 58.01.01.211.02, 5/1/94]
- 3.6 The permittee shall furnish DEQ written notifications as follows:
- A notification of the date of initiation of construction, within five working days after occurrence; except in the case where pre-permit construction approval has been granted then notification shall be made within five working days after occurrence or within five working days after permit issuance whichever is later;
 - A notification of the date of any suspension of construction, if such suspension lasts for one year or more;

- A notification of the anticipated date of initial start-up of the stationary source or facility not more than sixty days or less than thirty days prior to such date; and
- A notification of the actual date of initial start-up of the stationary source or facility within fifteen days after such date; and
- A notification of the initial date of achieving the maximum production rate, within five working days after occurrence - production rate and date.

[IDAPA 58.01.01.211.03, 5/1/94]

Performance Testing

3.7 If performance testing (air emissions source test) is required by this permit, the permittee shall provide notice of intent to test to DEQ at least 15 days prior to the scheduled test date or shorter time period as approved by DEQ. DEQ may, at its option, have an observer present at any emissions tests conducted on a source. DEQ requests that such testing not be performed on weekends or state holidays.

3.8 All performance testing shall be conducted in accordance with the procedures in IDAPA 58.01.01.157. Without prior DEQ approval, any alternative testing is conducted solely at the permittee's risk. If the permittee fails to obtain prior written approval by DEQ for any testing deviations, DEQ may determine that the testing does not satisfy the testing requirements. Therefore, at least 30 days prior to conducting any performance test, the permittee is encouraged to submit a performance test protocol to DEQ for approval. The written protocol shall include a description of the test method(s) to be used, an explanation of any or unusual circumstances regarding the proposed test, and the proposed test schedule for conducting and reporting the test.

3.9 Within 30 days, or up to 60 days when requested following the date in which a performance test required by this permit is concluded, the permittee shall submit to DEQ a performance test report. The written report shall include a description of the process, identification of the test method(s) used, equipment used, all process operating data collected during the test period, and test results, as well as raw test data and associated documentation, including any approved test protocol.

[IDAPA 58.01.01.157, 4/5/00]

Monitoring and Recordkeeping

3.10 The permittee shall maintain sufficient records to ensure compliance with all of the terms and conditions of this permit. Monitoring records shall include, but not be limited to, the following: (a) the date, place, and times of sampling or measurements; (b) the date analyses were performed; (c) the company or entity that performed the analyses; (d) the analytical techniques or methods used; (e) the results of such analyses; and (f) the operating conditions existing at the time of sampling or measurement. All monitoring records and support information shall be retained for a period of at least five years from the date of the monitoring sample, measurement, report, or application. Supporting information includes, but is not limited to, all calibration and maintenance records, all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit. All records required to be maintained by this permit shall be made available in either hard copy or electronic format to DEQ representatives upon request.

[IDAPA 58.01.01.211, 5/1/94]

Excess Emissions

- 3.11 The permittee shall comply with the procedures and requirements of IDAPA 58.01.01.130–136 for excess emissions due to start-up, shut-down, scheduled maintenance, safety measures, upsets, and breakdowns.

[IDAPA 58.01.01.130–136, 4/5/00]

Certification

- 3.12 All documents submitted to DEQ—including, but not limited to, records, monitoring data, supporting information, requests for confidential treatment, testing reports, or compliance certification—shall contain a certification by a responsible official. The certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document(s) are true, accurate, and complete.

[IDAPA 58.01.01.123, 5/1/94]

False Statements

- 3.13 No person shall knowingly make any false statement, representation, or certification in any form, notice, or report required under this permit or any applicable rule or order in force pursuant thereto.

[IDAPA 58.01.01.125, 3/23/98]

Tampering

- 3.14 No person shall knowingly render inaccurate any monitoring device or method required under this permit or any applicable rule or order in force pursuant thereto.

[IDAPA 58.01.01.126, 3/23/98]

Transferability

- 3.15 This permit is transferable in accordance with procedures listed in IDAPA 58.01.01.209.06.

[IDAPA 58.01.01.209.06, 4/11/06]

Severability

- 3.16 The provisions of this permit are severable, and if any provision of this permit to any circumstance is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

[IDAPA 58.01.01.211, 5/1/94]