

STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Brian Sandoval, Governor

Leo M. Drozdoff, P.E., Director

Colleen Cripps, Ph.D., Administrator

January 10, 2012

Anthony Beato
General Manager
California Rock Crusher Corp.
339 Doak Boulevard
Ripon, CA 95366

**Re: Notice of Alleged Air Quality Violation: No. 2380 and 2381
Class II Air Quality Operating Permit AP1422-2740 (FIN A1189), COLA 2245**

Dear Mr. Beato:

On November 30, 2011 the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP) and California Rock Crusher Corp. (Cal Rock) held an enforcement conference to discuss Cal Rocks alleged failure to comply with permitted monitoring, recordkeeping and throughput requirements set forth in Class II Air Quality Operating Permit AP1422-2740, COLA 2245. Based on the information presented during the conference the NDEP determined that issuance of Notice of Alleged Air Quality Violation and Order (NOAV) No. 2380 and No. 2381 was warranted. The failure to comply with monitoring, recordkeeping and throughput requirements represents an air quality violation under **NAC 445B.275**

Violations: Acts constituting; notice (see below).

The attached NOAV No. 2380 alleges that Cal Rock 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 Nevada Revised Statutes 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.

The attached NOAV No. 2381 alleges that Cal Rock 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 Nevada Revised Statutes 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:

- (c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

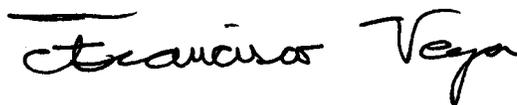


NOAV Nos. 2380 and 2381 constitute major violations under **NAC 445B.281 Violations: Classification; administrative fines**. These are the first NOAV's issued to Cal Rock in over 60 months.

An appeal of NOAV Nos. 2380 and NOAV No. 2381 may be requested pursuant to **Nevada Revised Statutes (NRS) 445B.360** and SEC administrative rules. A copy of SEC Appeal Form #3 is 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.

If you have any questions regarding the alleged violations or the enforcement conference, please call Ryan Fahey at (775) 687-9546 or myself at (775) 687-9343.

Sincerely,



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

FV/rf

enc.: 1. Notice of Alleged Air Quality Violation and Order No. 2380
2. Notice of Alleged Air Quality Violation and Order No. 2381
3. SEC Appeal Form #3

cc (w/enc. 1 and 2): John Walker, SEC
Storey County Board of Commissioners
Francisco Vega, NDEP
FIN A0458 (Certified Copy)

E-Copy: Larry Kennedy, NDEP
Jeff Denison, NDEP

Certified Mail No.: 7010 3090 0002 0571 9509

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. 2380

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Anthony Beato

Company Name: California Rock Crusher Corp.

Address: 339 Doak Boulevard, Ripon, California 95366

Permit Number: AP1442-2740

FIN: A1189

Site of Alleged Violation: 3005 Canyon Way, Sparks, Nevada (located within Cemex Sierra Stone Facility)

Date of Observation: 10/25/2011 **Arrival:** N/A **Departure:** N/A

Ambient Temperature: N/A °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 monitor and record daily operating parameters.

Evidence:

California Rock Crusher Corp (Cal Rock) operated an aggregate crushing and screening plant facility in Sparks, Nevada, Storey County under Class II General Air Quality Operating Permit AP1442-2740 COLA #2245, issued by the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP) on May 7, 2007. The crushing activities under COLA #2245 took place from October 14, 2010 to September 30, 2011.

On October 11, 2011 the NDEP requested records from Cal Rock for the entirety of the crushing activities for COLA #2245. On October 25, 2011 the requested records were received by the NDEP. Upon review of the records it was found that many of the daily records submitted to the NDEP for System 01, Crush Plant, were incomplete or missing. A thorough review of the records has found that between October 14, 2010 and February 16, 2011 there were 61 days of records that were missing or incomplete. The missing daily records were tallied based on weekly reports provided to the NDEP by Cal Rock. Multiple weeks of crushing records were submitted which indicated that significant crushing activities had taken place during those weeks with no daily breakouts of the hours of operation or the daily crushing totals. Additionally, many of the daily records only contained either the daily crushing totals or the hours of operation on System 01, Crush Plant. COLA #2245 requires that both crushing throughput and hours of operation for System 01, Crush Plant, be monitored and recorded on a daily basis.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2380

Evidence Continued:

On November 30, 2011 the NDEP and Cal Rock held an enforcement conference to discuss the alleged violations in NOAV No. 2380 and allow Cal Rock to provide evidence that the alleged violations did or did not occur. Cal Rock was in agreement that the permit required monitoring records were incomplete or missing for 61 days between the dates of October 14, 2010 and February 16, 2011. Cal Rock was able to produce accurate crushing totals for the project based on the monitoring of load out operations however the daily requirements set forth by Air Quality Operating Permit AP1442-2740 COLA #2245 were not being properly monitored or recorded for System 01, Crush Plant. Cal Rock has agreed to establish new recordkeeping procedures to ensure compliance with permit requirements.

In accordance with NAC 445B.281 Violations: Classification; administrative fines, the first three (3) failures to monitor and record constitute minor violations; the next 58 failures constitute major violations. Notice of Alleged Air Quality violation and Order (NOAV) No. 2380, in conjunction with related NOAV 2381; represent Cal Rock's first air quality violation in the past 60 months.

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: Establish new recordkeeping procedure to ensure compliance with permit requirements.

_____ 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 Francisco Vega
Issued by: Francisco Vega
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: (775) 687-9343 Date: January 10, 2012

FV/rf
Certified Mail No.: 7010 3090 0002 0571 9509

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.

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. 2381

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER

NOTICE OF ALLEGED AIR QUALITY VIOLATION

Person(s) to Whom Served: Mr. Anthony Beato

Company Name: California Rock Crusher Corp.

Address: 339 Doak Boulevard, Ripon, California 95366

Permit Number: AP1442-2740

FIN: A1189

Site of Alleged Violation: 3005 Canyon Way, Sparks, Nevada (located within Cemex Sierra Stone Facility)

Date of Observation: 10/25/2011 **Arrival:** N/A **Departure:** N/A

Ambient Temperature: N/A °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:

(c) Failure to construct or operate a stationary source in accordance with any condition of an operating permit.

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

Exceeding permitted hourly throughput limits and daily hours of operation.

Evidence:

California Rock Crusher Corp (Cal Rock) operated an aggregate crushing and screening plant facility in Sparks, Nevada, Storey County under Class II General Air Quality Operating Permit AP1442-2740 COLA #2245, issued by the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP) on May 7, 2007. The crushing activities under COLA #2245 took place from October 14, 2010 to September 30, 2011.

On October 11, 2011 the NDEP requested records from Cal Rock for the entirety of the crushing activities for COLA #2245. On October 25, 2011 the requested records were received by the NDEP. Upon review of the records it was found that permitted hourly throughput limits and the daily hours of operation limits had been exceeded on multiple occasions. A thorough review of the records has found that between October 12, 2010 and September 23, 2011 there were 74 days of records that exceeded the daily hours of operation or the hourly throughput limits for Class II General Air Quality Operating Permit AP1442-2740 COLA #2245. The 74 days of exceedances include 70 days of daily hours of operation exceedances over the permit limit of 8.0 hours per day and 4 days of hourly throughput exceedances over the 400 tons per hour crushing limit in the permit.

NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2381

Evidence Continued:

On November 30, 2011 the NDEP and Cal Rock held an enforcement conference to discuss the alleged violations in NOAV No. 2381 and allow Cal Rock to provide evidence that the alleged violations did or did not occur. Cal Rock was in agreement that the hours of operation and throughput exceedances were valid and that the exceedances occurred due to inaccurate recordkeeping and permit limits requested by Cal Rock during the application process that were not representative of System 01, Crush Plants operational capacity. Cal Rock has agreed to establish new recordkeeping procedures and to ensure future permit applications correctly represent the operational capacity of the equipment to be permitted. Upon review of the information provided by Cal Rock, it has been determined that the alleged violations have occurred for a total of 74 days between October 12, 2010 and September 23, 2011.

In accordance with NAC 445B.281 Violations: Classification; administrative fines, the 74 exceedances of permit limits constitute major violations. Notice of Alleged Air Quality violation and Order (NOAV) No. 2381, in conjunction with related NOAV 2280; represent Cal Rock's first air quality violation in the past 60 months.

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: Establish new recordkeeping procedures and to ensure future permit applications correctly represent the operational capacity of the equipment to be permitted.

_____ 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 Francisco Vega
Issued by: Francisco Vega
Supervisor, Compliance and Enforcement Branch
Bureau of Air Pollution Control

Phone: (775) 687-9343 Date: January 10, 2012

FV/rf
Certified Mail No.: 7010 3090 0002 0571 9509

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.

FORM # 3
FORM FOR REQUESTING AN APPEAL HEARING
BEFORE THE NEVADA STATE ENVIRONMENTAL COMMISSION

1. Name, address, telephone number, and signature of applicant:
Name: _____
Address: _____
Telephone: _____
Signature: _____
Representative Capacity (if applicable): _____
2. Specify type of applicant: Individual, Partnership, Corporation, or Other: _____
3. Other person or persons authorized to receive service of notice: _____
4. Complete description of the business or activity and the location of the activity involved in the request: _____

5. Nature of the appeal and grounds thereof: _____

6. Section or sections of the State Air Quality Regulations, Water Pollution Control Regulations, Hazardous Waste Regulations, Solid Waste Management Regulations, or NRS section involved in the appeal: _____

7. Approximate time in hours and minutes necessary for delivery of oral testimony and reading of prepared statements as admissible evidence to be entered in the record: _____

Date of Request _____

Send Form To: John Walker, State Environmental Commission, 901 South Stewart Street, Suite 4001
Carson City, Nevada 89701-5249 (Fax 775-687-5856)