



# 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

March 20, 2013

John Koster  
Northern Nevada Regional President  
Harrah's Lake Tahoe Hotel Casino  
P.O. Box 8  
Stateline, Nevada 89449

**Re:** Notice of Alleged Air Quality Violation and Order No. 2432  
Class II Air Quality Operating Permit AP7011-2698 (FIN A0574)

Dear Mr. Koster:

The Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP) alleges that Harrah's Lake Tahoe Hotel Casino (Harrah's) has violated a condition of Class II Air Quality Operating Permit AP7011-2698.

**NAC 445B.275 Violations: Acts constituting; notice** 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:

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

The attached Notice of Alleged Air Quality Violation and Order (NOAV) No. 2432 alleges that Harrah's has violated conditions of Class II Air Quality Operating Permit AP7011-2698. As defined by Section 2 of **NAC 445B.281 Violations: Classification; administrative fines**, NOAV No. 2432 constitutes a major air quality violation.

As was discussed during the conference held on February 26, 2013, the NDEP makes recommendations to the Nevada State Environmental Commission (SEC) as to what an appropriate penalty may be for major air quality violations. The NDEP will be recommending a penalty of \$10,200 to the SEC. The penalty recommendation is based on the use of the Administrative Penalty Table for emission violations related to source test and adjusted by the Penalty Matrix.

An appeal of NOAV No. 2432 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



Harrah's Lake Tahoe Hotel Casino  
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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 please call Ryan Fahey at (775) 687-9546, if he is unavailable please contact me 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. 2432  
2. SEC Appeal Form #3

cc (w/enc. 1): John Walker, SEC  
Douglas County Board of Commissioners  
Francisco Vega, NDEP  
FIN A0574 (Certified Copy)

E-Copy: Michael Elges, NDEP  
Rob Bamford, NDEP  
Jeff Denison, NDEP  
Brad Waldron, Harrah's

Certified Mail No.: 9171 9690 0935 0011 8839 10

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. 2432

**NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER**

**NOTICE OF ALLEGED AIR QUALITY VIOLATION**

**Person(s) to Whom Served:** Mr. John Koster

**Company Name:** Harrah's Lake Tahoe Hotel Casino

**Address:** P.O. Box 8, Stateline, Nevada 89449

**Permit Number:** AP7011-2698

**FIN:** A0574

**Site of Alleged Violation:** Stateline, Nevada 89449

**Date of Observation:** 1/16/2013      **Arrival:** 11:35 AM      **Departure:** 12:30 PM

**Ambient Temperature:** N/A      °F      **Clear:** X      **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:**

Exceeded permitted annual hours of operation and permitted daily hour limits.

**Evidence:**

Harrah's Lake Tahoe Hotel Casino (Harrah's) operates a hotel and casino in Stateline, Douglas County, Nevada under Class II Air Quality Operating Permit AP7011-2698, issued by the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP) on September 10, 2010.

On January 16, 2013 a compliance inspection was conducted at Harrah's. During the review of Harrah's boiler records the NDEP noted daily exceedances on multiple boilers.

Systems 01 is limited in Class II Air Quality Operating Permit AP7011-2698 to operate no more than 5 hours per day and Systems 02 and 03 are limited to 12 hours per day of operation. The records kept for the boilers indicate that virtually every day during 2012 and up to January 16, 2013 one of the three boilers has exceeded those daily hours of operation limitations. While on site the NDEP also received a copy of the 2012 annual emissions calculations that were prepared by Harrah's in preparation of filing the permit required Annual Emissions Report (AER). Those records indicate that System 01 operated for a total of 1,794 hours in 2012. System 01 is limited to 400 hours of operation by Harrah's air permit. On January 24, 2013 while completing the inspection report the NDEP inspector conducted a review of Harrah's 2010 and 2011 AER's that were submitted to the NDEP. The 2010 AER states that System 01 operated for a total of 1,399 hours and the 2011 AER states that System 01 operated for a total of 1,844 hour.

# NOTICE OF ALLEGED AIR QUALITY VIOLATION AND ORDER NO. 2432

## Evidence Continued:

On February 26, 2013 the NDEP and Harrah's held an enforcement conference to determine whether the issuance of this Notice of Alleged Air Quality Violation and Order (NOAV) was or was not warranted. Harrah's found that the original permit application that they submitted contained hourly operating parameters that did not meet the actual requirements of the facilities operational needs. This will be corrected by the submittal of a permit modification to the NDEP within 90 days of issuance of this Notice of Alleged Air Quality Violation and Order.

In accordance with NAC 445B.281 Violations: Classification; administrative fines, the alleged exceedances of permitted operating parameters constitute a major violation. NOAV 2432 represent Harrah's first air quality violations 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: \_\_\_\_\_  
Within 90 days of the issuance of this violation submit an application to revise permit AP7011-2698 to the NDEP. The revision should include all changes necessary to ensure the facilities operations can meet compliance with the permitted requirements and limits.

\_\_\_\_\_ 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, P.E.  
Supervisor, Compliance and Enforcement Branch  
Bureau of Air Pollution Control

Phone: (775) 687-9343 Date: March 20, 2013

FV/rf  
Certified Mail No.: 9171 9690 0935 0011 8839 10

*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

Dept. of Conservation & Natural Resources

State Environmental Commission SEC.nv.gov

901 South Stewart Street, Suite 4001, Carson City, Nevada 89701

**FORM 3: FORM FOR REQUESTING AN APPEAL HEARING**  
(Provide attachments as needed)

1. Name, address, telephone number, and signature of appellant:

Name: \_\_\_\_\_

Physical Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Signature: \_\_\_\_\_

Representative capacity (if applicable): \_\_\_\_\_

2. Attach copy of Nevada Division of Environmental Protection final decision, such as permit or notice of alleged violation, being appealed.

3. Specify grounds of appeal: (check all that apply)

- Final decision in violation of constitutional or statutory provision;
- Final decision made upon unlawful procedure;
- Final decision was affected by other error of law;
- Final decision was clearly erroneous in view of the reliable, probative and substantial evidence on the whole record;
- Final decision was arbitrary or capricious or characterized by abuse of discretion;

4. For each ground of appeal checked above, please list the constitutional, Nevada Revised Statute (NRS), and/or Nevada Administrative Code (NAC) provision allegedly violated. Also list the statutes and/or or regulations that give the State Environmental Commission jurisdiction to hear the appeal.

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**5. For each ground of appeal checked above, provide a brief and concise statement of the facts which provide the basis for the appeal.**

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**Date of Request:** \_\_\_\_\_.

Send Form to: Executive Secretary, State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, NV 89701