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COUNSEL Rose Marie Reynolds

STAFF
John B. Walker
Executive Secretary

STATE OF NEVADA STATE ENVIRONMENTAL COMMISSION

901 South Stewart Street, Suite 4001 Carson City, Nevada 89701-5249 Telephone (775) 687-9308 Fax (775) 687-5856

www.sec.nv.gov

September 1, 2011



Leo Drozdoff, P.E.

Douglas S. Maughan Controller Wulfenstein Construction 1111 S. Highway 160, PO Box 38 Pahrump, NV 89041

RE: Penalty Assessments for Air Quality Violation No's: 2347 and 2348

Dear Mr. Maughan:

On June 1, 2011, an inspector from the Nevada Division of Environmental Protection, Bureau of Air Pollution Control (NDEP) observed large, dense plumes of dust emanating from the company's aggregate possessing facility and asphalt batch plant (pit) located south of Pahrump in Nye County, Nevada. The inspector observed that the emission controls (wet dust suppression-water sprays) required by your company's air quality operating permit (AQOP AP1611-0519) were not operating.

On August 4, 2011, NDEP and Wulfenstein Construction (Wulfenstein) held an enforcement conference to discuss Wulfenstein's alleged failure to comply with permitted emission as required by the referenced permit. Based on the information presented during the conference, NDEP determined that issuance of the attached Notice of Alleged Air Quality Violation and Order (NOAV) No.'s 2347 and 2348 was warranted.

When NDEP sent the NOAV by certified mail on August 17, 2011, it notified Wulfenstein of its appeal rights pursuant to NRS 445B.340 and NRS 445B.360. Since Wulfenstein did not appeal the NOAV, the State Environmental Commission (SEC) will determine the appropriate penalty for the violations contained in NOAV No's: 2347 and 2348 at its meeting on October 5, 2011. This meeting will be held on Wednesday, October 5, 2011 at 9:30 a.m. at the Nevada Department of Wildlife's Conference Room A, 1100 Valley Road, Reno, Nevada.

Pursuant to NRS 445B.640(1), the SEC may levy an administrative fine of not more than \$10,000 per day per violation. At the meeting staff from NDEP will provide the SEC with a brief overview of the NOAV and its recommendation for an administrative fine of \$13,020.00, which has been calculated from a penalty matrix previously approved by the Commission. The Commission will formally levy a fine by accepting NDEP's recommendation or increasing or decreasing the fine amount based on the information presented at the meeting.

Your presence is not required at the October 5, 2011 meeting, although you or a company representative may wish to attend and speak on behalf of Wulfenstein. The SEC may, without further notice, take administrative action against Wulfenstein, if the SEC determines that such administrative action is warranted after it considers NOAV No. No.'s 2347 and 2348.

If you have any questions regarding this notice, please contact me at (775) 687-9308.

Sincerely,

John B. Walker Executive Secretary

Jbw Enclosed

Certified Mail # 7007 0220 0003 5226 1177

ec: Colleen Cripps, NDEP Michael Elges, NDEP Francisco Vega, NDEP Rose Marie Reynolds, SEC/DAG