



State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION
AIR QUALITY, ENERGY & SUSTAINABILITY
DIVISION OF AIR ENFORCEMENT

Bureau of Air Compliance and Enforcement-Southern
2 Riverside Drive, Suite 201
Camden, NJ 08103
Tel: 856-614-3601 Fax: 856-614-3613
www.nj.gov/dep

SHAWN M. LATOURETTE
Commissioner

PAUL BALDAUF
Assistant Commissioner

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

July 28, 2022

Via Hand Delivery

STATE METAL INDUSTRIES INC
PO Box 1407 - 941 S 2nd St
Camden, NJ 08101-1407
Re: EA ID#: NEA220001 - 50539

Dear Richard Kuhl:

Enclosed is the fully executed Withdrawal of Hearing Request and Settlement Agreement, and invoice.

By copy of this letter and enclosure, I am advising Janis Hoagland, Director of the Office of Legal Affairs, that the case is settled in accordance with the terms of the agreement.

If you have any questions, please contact Lauren Keltos at (856) 614-3601.

Sincerely,

James S. Scarvalli, Manager
Bureau of Air Compliance &
Enforcement- Southern

Enclosure

c: J. Hoagland, Director, Office of Legal Affairs (w/attachments encl.)



State of New Jersey

DEPARTMENT OF ENVIRONMENTAL PROTECTION
AIR QUALITY, ENERGY & SUSTAINABILITY
DIVISION OF AIR ENFORCEMENT

Bureau of Air Compliance and Enforcement-Southern
2 Riverside Drive, Suite 201

Camden, NJ 08103

Tel: 856-614-3601 Fax: 856-614-3613

www.nj.gov/dep

PHILIP D. MURPHY
Governor

SHEILA Y. OLIVER
Lt. Governor

SHAWN M. LATOURETTE
Commissioner

PAUL BALDAUF
Assistant Commissioner

Table with 2 columns: IN THE MATTER OF, SETTLEMENT AGREEMENT. Row 1: STATE METAL INDUSTRIES INC, PO Box 1407 - 941 S 2nd St, Camden, NJ 08101-1407.

EA ID # NEA220001 - 50539

- 1. This Settlement Agreement is entered into pursuant to the authority vested in the Commissioner of the New Jersey Department of Environmental Protection...
2. The Department issued PEA190001 – AONOCAPA, PEA200001 – AONOCAPA, and PEA200003 – AONOCAPA in the amount of \$8,400.00 to STATE METAL INDUSTRIES INC on 11/09/2019, 03/17/2020, and 10/06/2020 for violations of the Air Pollution Control Act, N.J.S.A. 26:2C-1 et seq. (the “Act”) and the regulations promulgated pursuant thereto, specifically N.J.A.C. N.J.A.C. 7:27- 8, N.J.A.C. 7:27-8.3(e), N.J.A.C. 7:27- 8.13(a), and N.J.A.C. 7:27- 8.13(h)

STATE METAL INDUSTRIES INC You are hereby NOTIFIED that during a compliance evaluation of the above location on 01/21/2021 (INV210001), 03/25/2021 (SCI210001), 08/09/2021 (INV210001), and 10/28/2021 (TST210001), the following violation(s) of the Air Pollution Control Act (N.J.S.A. 26:2C-1 et seq.) and the Air Pollution Control regulations (N.J.A.C. 7:27-1 et seq.) were observed. This violation(s) shall be recorded as part of the permanent enforcement history of STATE METAL INDUSTRIES INC at the above location and will be considered as an offense for future penalty determinations.

- a. Requirement: Pursuant to N.J.A.C. 7:27- 8,3(e), no person shall use or cause to be used any equipment or control apparatus unless all components connected or attached to, or serving the equipment or control apparatus, are functioning properly and are in use in accordance with the preconstruction permit and certificate and all conditions and provisions thereto.

Description of Noncompliance: You failed to fulfill all conditions and provisions of PCP150001 General Provisions and Authorities for Preconstruction Permits (item

number six) by failing to properly operate the chlorine system, which serves the U6 Aluminum Scrap Furnaces. Specifically, on January 21, 2021, and August 9, 2021 chlorine was released directly to the atmosphere in quantities less than 10 lbs.

- b. Requirement: Pursuant to N.J.A.C. 7:27- 8.3(e), no person shall use or cause to be used any equipment or control apparatus unless all components connected or attached to, or serving the equipment or control apparatus, are functioning properly and are in use in accordance with the preconstruction permit and certificate and all conditions and provisions thereto.

Description of Noncompliance: You failed to fulfill all conditions and provisions of PCP150001 General Provisions and Authorities for Preconstruction Permits (item number six) by failing to properly maintain the ductwork on baghouse CD601, which serves the U6 Aluminum Scrap Furnaces. Specifically, on October 28, 2021, during stack testing # TST210001, holes in the exhaust ductwork of the baghouse CD601 were observed.

- c. Requirement: Pursuant to N.J.A.C. 7:27- 8.3(e), no person shall use or cause to be used any equipment or control apparatus unless all components connected or attached to, or serving the equipment or control apparatus, are functioning properly and are in use in accordance with the preconstruction permit and certificate and all conditions and provisions thereto.

Description of Noncompliance: On March 25, 2021, State Metal Industries Inc failed to fulfill all conditions and provisions of Permit/ Certificate PCP150001, U6, OS3, by processing raw materials in the Rotary Furnace other than aluminum scrap. Specifically, aluminum truck tire rims on wooden pallets, wrapped in plastic film were being charged into the Rotary Furnace.

- d. Requirement: Pursuant to N.J.A.C. 7:27- 8.3(e), and N.J.A.C. 7:27- 8.13(a), pressure Drop Across the Baghouse ≥ 0.5 and Pressure Drop Across the Baghouse ≤ 12 inches w.c..

Description of Noncompliance: State Metal Industries Inc failed to fulfill all conditions and provisions of Permit/Certificate PCP150001, CD601, Ref# 2 by allowing the pressure drop in the Baghouse 006 - Furnaces to deviate from the limit of ≥ 0.5 and ≤ 12 inches w.c.. Review of pressure drop records provided by State Metal Industries Inc indicate the following readings outside of the allowable limit range:

Date	Reading	
	Shift 1	Shift 2
March 7, 2021	0	?
March 8, 2021	?	?
March 9, 2021	?	?
March 16, 2021		?
July 10, 2020	0	?

- e. Requirement: Pursuant to N.J.A.C. 7:27- 8, and N.J.A.C. 7:27- 8.3(e), baghouse operation shall include application of lime injection on a continuous basis while maintaining free-flowing lime in the hopper to the feed device at all times and maintain the lime feeder setting at the same level established during the performance test. Lime injection rate shall be maintained at greater than 74.0 lbs/hr during normal operations.

Description of Noncompliance: State Metal Industries Inc failed to fulfill all conditions and provisions of Permit/Certificate PCP150001, CD601, Ref# 8 by operating the baghouse without maintaining free-flowing lime in the hopper to the feed device at all times. Specifically, on March 25, 2021, the hopper was observed without free-flowing lime at 11:26 am. The log sheet indicated that at 11:00 am 6 bags of lime where added.

- f. Requirement: Pursuant to N.J.A.C. 7:27- 8.3(e), and N.J.A.C. 7:27- 8.4(f), stack Test - Submit protocol, conduct test and submit results: As per the approved schedule. For the initial stack test, submit test protocol to the Emission Measurement Section (EMS) at Mail Code: 380-01A, PO Box 420, Trenton, NJ 08625 within 60 days from the date of the approved preconstruction permit. The protocol and test report must be prepared and submitted on a CD using the Electronic Reporting Tool (ERT), unless another format is approved by EMS. The ERT program can be downloaded at: <http://www.epa.gov/ttnchie1/ert>. For the subsequent annual stack tests, submit a stack test protocol to EMS no later than 120 days prior to the testing deadline. The Permittee must contact EMS at 609-530-4041 to schedule a mutually acceptable test date. A full stack test report must be submitted to EMS and a certified summary test report must be submitted to the Regional Enforcement Office within 30 days from the date of testing. The test results must be certified by a licensed professional engineer or certified industrial hygienist.

Description of Noncompliance: You failed to fulfill all conditions and provisions of PCP 150001- U6, OSO, Reference #17, by failing to submit a stack test report within 30 days from the date of testing. The test was conducted on October 28, 2021, and

the report was due to be submitted by November 27, 2021, and was submitted electronically November 30, 2021.

The Department therefore alleges that STATE METAL INDUSTRIES INC is liable for civil administrative penalties in the amount of \$42,500.00 for the above referenced violation(s) pursuant to N.J.S.A. 26:2C-19 and N.J.A.C. 7:27A-3.1 et seq.

3. The Department and STATE METAL INDUSTRIES INC had a settlement conference on June 28, 2022, and have agreed to settle this matter in accordance with the following terms:

a. The Department has determined that the above violations have been corrected and thus is willing to accept a reduced penalty as follows. STATE METAL INDUSTRIES INC agrees to operate in compliance with all applicable regulations and permits.

OR

STATE METAL INDUSTRIES INC agrees to operate in compliance with all applicable regulations and permits therefore the Department is willing to accept a reduced penalty as follows.

STATE METAL INDUSTRIES INC also agrees to operate in compliance with all applicable regulations and permits. Based on these agreements, the Department is willing to accept a reduced penalty as follows.

b. In full settlement of the aforementioned violation(s) and/or enforcement action(s), STATE METAL INDUSTRIES INC shall pay a penalty of \$40,720.00 by check made payable to "Treasurer, State of New Jersey" and remit to the Division of Revenue at the address stated on the enclosed invoices, in accordance with the following schedule:

\$6,786.67 September 13, 2022

\$6,786.66 October 13, 2022

\$6,786.66 November 12, 2022

\$6,786.66 December 12, 2022

\$6,786.66 January 11, 2022

\$6,786.66 February 10, 2022

c. STATE METAL INDUSTRIES INC hereby waives its right to an administrative hearing with respect to the enforcement action(s) which have been issued and which are listed in paragraph 2. above.

d. By execution of this Settlement Agreement STATE METAL INDUSTRIES INC hereby withdraws its request for an administrative hearing before the Office of Administrative Law with respect to the enforcement action(s) which have been issued and which are

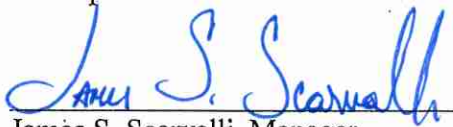
listed in 2. above.

- e. Neither the entry into this Settlement Agreement nor the payment of the settlement amount shall constitute an admission of liability by STATE METAL INDUSTRIES INC for the violations listed herein.
- f. If STATE METAL INDUSTRIES INC fails to pay the above penalty in accordance with the terms and conditions of this Settlement Agreement, then PEA190001 – AONOCAPA, PEA200001 – AONOCAPA, and PEA200003 – AONOCAPA shall become a final order and the full penalty, along with costs and interest calculated pursuant to N.J. Court Rule 4:42, shall be immediately due and owing. The Department may bring a summary action in the Superior Court to collect such penalty pursuant to R.4:67-6, R.4:70 or file this Settlement Agreement as a judgement under the Penalty Enforcement Law, N.J.S.A. 2A:58-10 et seq.
- g. Nothing in this Settlement Agreement shall preclude the Department from taking enforcement action against STATE METAL INDUSTRIES INC for violations not set forth in this Settlement Agreement.
- h. Nothing in this Settlement Agreement restricts the ability of the Department to raise the above findings in any other proceeding, specifically including, but not limited to, proceedings pursuant to N.J.S.A. 13:1E-126 et seq., (commonly referred to as A-901).
- i. This Settlement Agreement shall be effective upon execution by both parties.

DATE:

7/28/2022

BY:

NJ Department of Environmental Protection

James S. Scarvalli, Manager
Bureau of Air Compliance & Enforcement-
Southern

DATE:

7.26.22

BY:

STATE METAL INDUSTRIES INC

Richard Kuhl, Vice President

If hearing request is being withdrawn pursuant to #3d above, send copy of this Settlement Agreement to Office of Legal Affairs.

