

2003.03.01 Annual
HW
Compliance Report



Norlite Corporation

628 SO. SARATOGA ST.
P.O. BOX 694
COHOES, N.Y. 12047
TEL.: (518) 235-0401
FAX.: (518) 235-0233

April 1, 2003

Mr. William Clarke
Regional Permit Administrator
New York State Department of Environmental Conservation
Region 4
1150 North Westcott Road
Schenectady, NY 12306

Via Certified Mail: 7001-0320-0000-8492-9784

Re: Annual Compliance Report for Part 373 HW/APC Permit

Dear Mr. Clarke:

This submittal (3 copies) is pursuant to Norlite's Part 373 HW/APC Permit, Special Condition 8. This report covers the period from April 1, 2002 through March 31, 2003.

If you have any questions regarding this report, please feel free to contact me.

Sincerely,

Timothy F. Lachell

Timothy F. Lachell
Plant Manager

cc: Bill Morris (United)
Dave Carabetta (United)

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ANNUAL COMPLIANCE REPORT

FOR THE PERIOD

April 1, 2002 through March 31, 2003

NORLITE CORPORATION



628 South Saratoga Street
Cohoes, NY 12047
(518) 235-0401



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1. INTRODUCTION

Norlite Corporation operates a plant in Cohoes, New York for the production of expanded lightweight aggregate. Located seven miles northeast of Albany and two miles west, across the Hudson River, from Troy, the facility operates to meet construction industry demands in the Northeastern United States and several provinces of Canada. The property extends over 200 acres. Norlite employs a full-time production crew and office staff of approximately 70 people including compliance staff which oversees the requirements needed to meet New York State Department of Environmental Conservation (NYSDEC) and Environmental Protection Agency (EPA) standards. Two rotary kilns are in operation at the facility with an annual production capacity of approximately 300,000 tons of lightweight aggregate. The Norlite aggregate product was used in the development of the ASTM standards for lightweight aggregate and is required when high strength to weight construction material is required. With expanded markets for this desirable material in New York, New England, and Canada, Norlite foresees many years of production capacity to meet new construction for buildings, roads, and bridges.

Among examples of projects which have specified the use of Norlite aggregate are the construction of New York City's Americana Hotel and the Pan Am Building. Norlite aggregate has also been specified in the construction of the Imperial House, a luxury apartment building in New York City, and in several World's Fair projects, including the Kodak Exhibition Hall. An extension of the Kennedy Airport used Norlite aggregate for fill material to reduce stress on the concrete supports. Locally, Norlite aggregate was used in the construction of the Pepsi Arena, the Colonie Center, The Nelson E. Rockefeller Center, the Center for the Performing Arts, the Albany and Troy Medical Centers, the newly constructed NYSDEC Building in downtown Albany, and in numerous schools and other structures in the area.

The raw material used for the production of the lightweight aggregate is mined on site from a shale quarry. Raw shale is quarried, crushed, and separated into nominal 2 inch minus size for proper kiln feed. The shale is then fired in the two rotary kilns to temperatures in excess of 2000^o Fahrenheit to make lightweight clinker using a combination of liquid hazardous waste fuels, natural gas, and oils. The lightweight clinker is finished by crushing and sizing to meet ASTM Specifications 300 and 301. The finished lightweight aggregate is shipped from Norlite to its customers via over the road trailers as well as rail cars.

Norlite operates under a multitude of State and Federal Guidelines via permits, registrations, and programs. The status of these are discussed in the proceeding sections.



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2. Joint Hazardous Waste and Air Pollution Control Permit. Permit #: 4-0103-16/16-0.

NYSDEC issued permit #: 4-0103-16/16-0 to Norlite Corporation in June 1992. The multimedia permit regulates both hazardous waste management and air pollution control activities at the facility. The permit is divided into ten modules, each of which address a different facet of Norlite's hazardous waste handling operations.

2.1 Permit Status

On December 1, 1996, Norlite submitted a renewal permit application for its Hazardous Waste Treatment, Storage and Disposal Facility Permit. In conjunction with NYSDEC, Norlite developed a test protocol for a trial burn necessary to renew its hazardous waste permit. The trial burn was completed in April 1999. Additional trial burn testing was deemed necessary based on the April 1999 test results and was done in May 2000 and was titled "Supplemental Risk Burn". Trial Burn testing was continued in July 2001 and was titled "Supplemental Risk Burn 2". The July 2001 tests results provided acceptable emissions data to proceed with the required Human Health Risk Assessment (HHRA). The Trial Burn results and the HHRA were submitted to NYSDEC in the Fall of 2001 and were followed by a series of comments and responses between Norlite, NYSDEC, EPA, and New York State Department of Health (NYSDOH). By letter dated November 12, 2002 NYSDEC, in conjunction with NYSDOH and EPA, approved the HHRA. Norlite is responding to NYSDEC comments on its renewal application including a Waste Analysis Plan and engineering drawing updates.

Based on the results of the April 1999 and May 2000 Trial Burns, NYSDEC initiated an interim permit modification for Module VII of the permit effective June 23, 2001. Norlite is currently operating under this modification. The modification reduced metals feed rates to the kilns, lowered the inlet temperature to the bag house, and waste fuel kiln feed was modified to feed from the indoor agitated tanks.

2.2 Monthly Compliance Reports

One of Norlite's major reporting requirements, Permit Module VII.D.6, is preparation and submittal of monthly compliance reports. The reports summarize process operations, continuous emissions monitoring operations, and metals feeds to the kilns. Norlite has submitted the monthly reports as required. Beginning in July 2002, Norlite included in its monthly report a section for reporting under Norlite's Title V Permit.



2.3 Kiln Operations

Norlite processed approximately 8.0 million gallons of Waste Fuels and 275,000 tons of shale. During this reporting period Norlite has maintained operations in accordance with its Hazardous Waste and Air Pollution Control Permit. Norlite submitted two process deviation reports by summary letter to NYSDEC. The first report dated November 14, 2002 was for Kiln 1 copper feed rate deviations. The second report dated March 19, 2003 was for Kiln 2 ID Fan amps deviations. Norlite continued with its preventive maintenance programs for all major plant unit operations, including periodic scheduled maintenance activities.

2.4 HWC MACT, 40 CFR Subpart EEE

Norlite is subject to the Final Standards for Hazardous Waste Air Pollutants for Hazardous Waste Combustors, generally referred to as HWC MACT Rule, promulgated by EPA in 40 CFR 63 Subpart EEE. Norlite submitted its Final Notice of Intent to Comply on September 8, 2000. On March 28, 2003, Norlite submitted to EPA and NYSDEC its Comprehensive Performance Test (CPT) Plan with testing set for August 2003. Norlite is also preparing a number of operating plans as required by the regulations. Norlite expects to be in full operational compliance with the regulations by September 30, 2003.

3. SPDES Permit. Permit #: NY0004880

Norlite's SPDES permit regulates the discharge of waste water, leachate and storm water from multiple outfalls that discharge to the Salt Kill and the Mohawk River. Norlite's annual WWTP inspection was conducted on March 7, 2003.

3.1 Permit Status

On October 5, 2001, Norlite received a renewed permit that is valid until February 1, 2007.

Norlite, on July 25, 2001 submitted a permit modification to treat and discharge storm water from the LGF Tanker Staging Area and Waste Oil Containment Area. On November 15, 2001, Norlite received a Notice of Incomplete Application (NIA). Based on the NIA, Norlite has completed additional testing and is in communication with NYSDEC to address the comments proposed in the NIA.

3.2 SPDES Monthly DMR Reports

By the terms of the SPDES Permit, Norlite prepares and submits monthly SPDES reports



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including DMR's that document compliance with multiple outfalls and discharge parameters. Norlite has submitted all required reports. Norlite had no exceedances during the reporting period.

4. Mine/Land Use Reclamation Permit. Permit #: 4-0103-00016/00019

Norlite's quarry and mining activities are governed by its Mine/Land Use Reclamation Permit. Norlite's last NYSDEC quarry inspection occurred on August 24, 2001 by NYSDEC with satisfactory results.

4.1 Permit Status

Norlite's permit expired on December 2, 2002. Norlite submitted a renewal application on October 30, 2002. On March 12, 2003, Norlite submitted the required documentation for the Mine Land Reclamation Bond; NYSDEC approved the bonding on March 18, 2003. Norlite is awaiting the issuance of the new permit.

Norlite submitted an application to modify its Mine/Land Use Reclamation Permit on November 16, 2001. On January 25, 2002, Norlite received a Notice of Incomplete Application (NIA). Norlite responded to NYSDEC comments. The modification requested changes to excavation and overburden storage areas, within the Life of Mine Boundary, and increased total effected acreage from 78.6 to 93.3 acres. On October 30, 2002, Norlite withdrew the request for modification.

4.2 Quarry Operations

Blasting continues to be conducted to maintain production levels at the kilns. Norlite's mining activities conform to the current permit terms. Norlite continues to subcontract all drilling and blasting operations and no explosives are maintained on site. Norlite has opened multiple working benches that facilitate to maximize quarry production while reducing the overall number of blasts. During this reporting period, 12 blasts were conducted with a shale lay down of approximately 295,000 tons.

The characteristics and effects of each blast were recorded with seismographs. Records show the blasts are in compliance, and are well below, the air blast and ground vibrations set by the US Bureau of Mines and incorporated in Norlite's Mine Permit.



5. Title V Air Permit. Permit #: 4-0103-00016/00048

On December 9, 1996, the final Part 201 regulation was approved by EPA which required Norlite to submit a Title V application. On December 8, 1997, Norlite with its subcontractor, Environmental Resources Management (ERM), submitted the Title V application. On September 17, 2001, Norlite received a Draft Title V permit from NYSDEC. The Draft Permit was announced for public comment through October 19, 2001. Norlite submitted a comment package to NYSDEC. Norlite met with NYSDEC on October 31, 2001 to discuss Norlite's comments, NYSDEC agreed to significant permit changes based on that meeting. On April 18, 2002, NYSDEC transmitted to Norlite a formal response to the agreed upon changes from the October 31, 2001 meeting.

In June of 2002, Norlite received from NYSDEC its Final Title V Permit. The permit was issued without the changes previously agreed to by the Department. Subsequently, Norlite filed a Notice of Appeal dated June 28, 2002. Since June of 2002, Norlite has continued the attempt to correct the significant errors in the permit with its last submittal to NYSDEC dated March 18, 2003. Throughout this period, NYSDEC has agreed to correct the permit based on Norlite's Notice of Appeal dated June 28, 2002.

Norlite has submitted all required reports and certifications including monthly reports, semi-annual and annual certifications. These submittals were made with qualified statements regarding Norlite's Notice of Appeal dated June 28, 2003.

6. Solid Waste Management Permit. Permit #: 4-0103-00016/00024-0

In April 1991, NYSDEC issued a permit to Norlite for the operation of a nonhazardous solid waste landfill to dispose of shale fines and bag house dust. The capping of the landfill was completed in 1994. A closure certification report was submitted to NYSDEC in September 1995. Norlite began its five year Post Closure maintenance and monitoring plan in December 1995. The landfill was managed in accordance with the Part 360 permit during the post closure period. ENSR, on behalf of Norlite, has submitted to NYSDEC annual reports on the five year Post Closure Plan. The fifth and final report was submitted in October 2000.

7. Fugitive Dust Plan

Norlite is operating within the guidelines set forth in the Amended Dust Plan dated October 1995 and has completed Plan improvements via Consent Orders R4-2000-0420-47 and R4-2001-010202. Norlite continues to retain SCI-Tech, Inc. as a consultant on this program. All the required elements of the Plan improvements were completed with physical construction activities and procedural updates by October 31, 2002. Norlite submitted SCI-Tech's final



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report as required on January 9, 2003. This final report satisfies all the requirements of the Consent Orders.

8. Hazardous Bulk Storage Registration

Norlite maintains 2 tanks for chemicals for the WWTP. These tanks are registered through NYSDEC's Hazardous Bulk Storage Program. Norlite's registration expired on July 18, 2001. The registration was renewed on July 2, 2001 and is in effect through July 18, 2003. Norlite removed a 3rd tank from service via a modified application submittal on March 19, 2003. The Registration number is 4-000198. On September 19, 2002, NYSDEC conducted an inspection of Norlite's CBS Program.

9. Petroleum Bulk Storage Registration

Norlite maintains 17 tanks of various petroleum products for uses throughout the facility. These tanks are registered through NYSDEC's Petroleum Bulk Storage Program. Norlite's registration expired on December 2, 2001. The registration was renewed on November 20, 2001, with additional modifications made in December 2002, and is in effect through December 2, 2006. The Registration number is 4-052574. On September 19, 2002, NYSDEC conducted an inspection of Norlite's PBS Program.

10. Spill Reporting

During this reporting period Norlite had 20 reportable spills under Norlite's Spill Notification Plan. The spills included both petroleum products and hazardous waste. All 20 spills were reported to NYSDEC Regional Spill Center and were closed in conjunction with NYSDEC Region 4 Spill Engineers. There is one open spill (# 0208587) during this report period.

11. Neighbor Programs and Norlite Direct Line

Norlite has taken an active approach with its neighbors, mainly on the northern and eastern boundaries, to discuss and educate the public on Norlite's operations, programs, and goals. This approach includes discussions with Cohoes Officials and City Groups as well as plant tours. Neighbors can call the facility either directly or through a 24 hour per day, 7 day per week answering service via the Norlite Direct Line. The following is a summary of calls to the facility, which can include information inquiries, complaints, neighbor support information:



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Calls to Norlite regarding:

Month	<i>Dust</i>	<i>Noise</i>	<i>Blasting</i>	<i>Other</i>	<i>Total</i>
April 2002	0	0	0	1	1
May 2002	0	1	1	0	2
June 2002	0	1	1	0	2
July 2002	0	0	0	0	0
August 2002	0	1	0	0	1
September 2002	0	0	0	1	1
October 2002	0	0	0	2	2
November 2002	0	1	0	1	1
December 2002	0	0	0	1	1
January 2003	0	1	0	0	1
February 2003	0	0	0	0	0
March 2003	0	0	2	1	3
Total:	0	5	4	7	16

All calls to the facility are fully investigated and corrective action is taken if needed. Reports of the investigations are kept on file. Norlite continues with extensive neighbor relations program. The general conclusion is the residents are more inquisitive of the nature of Norlite's operations versus registering complaints with Norlite. Norlite continued with small group tours of the facility. Norlite continues with an open dialogue with neighbors and encourages them to call the facility should they have questions concerning the facility.

The 5 calls for noise were 3 calls for a humming noise from the plant vacuum truck, 1 call for a backup alarm, and 1 call for a loader bucket hitting the ground.

The 4 calls for blasting were from 2 different callers indicating they could feel the blast.

The 7 other calls were 2 calls for issues off of Norlite property and associated with the railroad tracks and rail traffic and were not associated with Norlite, 4 calls were for odors although through investigation these were not associated with Norlite, 1 call was to ask whether "we blasted today"—the answer was no.



12. Regulatory Inspections

Norlite is subject to the Environmental Monitor Program as specified in the Hazardous Waste Permit, Special Condition 3. The facility is subject to unannounced NYSDEC inspections. The facility is made available to the inspectors 24 hours per day, 7 days per week. During this reporting period a total of 97 inspections were made by NYSDEC Representatives. Mr. Tony Kokocki of NYSDEC Region 4 was assigned as Environmental Monitor beginning in November 2002.

Norlite was subject to unannounced RCRA inspection with representatives of NYSDEC. This was a 4 day inspection that covered September 11 and 12, 2002 and September 18 and 19, 2002.

Norlite was subject to unannounced CBS and PBS inspection with representatives of NYSDEC. The inspection was conducted on September 19, 2002. Norlite received a Notice of Violation (NOV) dated September 27, 2002. Norlite has responded to all items on the NOV.

Norlite was subject to an annual unannounced Multi Media RCRA inspection with representatives of NYSDEC and EPA. This was a 2 day inspection that began on December 11, 2002. There were no violations associated with this inspection. Norlite is waiting receipt of the inspection report.

Norlite received its annual WWTP and SPDES inspection on March 25, 2002. Norlite and NYSDEC have open correspondence for the inspection.

There is an open Administrative Complaint initiated by NYSDEC as Case # 4-2002-0501-63 regarding the RCRA inspection of December 18, 2001, the RCRA inspection of September 11, 2002, and the CBS and PBS inspection of September 19, 2002.

13. Forthcoming Milestones

Norlite's anticipation of major compliance activities during the next report period are to:

- 1) Continue with Part 373 Hazardous Waste Permit Renewal Process.
- 2) Continue with SPDES Permit modification
- 3) Continue with Mining/Land Use Reclamation Permit Renewal and Modifications.
- 4) Continue with the HWC MACT Program.
- 5) Continue with Notice of Appeal of Title V Permit.