



# **Amendment to the June 7, 2007 Extended Cooperative Environmental Agreement Between Northern Engraving Corporation and the Wisconsin Department of Natural Resources**

This Amendment to the Extended Cooperative Environmental Agreement (Extended Agreement) is being entered into pursuant to 299.80 (6e) Wis. Stats. The amendments are additional to the June 2007 Extended Agreement, which provided a renewal for those conditions established under the June 10, 2002 and the Amended Agreement signed on June 23, 2003. These additional Amendments to the Extended Agreement become effective upon signing and will terminate 5 years from June 7, 2007. Northern Engraving Corporation (NEC) and Wisconsin Department of Natural Resources (DNR) may amend this agreement within the term.

In this document, Section VI, Approvals/Changes Included in Amended Agreement and Permit Renewals, outlines those changes to be incorporated as part of the Cooperative Environmental Agreement. These Amendments to the Extended Agreement will only apply to NEC's Sparta and Holmen facilities. West Salem will operate under the same conditions outlined in the June 7, 2007 Extended Agreement, which covers those conditions established under the June 23, 2003 Amended Agreement for West Salem. Upon signing of this Amended Agreement, all conditions established in the June 2002, June 2003 and the June 2007 Extended Agreement apply unless duly specified as a condition of this Amended Agreement for the Sparta, Holmen and West Salem facilities.

This Amended Agreement is being entered into pursuant to sec. 299.80 (7) (b) Wisconsin Statutes and represents the negotiated conditions agreed upon by DNR and NEC, for the purpose of providing an alternative method for the regulation of environmental impacts from NEC.

FOR AND IN CONSIDERATION of the terms and conditions contained in this Agreement, DNR and NEC set forth the following:

WHEREAS, NEC is a manufacturer with multiple facilities and affiliated companies located in Wisconsin, Iowa and Minnesota.

WHEREAS, DNR is a duly organized agency of the State of Wisconsin created pursuant to Wis. Stats. & sect; 15.34.

WHEREAS, the DNR has been legislatively delegated authority to regulate, among other things, air pollution, hazardous waste, solid waste, recycling, water pollution, and sewage within the State of Wisconsin. This authority having been delegated pursuant to Wis.Stats. & sect; 281.12, 285.11, 285.13, 289.06, 289.07, 291.09 and 291.11, among other statutes.

WHEREAS, the DNR has been delegated, authorized or otherwise approved by the federal government to implement all or a significant portion of the following federal programs: The Federal Water Pollution Control Act, as amended, 33 U.S.C. &sect; 1251 et seq.;

The Solid Waste Disposal Act, as amended, 42 U.S.C. &sect; 6901 et seq; and  
The Clean Air Act, as amended, 42 U.S.C. &sect; 7401 et seq.

WHEREAS, the DNR has consulted with and obtained concurrence from the United States Environmental Protection Agency (EPA) over the terms and conditions set forth in this Agreement as well as the procedural mechanisms necessary to effectuate any experimental changes to federal programs, or federally approved state programs, which may be required as a result of this Agreement.

WHEREAS, the DNR has entered a Memorandum of Agreement with the EPA dated March 25, 1999 entitled "Implementation of the Joint State/EPA Agreement to Pursue Regulatory Innovation and the Wisconsin Environmental Cooperation Pilot Program" (the "Joint State/EPA Agreement"). Among other things, the Joint State/EPA Agreement defines how DNR and EPA will develop, implement and pursue enforcement against participants in the Wisconsin Environmental Cooperation Pilot Program (the Program).

WHEREAS, DNR and EPA assent in the Joint State/EPA Agreement that the innovation and experimental methods set forth in agreements such as this, inherently involve some risk of failure. Regardless, the DNR and EPA have agreed to promote innovations at all levels of environmental regulation, through agreements such as this, to increase the efficiency and effectiveness of the environmental programs each implements.

WHEREAS, the DNR and NEC have entered into this Agreement pursuant to Wis. Stats. & sect; 299.80 to allow the DNR, EPA and NEC to implement and evaluate innovative environmental regulatory methods and where sect. 299.80 (6e) Wis. Stats allows for an extension of the Agreement.

WHEREAS, this Agreement seeks to grant NEC greater flexibility than would otherwise be allowed under current federal and state environmental programs, including but not limited to those implemented pursuant to Wis. Stats. ch. 280 through 295 and the rules promulgated there under.

WHEREAS, the DNR and NEC seek to reduce the time and resources they each spend on paperwork and other administrative tasks related to environmental regulation that do not result in benefits to the environment.

WHEREAS, the DNR and NEC acknowledge that each is entering into this Agreement on a voluntary basis.

WHEREAS, the DNR recognizes that the main goal in the Wisconsin Environmental Cooperation Pilot Program, Wis. Stats. & sect; 299.80, is to establish a collaborative process involving business, government and the public in order to reach consensus that is a "win" for each sector.

WHEREAS, the DNR and EPA have entered the Joint State/EPA Agreement whereby each assents that this Agreement must be implemented to meet the following goals:

Provide at least the same level of protection of public health and the environment as current regulations.

Encourage systematic assessment of direct and indirect environmental impacts of the facilities covered by this Agreement.

Encourage efficiency and cost effective, verifiable pollution reduction strategies.

Encourage the transfer of information.

Consolidate environmental permitting and approval requirements.

Grant regulatory flexibility where both parties agree that the flexibilities will encourage the goals and intent of the Environmental Cooperation Pilot Program (Program) as it relates to improved environmental performance and economic stability.

Reduce government and facility transaction costs for paperwork and other administrative tasks.

Encourage public participation and consensus.

Improve public information and access to environmental performance information.

Encourage facilities to work with communities.

Increase trust among government, facility owners/operators and the public.

WHEREAS, the DNR and EPA have entered the Joint State/EPA Agreement whereby EPA assents that when federal action is necessary for implementation of an innovation under this Agreement, EPA will promptly determine what is required in order to take such action and take that action.

WHEREAS, the DNR and EPA have entered the Joint State/EPA Agreement whereby EPA commits to consult with DNR before taking any regulatory or enforcement action concerning NEC so long as NEC is operating pursuant to this Agreement.

WHEREAS, the DNR and EPA have entered into the Joint State/EPA Agreement whereby each assents that the Program provides for waivers, variances and modifications to the existing regulations, policies, guidance and practices of traditional environmental programs.

WHEREAS, EPA and DNR have entered the Joint State/EPA Agreement acknowledging that to the extent this Agreement affects requirements under a federally-authorized or delegated program, the requirements of this Agreement replace those previously in affect under such programs and this Agreement becomes the requirement applicable to and legally binding upon NEC.

THEREFORE, in reliance upon the foregoing, including the State and EPA commitments in the Joint State/EPA Agreement, and in consideration of the terms and conditions set forth in this Agreement, as well as other valuable considerations having been duly received, the DNR and NEC enter into this Agreement pursuant to Wis. Stats. & sect; 299.80 for the purpose of providing alternative methods for the regulation of environmental impacts from covered NEC facilities. In furtherance of the extended Agreement, the parties agree to the following:

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## I. FACILITY INFORMATION/CONTACTS

Northern Engraving Corporation (NEC) is a medium sized, privately held, family-owned, nameplate manufacturer with multiple facilities and affiliated companies located in Wisconsin, Iowa and Minnesota. Their customers vary widely in size and conduct business both in the USA and internationally.

Northern Engraving Corporation  
803 South Black River Street  
Sparta, WI 54656  
**FID# 642025010**

Northern Engraving Corporation  
1023 Sand Lake Road  
Holmen, WI 54636  
**FID# 63200970**

Northern Engraving Corporation  
600 Brickl Road  
West Salem, WI 54698  
**FID# 632024800**

## Contacts:

Bruce Corning  
VP Management Systems  
(608) 269 - 6911 Ext. 385

Randy Nedrelo  
Solid and Hazardous Waste Manager  
(608) 269 - 6911 Ext. 442

Northern Engraving manufactures nameplates, automotive trim and other industrial decoratives, using plastic and aluminum as the primary substrates. Presently Northern Engraving operates five manufacturing facilities in Wisconsin and Iowa. In addition there are several locations that provide support services to these manufacturing facilities. Northern Engraving has had active waste minimization/pollution prevention programs since 1988, having received recognition for its efforts on several occasions. Included is the Governor's Award for Excellence in Hazardous Waste Reduction in 1991 and 2000 and a DNR P/E/P Award in 1994.

## **Sparta, Holmen and West Salem are located in areas classified as attainment where**

("Nonattainment area" means an area identified by DNR in a document prepared under s. 285.23 (2), where the concentration in the atmosphere of an air contaminant exceeds an ambient air quality standard.) All facilities have achieved ISO 14001 registration and continue to maintain the standards of such. (Refer to 2002 to 2006 Annual Reports at <http://dnr.wi.gov/org/caer/cea/ecpp/agreements/nec/index.htm>.)

## **II. DEFINITIONS**

The following definitions are applicable to this Agreement:

1. "Approval" means a permit license or other approval issued by the DNR under chapters 280-295.
2. "Cooperative Environmental Agreement" or "Agreement" means this Agreement entered into by the DNR and NEC under section 299.80(6), Wis. Statutes.
3. "Environmental Management System (EMS)" means an organized set of procedures implemented by the owner or operator of a facility to evaluate the environmental performance of the facility and to achieve measurable or noticeable improvements in that environmental performance through planning and changes in the facility's operations.
4. "Environmental performance" means the effects whether regulated under chapters 280 to 295 or unregulated, of a facility on air, water, land, natural resources and human health.
5. "Facility" means all buildings, equipment and structures located on a single parcel or on adjacent parcels that are owned or operated by NEC.
6. "Interested person," means a person who is or may be affected by the activities at a facility that is covered or proposed to be covered by a cooperative agreement or a representative of such a person.
7. "Performance evaluation" means a systematic, documented and objective review conducted by or on behalf of the owner or operator of the facility including an evaluation of compliance with the cooperative agreement covering the facility, approvals that are not replaced by the cooperative agreement and the provision of chapters 280 to 295 and rules promulgated under those chapters for which a variance is not granted.
8. "Pollutant" means any of the following: any dredged spoil, solid waste, incinerator residue, sewage, garbage, refuse, oil, sewage sludge, munitions, chemical wastes, biological materials, radioactive substance, heat, wrecked or discarded equipment, rock, sand, cellar dirt, or industrial, municipal, or agricultural waste discharged into water or onto land. Any dust, fumes, mist, liquid, smoke, other particulate matter, vapor, gas odorous substance or any combination of those things emitted into the air but not uncombined water vapor.

9. "Violation" means a violation of a cooperative agreement, of an approval that is not replaced by the cooperative agreement or of a provision of chapters 280 to 295 and rules promulgated under those chapters for which a participant has not received a variance granted under sec. 299.80 (4) Wis. Stats.

### **III. PERIOD OF AGREEMENT**

- 1.) This Amended Agreement shall commence, subject to its signing by both parties, during which period NEC and the DNR shall abide by all terms and conditions contained herein.
- 2.) In addition, this and any future Amendments will terminate 5 years hence the signature date of the June 7, 2007 Extended Agreement on June 7, 2012.

### **IV. AMENDMENT/REVOCATION OF THE AGREEMENT**

This Agreement applies only to those facilities listed and described in Section I and includes additional changes to, and recurrent language from the June 7, 2007 Extended Agreement and Section VI. Approvals/Changes Included in Amended Agreement and Permit Renewals. DNR and NEC agree that newly acquired NEC facilities and other NEC facilities sharing ownership with NEC, can be included under the provisions of this Agreement, as an amendment, following a formal request by the company, a review of the facility(s) by DNR staff and discussion of environmental issues to be included. Inclusions of other NEC facilities may be as amendments, within the 5 year term of the 2007 Extended Agreement, pursuant to sec. 299.80 (7), Wis. Stats..

- 1.) The DNR may revoke the Agreement if NEC is in substantial noncompliance, refuses to amend this Agreement, and are unable or unwilling to meet commitments to superior environmental performance or have not addressed a substantive issue raised by a majority of the interested persons. (s. 299.80 (7), Wis. Statutes)
- 2.) The DNR may amend this Agreement for cause, including any of the following: (1) a change in federal or state environmental laws which necessitate amendment; (2) a violation of this Agreement; or (3) discovering that this Agreement was obtained by misrepresentation or failure to fully disclose all relevant information.
- 3.) The DNR shall provide at least 30 days for public comment on this Agreement and any future amendments of this Agreement if comments demonstrate considerable public interest in the proposed action. Alternatively, the DNR may revoke this Agreement, after an opportunity for a hearing, if it finds any of the substantive issues set forth in s. 299.80(7) (c) (2), Wis. Statutes. If the DNR makes such a finding and revokes this Agreement, such decision shall be considered a final decision for purposes of review under Chapter 227, Wis. Statutes and it shall contain the items enumerated in s. 299.80(7) (c) 3, Wis. Statutes.
- 4.) Nothing in this Agreement shall be deemed a waiver of NEC's constitutional protections, including, but not necessarily limited to, NEC's rights to substantive and procedural due process, equal protection under law, or the taking of property right.
- 5.) In the event that this Agreement is revoked, NEC shall resume operations under the conditions stated in (Part I. B of Appendix A1, A3, and A5), Specific Permit Conditions for each facility.

### **V. ENTIRE AGREEMENT**

This Agreement, together with any specifications, referenced parts, attachments and effective amendments, shall constitute the entire Agreement. All revisions to this Agreement must be made by a written amendment to this Agreement, signed by DNR and NEC and issued under the same procedures and requirements pursuant to 299.80, Wis. Stats.

## **VI. APPROVALS/CHANGES INCLUDED IN AMENDED AGREEMENT AND PERMIT RENEWALS**

### **Sparta and Holmen Facilities**

All conditions, approvals, and changes expressed in this Amended Agreement and the renewed air pollution control permits, Appendix A1 and A3, of this Agreement for the Holmen and Sparta facilities will become effective upon signing of this Agreement by both parties.

### **West Salem**

The NEC West Salem Air Pollution Control Permit expires on June 23, 2008. As part of this Amended Agreement, the NEC West Salem facility will continue to operate under the conditions established in the June 07, 2007 Extended Agreement. NEC may at any time between the signing date of this Amended Agreement and June 23, 2008, provide an Air Pollution Control Operation Permit Renewal application to the DNR. The DNR will incorporate the conditions of the air pollution control operation permit, as outlined for the Holmen and Sparta facilities, into the renewed operation permit for West Salem. The process of issuing a renewed operation permit allows for a 30-day public comment period. Until a final renewed operation permit is issued for the West Salem facility, Northern Engraving shall continue to comply with all the requirements of the current operation permit for the facility (permit number: 632024800-F03). The current operation permit requires the submittal of the 6 month reports of actual emissions to DNR and US EPA. The anticipated change for the West Salem facility becomes effective upon the issuance of a renewed operation permit which incorporates the removal of the 6 month reports of actual emissions in the renewed Agreement as outlined in this document, provided the change does not exceed or fall outside the scope of the renewed Agreement as it applies to the Holmen and Sparta facilities.”

### **A). Dropped the Six Month Reporting Requirement of Actual Facility Wide VOC and HAP Emissions**

The following language that appears in the June 2007 extended Agreement is omitted from the renewed air pollution control permits for Sparta and Holmen:

“(c. Report actual facility wide volatile organic compound and hazardous air pollutant emissions as follows:

- (1) The permittee shall submit a report summarizing the actual, facility wide volatile organic compound and hazardous air pollutant emissions for each consecutive 12 month period as calculated in conditions I.A.1.b.(2) and I.A.2.b.(2) and (4), every 6 months.
- (2) The period addressed by the report shall be the 6 month period starting on the date the Cooperative Agreement is signed or other date agreed upon and approved by DNR, U.S. EPA and the permittee, and each subsequent 6 month period thereafter.
- (3) A copy of the report shall be submitted to the DNR (Marty Sellers, Air Management Engineer, Department of Natural Resources, 3550 Mormon Coulee Road, La Crosse, WI 54601) and the U.S. EPA (Steve Rothblatt, Branch Chief, Air Program Branch, U.S. EPA, 77 W. Jackson Blvd., Mailcode: AR-18J, Chicago, IL 60604) within twenty days following the end of the reporting period.

If the report shows the actual facility wide volatile organic compound or hazardous air pollutant emissions have exceeded 50 percent of the allowable limitations outlined in conditions Part I.A.1.a and I.A.2.a. (1) and (2), the permittee shall provide an explanation why emissions reached the levels that they did and how they intend to ensure emissions will not exceed the allowable limitations outlined in conditions Part I.A.1.a. and I.A.2.a. (1) and (2). [s. NR 439.03(1)(a), Wis. Adm. Code]”

**Explanation:** The original 2002 and 2003 Agreements and associated Air Pollution Control Operation Permits require Northern Engraving to submit reports of their actual VOC and HAP emissions to both US EPA and DNR every six months. (Permit condition Part I.A.6.c. for Holmen and permit condition Part I.A.8.c. for Sparta.) Under this reporting requirement, if the actual facility wide emissions of VOC or HAPs had exceeded 50 percent of the allowable emission limitations (i.e. Allowable limitation for VOC is 85 tons per year, allowable limitation for each Clean Air Act (CAA) HAP is 8 tons per year, and allowable limitation for all CAA HAPs combined is 20 tons per year) then Northern Engraving would have been required to provide an explanation of why emissions reached the levels they did and how they intended to ensure emissions would not exceed the allowable emission limitations.

The US EPA required that this reporting requirement be included in the original Agreement and associated Air Pollution Control Operation Permits as a condition of allowing Northern Engraving to forgo daily record keeping of actual VOC and HAP emissions. At the time of issuance of the original Agreement and associated Air Pollution Control Operation Permits, it was US EPA's policy to require daily record keeping of actual emissions, if VOC and HAP emission limitations appeared in the permit as long term (i.e. monthly or 12 month average) emission limitations rather than usage or material content limitations.

Since the issuance of the original June 2002 and 2003 Agreements and associated Air Pollution Control Operation Permits, US EPA has changed their policy on the requirement of daily records when VOC and/or HAP emission limitations appear in the permit as long term emission limitations. The US EPA now allows the use of what they call the "Formula Based Approach" which allows record keeping on a time frame consistent with longer term VOC or HAP emission limitation provided a formula specifying how the permittee will calculate actual emissions is specifically included in the permit.

### **B.) More Time Allowed for Construction and Initial Operation under Future Construction Permits within this Amended Agreement Timeframe**

On a case-by-case basis NEC will be allowed an additional period of time to commence construction and/or modification of proposed projects requiring a permit under ch. NR 406, Wis. Adm. Code.

**Explanation:** In most cases when the DNR issues an Air Pollution Control Construction Permit for a new or modified process under ch. NR 406, Wis. Adm. Code, a facility is given an initial 18 month period to commence construction or modification with the option of extending the construction permit to allow an additional 18 months to commence construction or modification. If construction or modification is not started within this time period (a total of 36 months), the construction permit will expire and the facility would be required to reapply and obtain a new Air Pollution Control Construction Permit to cover the proposed project. Northern Engraving requested as part of the renewal of the Agreement, to be allowed longer periods of time to commence construction and/or modification of proposed projects requiring a permit under ch. NR 406, Wis. Adm. Code. In reviewing the DNR's procedures on this matter it was found that the Department does allow longer periods of time to commence construction and/or modification in the case of large, phased projects. Because longer periods of time are

allowed in other cases, the Department will allow Northern Engraving to request periods for commencing construction and/or modification that are longer than 18 months on a case-by-case basis when they submit construction permit applications. Northern Engraving should specify the length of time they are requesting to commence construction and/or modification in any construction permit applications submitted in the future if they would like more than 18 months. The DNR would then allow the longer time period for commencing construction and/or modification under the Air Pollution Control Construction Permit issued for the project provided this does not extend beyond 42 months. Northern Engraving would still be allowed to request an 18 month extension of the construction permit if necessary. Note that the Department does not have the authority to approve construction permit extensions longer than 18 months. Extended timeframes may help to reduce unnecessary permit writing by both parties and give the company the flexibility and timeframe to construct and operate in a manner conducive to better environmental performance and economic stability.

## **VII. INTERESTED PERSONS GROUP**

NEC agrees to encourage active participation from an interested persons group. NEC has sought to encourage involvement for the past 5 years and will seek to maintain representation from the communities and geographic locations of the current facilities covered and any additional facilities that may be included as an amendment during the 5 year period of this agreement. NEC will include in the annual report to the DNR a summary of efforts to establish and maintain such groups and their participation as required under Chapter 299.80, Wis. Stats. Make-up of such groups may include, but is not limited to, local schools officials, local and/or state officials, County Board Members, Local Emergency Planning Commissions, NEC employees, representatives from local conservation groups, and any other organization, individual, or industry representative, located in the county or immediate geographic area of NEC facilities, that may provide valuable input to such group and be subject to:  
Membership in the interested persons group will be by invitation only. Participants will be provided no monetary or other compensation for being a member of this group.

NEC will commit to resolving substantive issues raised by members of the interested persons group and supported by a majority.

Meetings of the interested persons group will be coordinated by NEC and scheduled on a semi-annual basis, unless NEC and interested persons agree to additional meetings where necessary. The interested persons group will be provided an overview of the environmental performance of the covered NEC facilities.

For each of its covered facilities, NEC will provide an overview of its current environmental objectives and targets and the current environmental programs for achieving those objectives and targets.

NEC representatives will consider and respond to issues raised by the group. These responses will come in the form of written correspondence and/or further meetings with the group and/or discussions with individual member(s).

It is anticipated that public comments concerning NEC's participation in a Cooperative Environmental Agreement will be received during interested persons group meetings or other meetings with community groups. Minutes of these meetings shall be compiled which will

include, among other things, a summary of the public comments that were raised. Responses to those comments will be appended to the minutes for easy reference. A copy of these documents shall be made publicly available at NEC offices, local public libraries and other community institutions mutually agreed upon by the interested person's group and NEC.

The DNR has followed the procedures set forth in sec. 299.80 (6e) Wis. Stats. before proposing issuance of this amended Agreement. The interested persons group has been provided an opportunity to review this Agreement and the negotiation process between DNR and NEC. This Agreement reflects the consensus of those negotiations and the input of, among others, the interested persons group.

## **VIII. COMMITMENT TO ENVIRONMENTAL MANAGEMENT SYSTEM AND SUPERIOR ENVIRONMENTAL PERFORMANCE**

Northern Engraving Corporation is an active and dedicated steward of the environment. Internally, the environmental policy commits the company to reducing waste, continually improving processes, and doing no harm to the environment. All facilities are registered to the international environmental standard, ISO 14001, and receive annual audits from one of the company's third-party registrars. The environmental management system gives the plants the tools needed to analyze environmental impacts, set objectives and targets, develop supporting programs, review results and redirect efforts. By using these tools and developing employee involvement, each facility has experienced remarkable success.

### **1). Summary of Results from Original Agreements Signed in 2002 and 2003.**

**NEC and DNR agree that the company has successfully met all conditions established under the initial June 10, 2002 and June 23, 2003 Agreements, that included, among other things, specific conditions and flexibilities written into the Air Pollution Construction and Operations Permits found in Part A. 1 of the Specific Permit Conditions for each facility as follows:**

- Provided Baseline Reports for 2002 and 2003 Agreements.
- Provided Annual Reports on the company's EMS system approach, progress toward the economic, social and environmental impacts of their operations.

Each report included at a minimum:

- Results of the objectives and targets established in the previous year and any objectives identified for the next report.
- Information on meetings with Interested Persons Group and participation.
- Results of internal audits.
- Violations discovered during the audits.
- Time saved in reporting.
- Environmental achievements related to air, water, energy, and waste and an explanation of any shortfalls.
- Overall assessment of the program.
- Met annually with DNR to evaluate progress.
- Implemented EMS for facilities. Certified EMS at all facilities to the ISO 14001 Standards.
- Conducted annual audits by an accredited third party auditor.

- Provided 6-month rolling average reports to both DNR and EPA on Air Emissions occurring at the facilities.
- Annual reports put on DNR website for public viewing.

### **Excerpt from Northern Engraving Annual Report (Collective Summary of 2006)**

Data from calendar year 1996 (Baseline) through calendar year 2006 show that plant emissions of volatile organic compounds (VOC) and hazardous air pollutants (HAP) from the three Cooperative Agreement facilities decreased 63% (192 tons) and 94% (109 tons), respectively. In comparing the three facilities' 2006 emissions to 2005, VOCs and HAPs were reduced 7% (8.1 tons) and 31% (3.3 tons), respectively.

In 2006, these facilities used 74% less water than in 1996. This yearly reduction of 88,591,000 gallons also represents a 229% improvement in the sales to water used efficiency ratio.

During the 1996-2006 period, the three Cooperative Agreement facilities' generation of hazardous and solid wastes decreased 69% (40,860 gallons) and 78% (1,409 tons), respectively. Reformulation of sprays from a solvent base to water base significantly reduced hazardous waste generation while increasing the quantity of wastewater treated as non-hazardous. Similarly, oil absorbents were removed from the solid waste stream, managed as non-hazardous waste and recycled.

## **2). Commitments Continued as part of the Amended Agreement**

Under the Extended and now Amended Agreement, NEC agrees to pursue superior environmental performance while achieving a balance between economic, social and environmental impacts from its efforts. NEC commits to continual improvement in environmental performance by annually reassessing its environmental aspects and setting new objectives for improvement. Over the long term they will achieve measurable improvements in environmental performance through the improved utilization of natural resources.

This Amended Agreement will continue to test the effectiveness of a robust, ISO 14001 certified, Environmental Management System. NEC will continue to identify and seek solutions to those aspects of their operations, both regulated and unregulated that have a significant environment impact on the natural environment.

- NEC currently implements an ISO 14001 registered EMS at the Sparta, Holmen and West Salem facilities. NEC commits to continue implementing the EMS and revising its provisions, to the extent necessary, to meet standards issued by the International Organization for Standardization.
- NEC and DNR will continue to recognize as part of this Amended Agreement, past voluntary environmental achievements back to January 1996, utilizing this year as the baseline year to track environmental improvements related to those aspects of the facility operations. NEC and DNR also realize that in some cases increments to environmental improvement will be smaller due to the large reductions accomplished by the company since 1996. NEC and DNR agree that environmental achievements, tracked as waste generated or emissions/sale is a viable reporting method for the purposes of this Amended Agreement since those additional reporting requirements are being met pursuant to chs. 280 to 295, Wis. Stats.. NEC commits to going beyond what would otherwise be required in environmental regulations, by agreeing to the following:

- NEC agrees to the conditions/changes established under PART I. A. of Specific Permit Conditions (Appendix A1, A3, A5) of this Amended Agreement for the Sparta, Holmen and the West Salem facility.
- NEC agrees to continue, in conformance with its EMS, to annually reassess its environmental aspects and develop environmental objectives and targets. NEC further agrees to develop environmental programs to achieve its environmental targets. Over the long term, through improved utilization of natural resources, NEC will continue to focus on reductions in emissions to the air and water, waste generated, and energy use and on other achievements both regulated and non – regulated that result in a positive impact in nature.
- NEC will continue to submit an Annual Performance Report (APR) pursuant to sec. 299.80 (11), Wis. Stats. to the Department after consideration has been provided to the interested persons group for review.
- NEC and DNR will work to reduce administrative burdens through the use of simplified record keeping, monitoring and reporting as described in Part I A. of each facility's Specific Permit Conditions. (Appendix A1, A3, A5)
- NEC commits to sharing information regarding its means of assessing environmental aspects, developing meaningful environmental objectives and targets, and implementing the environmental programs to achieve superior environmental performance, as defined by the environmental objectives and targets
- **Supplier/EMS Criteria** - NEC commits to working with suppliers in developing alternatives to current raw material usage that are more environmentally friendly.
- **NEC's Commitment to Public Awareness.** NEC commits to continuing its interested persons group and to conducting communications in a meaningful way. NEC will also enhance community awareness of its practices and approaches they are taking to reduce pollution. (**SECTION VII.**)
- NEC and DNR agree to meet all other conditions stated in sec. 299.80 (3) Wis. Stats.

## **IX. POLLUTION LIMITS**

With inclusion of those limits identified in Section X (Operational Flexibility and Variances), NEC commits to abide by all current and future applicable environmental limits. All provisions established in permits or approvals not identified in Part I A. of the Specific Permit Conditions (Appendix A1, A3, A5) shall remain in effect.

## **X. OPERATIONAL FLEXIBILITY AND VARIANCES**

DNR and NEC have agreed that the flexibilities and changes granted in the June 2002 and June 2003 Agreements and Section VI. Approvals/Changes Included in Amended Agreement and Permit Renewals) and (Section VIII. Commitment to Environmental Management System and Superior Environmental Performance), of this Agreement, meet the requirements of ch. 299.80 (4) Wis. Stats., and constitute a viable means to achieve further improvement of those aspects of the NEC operations in protecting the natural environment. In furtherance of the requirements and commitments contained in this Agreement, and consideration of additional requirements of

chs.280 and 295, Wis. Stats., DNR has established specific conditions found in Part I. A Specific Permit Conditions, Appendix A1, A3 and A5 of this Agreement which define:

1. Volatile Organic Compound Emissions
  - a. Limitations
  - b. Compliance Demonstration Methods
  - c. Record Keeping and Monitoring Requirements
  - d. Reference Test Methods
2. Hazardous Air Pollutant Emissions
  - a. Limitations
  - b. Compliance Demonstration Methods
  - c. Reference Test Methods
3. Particulate Matter Emissions
  - a. Limitations
  - b. Compliance Demonstration Methods
  - c. Record Keeping and Monitoring Requirements
  - d. Reference Test Methods
4. Visible Emissions
  - a. Limitations
  - b. Compliance Demonstration Methods
  - c. Record Keeping and Monitoring Requirements
  - d. Reference Test Methods
5. Operational Flexibility
  - a. New Equipment Construction and Modification
6. Facility Wide Reporting Requirements
7. Compliance Testing Requirements

## **XI. BASELINE PERFORMANCE EVALUATION AND REPORTING OBLIGATIONS**

Previous Baseline Performance Evaluations were submitted by NEC on December 6, 2002 and June 23, 2003 as part of the requirements of the June 2002 and June 2003 Amended Agreements. Performance Reports will be submitted annually on April 15 of each year unless NEC and DNR agree to an alternative date during the term of this Agreement. This report shall be shared with the DNR and the interested persons group. A copy will be made available for public inspection at NEC offices and the public libraries nearest to the community of the facilities named in this Agreement and, at a minimum, contain the following:

### **1. Regarding the Interested Persons Group:**

- a. Changes in the composition of the interested persons group;
- b. Summary of assistance and information provided to the interested persons group;
- c. Summary of meetings with the interested persons group, including dates, attendance lists, topics addressed, and comments received; and
- d. Results of any action or changes in response to input and feedback from the Interested

Persons Group.

## **2. Regarding Commitments to Superior Environmental Performance**

- a. The previous year's Environmental Objectives and Targets;
- b. Progress made toward the previous year's Environmental Objectives and Targets;
- c. Current Environmental Objectives and Targets;
- d. Examples of programs/activities that resulted in waste, energy usage, and/or emissions reductions;
- e. Summary of facility air emissions and waste generation, as reported in the Annual Emissions Inventory and Hazardous Waste Report;
- f. Documentation of changes in citizen environmental complaints and satisfaction of complainant that concern has been addressed; and
- g. Documentation of changes in the status of NEC's environmental compliance.

## **3. Regarding Operational Flexibility:**

- a. Time (days/weeks from submittal to completion) saved in obtaining permits;
- b. Time saved (hours per month) by the reduction in recordkeeping requirements and administrative requirements;
- c. Description of the changes in the time required by NEC to manage its air/air permit program; and
- d. Energy savings from avoiding the use of the incinerator.

## **4. Regarding Overall Assessment of the Success of the Agreement:**

- a. Public recognition/awards resulting from the efforts of the Cooperative Agreement and EMS;
- b. A summary of the annual achievements, difficulties or other challenges associated with fulfilling the Agreement;
- c. An analysis of the suspected reasons for the above mentioned achievements and difficulties or other challenges associated with fulfilling the Agreement; and
- d. A summary of the activities undertaken to improve the performance of the Agreement.

NEC will provide all information in the form of a single report. NEC and the DNR agree to meet annually to review the results of this Agreement. At a minimum this meeting will include a review of the benefits for both parties, the roadblocks that were encountered, and the means to improve this process.

## **XII. REPORTING OF VIOLATIONS**

Any violations discovered as part of the baseline or annual environmental performance evaluation shall be disclosed to DNR within 45 days of the completion of the evaluation in a report containing the information required under s. 299.80(12), Wis. Stats. DNR may not take any civil enforcement action on any such reported violations if they are corrected within 90 days of notification, unless the violations present an imminent threat to public health or the environment or may cause serious harm to public health or the environment, or the department discovers the violations before the Company discloses them. This does not exempt NEC from the requirements for immediate notification contained in s. 292.11, Wis. Stats. or any other provisions of any criminal violations would always be subject to DNR enforcement action.

If a longer period of time is needed to correct the violations, a compliance schedule can be negotiated and the Agreement modified allowing a compliance schedule of up to 12 months.

### **ENFORCEMENT DEFERRAL**

DNR agrees not to commence a civil action to collect forfeitures for violation at NEC facilities covered by this Agreement if those violations are disclosed in a report that meets the requirements of Section XII of this Agreement for at least 90 days after DNR receives the report. So long as NEC corrects the violations that are disclosed in such a report within 90 days after DNR receives the report, DNR shall not commence a civil action to collect forfeitures for said violations. If NEC submits a report to DNR disclosing a violation and a proposed compliance schedule, DNR may approve the compliance schedule as submitted or propose a different compliance schedule. If NEC and DNR agree upon a compliance schedule, that schedule shall be incorporated into this Agreement without formal amendment. Notwithstanding anything else in this Agreement, DNR may commence a civil action at any time to collect forfeitures for violations which: (1) present an imminent threat to public health or the environment or may cause serious harm to public health or the environment; or (2) DNR discovers the violations before NEC submits a report disclosing such violations.

### **XIII. AMENDMENT OR REVOCATION OF AGREEMENT AND CONFIDENTIAL INFORMATION**

Notwithstanding any other provision in this Agreement, included but not necessarily limited to Sections XI, XII, XIII and XIV, DNR will take all steps to protect NEC's confidential business information to the maximum extent provided by law. In this regard, NEC will designate confidential business information pursuant to Wis. Admin. Code & sect; NR 2.19; Wis. Stats. & sect; 285.70, 291.15, 289.09, 101.598, 134.90(5) and 905.08; and any other common law or statute providing for protection of confidential information. This Agreement shall not constitute a waiver by NEC of any such privilege that it currently or may hold over confidential business information, trade secrets or other privileged communications.

### **XIV. APPLICABLE LAW**

The laws of the State of Wisconsin shall govern this Agreement. Furthermore, the rights, obligations and liabilities of the signatories to this Agreement shall be determined under principals of general contract law.

### **XV. FACILITY LIAISON AND ADDRESSES**

NEC and DNR agree to appoint a representative from their respective organizations to serve as a liaison under this Agreement. All correspondence and communications between the parties shall be directed to the designated liaisons.

The DNR liaison shall have an intimate knowledge of NEC operations as well as a working familiarity with the coating industry and those activities associated with coating operations that have the potential to affect the environment. The DNR liaison shall also have working knowledge of non-environmental regulatory matters that affect the coating industry or manufacturing businesses in general.

NEC and DNR agree the current appointees will continue to serve as contacts for the duration of this agreement unless otherwise requested and agreed to by both parties following the signing of the

renewed Agreement. Changes in each organization's liaison or their associated addresses shall be forwarded to the other party once effective and will become part of this Agreement without formal amendment.

Mark Harings, Environmental Assistance Coordinator, Wisconsin Department of Natural Resources, 1300 W. Clairemont Avenue, Eau Claire, WI 54702-4001, (715) 831-3263.

Randy Nedrelo, Solid and Hazardous Waste Manager, Northern Engraving Corporation, 803 S. Black River Street, Sparta, WI 54656, (608) 269-6911.

**Amended Environmental Cooperative Agreement  
between  
Northern Engraving Corporation and  
Wisconsin Department of Natural Resources**

IN WITNESS WHEREOF, the parties by their signatures shall cause this amended agreement to be executed upon signing and continue until June 7, 2012.

Signed for and on behalf of:  
STATE OF WISCONSIN, DEPARTMENT OF NATURAL RESOURCES



By: /s/ Scott Hassett Date: 08/30/2007  
Scott Hassett, Secretary

Signed for and on behalf of:  
NORTHERN ENGRAVING CORPORATION



By: /s/ Philip Gelatt Date: 09/04/2007  
Philip M. Gelatt, President