

**Small Business Environmental Council Meeting**  
**May 10, 2011**  
**Sta-Care, Inc., Portage WI**

In personal attendance:

Renée Lesjak Bashel – State of Wisconsin Department of Commerce (“Renee”)  
Mark McDermid – State of Wisconsin Department of Natural Resources (“Mark”)  
Steven G. Aldridge – Sta-Care, Inc. (“SGA”)  
Travis J. Aldridge – Sta-Care, Inc. (“TJA”)  
Jerry Natzke – Marth Wood Products (“Jerry”)  
T. J. Morice – Marth Wood Products (“TJ”)  
Steve Johnson – Marth Wood Products (“Steve”)

Participated via phone:

Jeanne Whitish – Madison Golf & Second Season Recycling (“Jean”)  
Mike Simpson – Rhinehart, Boerner and Van Duren (“Mike”)  
Jerry Jones– Sheboygan (“Jerry J”)

The meeting began with Renee and SGA giving a brief overview of the Council’s history and purpose.

Renee gave a brief synopsis of the permitting process and also gave a brief explanation of the permit general steps. She review emission calculations and how the DNR uses that information. She explained that each Wisconsin county has level limits for ambient emissions and can only have so much. She also explained how one large business within a county can affect other businesses as relates to air permits.

TJ gave a brief overview about the Marth Permit process, and turned the table over to Steve.

Steve explained that Marth has three separate issues with the permit process. Their biggest problems have been in dealing with administrative rules that were made years ago and have remained unchanged. Marth feels that business / condition changes over time should also change the administrative rules.

Marth’s primary issue is the designation of baseline concentration being determined by county lines rather than from a plume emitted. They are located in Marathon County which is a baseline county. Marth is in a very rural area of the county and is miles away from any other pollutant sources. However, since they are in Marathon Country, they must operate in a smaller emit unit. Marth feels this is an overly conservative rule, and think this rule limits development in our state. This rule stops them from being competitive, and makes them limit their production. They feel there should be state-wide limits – not county limits. They feel a plume-based stated would be better. They also feel that national air standards should apply to the entire state, and not be determined by a county line. They feel businesses in Wisconsin need this change in order to be

able to move forward. They feel the regulatory standards should be reviewed to stop or remove these unnecessary standards.

Mike then asked Mark if the county line rule is determined by the Wisconsin DNR, or if it is a federal law.

Mark stated that he was not sure if the state controls this. He didn't think that the state could just arbitrarily change this – that it would require some review and approval by federal.

Steve stated that the County Line rule is the crux of their issue with this process, and they feel it is time to take up the issue and pursue a change.

Renee explained that other states do permitting in other ways, and that not all states are the same.

Mike asked who has jurisdiction over the rule, and said it may require EPA approval to change.

Renee explained that if this rule is specified in Wisconsin's plan with the EPA, it would require EPA input to change. If our plan is more generic, then perhaps the state could change it without involving the EPA.

Mark said that he must find out and see what needs to be done, and also find out if we can change dispersion modeling or not. The model requirements are in the state plan.

Jeanne inquired if Wisconsin could use other states' methods as a reason to change ours.

Mark said yes. Other states information could be used as a reason for us to change if it is relevant to Wisconsin's circumstances.

SGA inquired about how a change to the County Line rule might affect an area like Milwaukee, and whether that would be allowed to happen.

Steve reiterated that Marth feels that there should be an aggregate plume review, and that no matter where a business is located, the plume should be looked at. He said the rules haven't changed since 1988. There is now technology available to better determine if air quality is maintained, and that it should be used.

TJ stated that *current* information is not used. Over time businesses have changed – closed – slowed and now have less output. He feels that should be reviewed and considered.

Renee said that traditionally a “worst case” scenario is looked at.

Mike asked if other businesses in the county could “give back” emissions they weren't using in order to make room for Marth.

Steve said that is being done now, but that it won't work for Marth as there is no businesses close by. Plus it is not feasible as Marathon County is a baseline county. Wausau Papers established the current level back in 1987.

Mike asked if a DNR air staff attorney could help provide an answer. He said it sounds as though these are legal issues. Mark said that he will check with the DNR staff. He's now working on getting all of Marth's questions and issues so that he can ask about them.

Steve said that their Permit Engineer Mike Ross was helpful, but was limited by the rules. Marth now doesn't have the capability to grow their business where they are located. Should they go to a different county? Or, should they move to a different state?

Jerry remarked that if they were located a mere nine miles from where they are now, there would be no issue. This seems wrong to them. Their hands are tied due to their location. They cannot compete with other Wisconsin businesses even though they are located in the same state – just because of those nine miles. Marth feels that the administrative rules fault businesses unfairly.

SGA remarked that if he used flammable contact cement in his business that he could not run his business in Milwaukee. He also said that there are countertop makers in Milwaukee who cannot increase their business due to this. However, even considering that, he can see why the DNR doesn't want to make a precedent of "giving favors" to one business.

Mark asked Steve if he knew what their actual emission level is.

Steve said he would have to look it up to make sure he gave a correct answer.

Steve then talked about their second issue which is how to identify what particulate matter needs to be controlled.

He said that two different methods are used, but that they are not in harmony. A third way to calculate emissions is also done, and they must use the most stringent method to demonstrate compliance. Marth feels that one method should be sufficient, and said that you can buy software to do modeling. Marth meets the increment with air modeling, but another calculation indicated that they would exceed the increment. He feels the state needs to decide what to control and find one process to use. Steve also pointed out that the basis for some of the calculation methods is unknown and the methods may no longer be relevant. They felt that the modeling provided an up to date and easily accessible method for the calculations.

Steve then talked about their third issue. This pertains to doing stack testing for particulate matter. He said they were required to use EPA methods 5 and 202. By including water vapor in their particulate matter counts, they are being penalized for background concentrations. Water vapor and other background concentrations in the back-half condensables, overstates regulated particulate concentrations. He said this is another level of conservancy built in, and it is not needed to maintain the air quality standard.

Steve said that the administrative rules need to be reviewed, and they should be changed so as to not bury businesses by being unnecessarily conservative. He remarked that, legally, workers can be exposed to 10,000 times more particulate matter inside their work place than can be emitted into the air.

Steve stressed that we need to apply what is “reasonable and proper”. He said that these are basically the three issues from Marth –

1. Baseline county designation
2. Use of three methods to determine particulate matter emissions.
3. Stack Test method for particulate matter should not consider back one-half condensers.

Mike asked if Wisconsin changes one particular rule, would it change our total compliance with the EPA.

Mark said that the DNR is actively involved in looking at possible changes they can make and still remain compliant. He said you cannot change one rule without changing the overall picture. The DNR knows that it needs to look closely for needed modifications.

Mark said he would like to add others into this conversation that would be better qualified to address these issues. Mark does not know at this point what the option might be for Marth.

Steve said they have met with various compliance people and they have been told that there have been instances where permit levels were allowed to exceed increment limits. However, they were also told this would be a very tedious and time consuming process to make this happen.

Steve stressed that they are not looking for an advantage solely for Marth. They feel strongly that this should be changed to benefit all businesses. They feel this change couldn't hurt the state.

Mark said that the ball is now in his court. He attended today so he could provide clearer ideas of the issues that may arise with the proposed change. He also needs to find out how to pursue the change, if it is decided to be done. He also needs to learn what the impact would be.

Mark said they look within the existing authority whenever they can to do things differently. It must be decided what are the available options, and what are the potential options.

Mark also said he will get access to policy expertise not available in earlier talks. He will find someone versed in code development and code interpretation.

Renee agreed with Mark's assessment of what needs to be done next.

TJ asked that if the council feels Marth's request has merit, will it give Marth something to take to their permitting officials.

Mark stated that he will get the necessary resources engaged to lay out options that

1. directly address Marth's issues, and
2. how to take what Marth has learned and go on to help others.

Mark will send a summary of timelines and next steps. He asked Marth what time lines would be important to them.

Jerry said that their projected orders look very good. They will soon hit limits and will not be able to sell more. They need changes within the next year – before next heat season. The sooner they can get this change, the better it will be for them.

SGA remarked that Marth has achieved an awareness of a problem and should get help moving forward with information much quicker, and also of what the road blocks, if any, will be.

Mark asked about the size of Marth's facilities, and how many employees there are.

TJ said they have approximately 75 employees and several facilities. The particular facility being impacted has 35 employees, but its operations affect all their facilities.

Mark asked what would be needed to get to the production levels they need right now.

Steve said this involves six different processes. He needs to review data in order to answer this question properly.

Mark said he would really like this information to determine if perhaps the information could show an easy solution.

[Follow up: At full capacity, Marth would need  $70 \mu\text{g}/\text{m}^3$  air increment; current limits have them capped at  $29 \mu\text{g}/\text{m}^3$ .]

Mark stated that, in the sense of full disclosure, he wanted to clarify that he is not an air permit engineer. He asked that the Marth people not think that he is a DNR expert, but to be confident that he is a good messenger to take their issues back to the correct people and try to get help for them.

Steve said that they have found all of the DNR people they've met with to date to be very helpful. However, these people don't make the rules; they are charged with carrying them out.

TJA asked if the country's push towards renewable energy might help Marth. Marth is in renewable energy (fuel) business, but current rules are preventing their growth. He wondered if there should be a change for such businesses to be able to move forward.

Mark stated there is not much differentiation for particular businesses.

TJ thanked everyone and said that they appreciated being given the time to discuss their issues.

Mike said he appreciated Marth's efforts to take the time to explain their issues to the DNR and the council and others.

TJ said that Marth feels this will help Marth and the state long-term by making these changes.

Meeting concluded.

Respectfully submitted:

Christine Reents  
Executive Assistant  
Sta-Care, Inc.

With edits by:  
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Dept of Commerce