



State of Ohio Environmental Protection Agency

Southwest District Office

401 East Fifth Street
Dayton, Ohio 45402-2911

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Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

November 4, 2008

Mr. Daniel Maheu
Smart Papers Holdings LLC
601 North B Street
Hamilton, Ohio 45013

Re: Butler County, Smart Papers Holdings LLC, Compliance Evaluation Inspection

Dear Mr. Maheu:

On October 21, 2008, I conducted a Compliance Evaluation Inspection at the Smart Papers Holdings LLC (NPDES Permit No. OH0010065; OEPA Permit No. 11A00009*ED). The inspection was also conducted as part of the NPDES Permit renewal. Representing this facility was Phil Spotts. A copy of my inspection report is enclosed.

The inspection report contains one unsatisfactory area. The Effluent / Receiving Waters section was rated unsatisfactory as a result of the NPDES Permit violations.

The areas noted in the report summary will require a written response by November 28, 2008. The response should include a description of the proposed actions and the dates for completion of these actions.

If you have any questions, please call me at (937) 285-6096.

Sincerely,

~~Ned Sarte~~

Division of Surface Water
Permits Section

Enclosure

cc: Phil Spotts, Smart Papers Holdings LLC







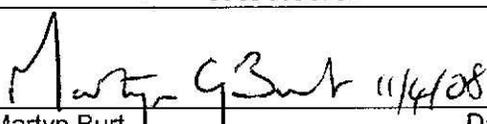
State of Ohio Environmental Protection Agency
Southwest District Office

NPDES Compliance Inspection Report

Section A: National Data System Coding					
Permit #	NPDES#	Month/Day/Year	Inspection Type	Inspector	Facility Type
11A00009*ED	OH0010065	10/21/2008	C	S	2

Section B: Facility Data		
Name and Location of Facility Inspected	Entry Time	Permit Effective Date
Smart Papers Holdings LLC 601 North B Street Hamilton, Ohio 45013	10:00 A.M.	1/1/2004
	Exit Time	Permit Expiration Date
	11:30 A.M.	12/31/2008
Name(s) and Title(s) of On-Site Representatives	Phone Number(s)	
Phil Spotts, Environmental Manager	(513) 869-5102	
Name, Address and Title of Responsible Official	Phone Number	
Daniel Maheu, President and COO 601 North B Street Hamilton, Ohio 45013	(513) 869-4202	

Section C: Areas Evaluated During Inspection					
(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)					
S	Permit	S	Flow Measurement	N	Pretreatment
S	Records/Reports	S	Laboratory	S	Compliance Schedule
S	Operations & Maintenance	U	Effluent/Receiving Waters	S	Self-Monitoring Program
S	Facility Site Review	N	Sludge Storage/Disposal	N	Other
S	Collection System				

Section D: Summary of Findings (Attach additional sheets if necessary)	
See Attached Summary of Findings / Comments.	
Inspector	Reviewer
	
11/4/08	11/4/08
Date	Date
Ned Sarle Permit Section Division of Surface Water Southwest District Office	Martyn Burt Compliance & Enforcement Supervisor Division of Surface Water Southwest District Office

Permit #: 11A00009*ED
NPDES #: OH0010065

Summary of Findings / Comments

Areas Requiring a Response

A review of the Monthly Operating Reports for January 2004 through September 2008 indicated numerous NPDES Permit violations. These violations are listed on Attachment I. The noted violations have been reported as required by the NPDES Permit as detailed in Part III.12 titled "Noncompliance Notification". Smart Papers Holdings LLC (Smart Papers) must take action to address these temperature violations. Please indicate what actions Smart Papers may be able to take to address these violations. Future violations must continue to be reported as required by the permit.

Ohio EPA is required to evaluate Smart Papers cooling water intake structure (CWIS) for compliance with Section 316(b) of the Clean Water Act. To assist in this review, please provide the following information:

1. The design intake flow of the CWIS.
2. The percentage of intake flow used for cooling purposes.
3. If applicable, an estimate of the intake flow reduction at the facility based upon the use of a 100 percent (or some lesser percentage) closed-cycle re-circulating cooling water system compared to a conventional once-through cooling water system.
4. The through screen design intake flow velocity.
5. Any impingement and entrainment data based on the operation of the facility's CWIS.
6. A detailed description of any changes in the operation of the CWIS, or changes in the type of technologies used at the CWIS such as screens or other technologies affecting the rates of impingement and/or entrainment of fish and shellfish.
7. An estimate of the number of days of the year during which the cooling water system is in operation and identification of any seasonal changes in operation, including when these changes occur.
8. A description of all screens installed at the intake, including the size of the screen openings.
9. A description of all technologies and operational measures used to reduce impingement and entrainment.

Permit #: 11A00009*ED
NPDES #: OH0010065

10.A description of the operation of the intake structure, including daily hours of operation, the number of days during the year in operation, and any seasonal changes in operation.

Smart Papers is required to provide this information as soon as possible. This information will be used prior to renewing this NPDES Permit.

Areas Not Requiring a Response

All sanitary wastewater is discharged to the City of Hamilton's sanitary sewer. All process wastewater is discharged to Smart Papers pretreatment system. This treatment system then discharges to the Hamilton WWTP. Process flows are averaging between 4.5 to 5.0 MGD. A bypass was reported from the sewer that discharges to the pretreatment system. This bypass occurred on May 12 and 13, 2004. Smart Papers has adequately addressed this event.

Smart Papers has three paper machines which produces 85,000 tons of paper a year. The paper machines are run 24 hours a day for seven days a week. Smart Papers also has a recycling program to reuse water as much as possible.

Smart Papers uses water from the Great Miami River for once through noncontact cooling water. This cooling water is used for two of the power plant condenser turbines. A review of the MORs for January 2004 through September 2008 indicates the average daily flow was 13.81 MGD and the peak daily flow rate was 25.96 MGD.

Smart Papers has a General Industrial Storm Water NPDES Permit. Smart Papers appears to be complying with the permit requirements.

On March 13, 2008, a Permit to Install was issued for a new cooling water tower with the blow down being discharged to the sanitary sewer. The cooling tower is designed for a hydraulic flow rate of 5.22 MGD and the blow down will be 0.43 MGD. This cooling system will be for two new turbines. This cooling system is not for the two existing condenser turbines and will not eliminate or reduce the noted temperature violations.

Attachment I
 Smart Papers Holdings LLC
 Effluent Limit Violations for January 2004 through September 2008

Reporting Period	Station	Parameter	Limit Type	Units	Permit Limit	Reported Value
June 2005	002	Temperature	Daily	Celsius	37	37.4
June 2005	002	Temperature	Daily	Celsius	37	38.4
June 2005	002	Temperature	Daily	Celsius	37	37.9
June 2005	002	Temperature	Daily	Celsius	37	37.1
July 2005	002	Temperature	Daily	Celsius	37	37.9
July 2005	002	Temperature	Daily	Celsius	37	38.1
July 2005	002	Temperature	Daily	Celsius	37	38.4
July 2005	002	Temperature	Daily	Celsius	37	39.3
July 2005	002	Temperature	Daily	Celsius	37	40
July 2005	002	Temperature	Daily	Celsius	37	39.6
July 2005	002	Temperature	Daily	Celsius	37	40.3
July 2005	002	Temperature	Daily	Celsius	37	40.8
July 2005	002	Temperature	Daily	Celsius	37	39.6
July 2005	002	Temperature	Daily	Celsius	37	37.5
July 2005	002	Temperature	Daily	Celsius	37	37.2
July 2005	002	Temperature	Daily	Celsius	37	37.3
July 2005	002	Temperature	Daily	Celsius	37	37.8
August 2005	002	Temperature	Daily	Celsius	37	39.2
August 2005	002	Temperature	Daily	Celsius	37	39.7
August 2005	002	Temperature	Daily	Celsius	37	40.2
August 2005	002	Temperature	Daily	Celsius	37	40.2
August 2005	002	Temperature	Daily	Celsius	37	40.2
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August 2005	002	Temperature	Daily	Celsius	37	37.7
August 2005	002	Temperature	Daily	Celsius	37	37.6
September 2005	002	Temperature	Daily	Celsius	37	37.2
September 2005	002	Temperature	Daily	Celsius	37	38.6
September 2005	002	Temperature	Daily	Celsius	37	39.5
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August 2007	002	Temperature	Daily	Celsius	37	37.8
August 2007	002	Temperature	Daily	Celsius	37	37.9
August 2008	002	Temperature	Daily	Celsius	37	52.7
September 2008	002	Temperature	Daily	Celsius	37	37.4
September 2008	002	Temperature	Daily	Celsius	37	38.2
September 2008	002	Temperature	Daily	Celsius	37	37.2