

From: Matsumura, April Mido
Sent: Thursday, July 13, 2006 10:30 AM
To: 'donbryan@thetimberexchange.com'; 'john_lague@urscorp.com'
Subject: Air permit application for Tradewinds LLC

Hi Don & John:

It was nice meeting you on June 27 to discuss your proposed veneer mill and cogen plant.

Yesterday I was informed that Governor Lingle had vetoed House Bill 2878 which would have authorized \$25 million in revenue bonds for your project, and I was wondering whether this has affected your plans for the air permit.

Since our office has not yet cashed your \$4,000 check for the application fee, I was wondering whether you would like us to hold off cashing the check or whether you want us to go ahead and proceed with processing your air permit application.

Regards,
April

April Matsumura
Environmental Engineer
Hawaii Clean Air Branch
Phone: 808 586-4200
Fax: 808 586-4359
Email: april.matsumura@doh.hawaii.gov

From: Don Bryan (donbryan@thetimberexchange.com)
Sent: Thursday, July 13, 2006 10:38 AM
To: Matsumura, April Mido
Cc: John Lague; Karen Beattie
Subject: RE: Air permit application for Tradewinds LLC

April,

The Governor's veto was a disappointment but in no way affects our plans. The SPRB was only one of numerous financial tools available to us. Please cash the check and proceed. We're anxious to hear your comments so we can take appropriate steps to securing our air permit and beginning construction.

John,

Don Bryan
President and CEO
Tradewinds Forest Products

From: Matsumura, April Mido
Sent: Thursday, July 13, 2006 2:52 PM
To: 'Don Bryan'
Cc: 'john_lague@urscorp.com'
Subject: RE: Air permit application for Tradewinds LLC

on,

ok, I will continue to process your application. I am almost done reviewing your application for completeness and acceptance by the Department of Health. In discussions with the Department's Wastewater Branch, it was mentioned that you should inquire with the Wastewater Branch for domestic and processed water issues, as well as the Clean Water Branch for storm water and grading issues.

By the way, I recently learned that Hawaii County still has not received any plans or notification of your project. Communication with the county should be done as soon as possible to determine whether an environmental assessment or any special use permits are required.

Also, I just want to comment on the project schedule in your application which shows receipt of an air permit by the end of August. Receipt of an approved permit by the end of August is not realistic. I am currently working on other applications received before the Tradewinds application, and during processing of the Tradewinds application, there are requirements for a 30 day public comment period, a public hearing, and an EPA 45-day review period.

Regards,
April

April Matsumura
Environmental Engineer
Hawaii Clean Air Branch
Phone: 808 586-4200
Fax: 808 586-4359
mail: april.matsumura@doh.hawaii.gov

Mailed Out JUL 18 2006

July 18, 2006

06-629E CAB
File No. 0625-01

Mr. Don Bryan
President
Tradewinds Forest Products, LLC
Century House
2574 Northwest Thurman Street
Portland, Oregon 97210-2524

Dear Mr. Bryan:

Subject: Application for an Initial Covered Source Permit

The Department of Health acknowledges receipt of the subject application on June 1, 2006, for the following facility:

**O'okala Veneer Mill and Cogeneration Plant
Veneer Dryer and Two Boilers
Located at: O'okala along the Hamakua Coast, Island of Hawaii**

The Department has completed the initial review of your covered source permit application and has determined it to be incomplete. Please submit the following information:

1. Compliance Certification (Form C-2, enclosed).
2. Responsible official's signature on the following forms:

Standard Air Pollution Control Permit Application Form (Form S-1)
Compliance Plan (Form C-1)

3. Equipment specifications and manufacturer's literature on the veneer dryer and two boilers, in accordance with Paragraph I.A of the Initial Covered Source Permit Application Form (Form S-2, enclosed). Since Table 3-5 of your application indicates that emission factors were based on vendor guarantees, manufacturer's literature is required to verify these emission factors as well as to verify stack parameters used in the modeling analysis.
4. Best Available Control Technology (BACT) analysis pursuant to Hawaii Administrative Rules, §11-60.1-81 for covered sources with potential emissions above significant levels.

Mr. Don Bryan
July 18, 2006
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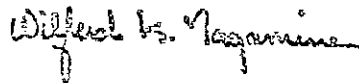
5. Hazardous Air Pollutant (HAP) emission calculations from wood firing of boilers based on EPA AP-42 emission factors, unless the NCASI factors used in your application provide a more conservative analysis. Use of the most conservative HAP emission factors is important because total potential HAP emissions of 21 tons per year (shown in Table 3-9 of your application) are close to the major source level of 25 tons per year.

Once this information is received, your application will be deemed complete and processing will continue. This application has been assigned No. 0625-01. Please reference this number in future correspondence. A receipt for the application filing fee of \$4,000.00 is enclosed.

You are also advised to contact the Department's Wastewater Branch for domestic and processed water issues, the Clean Water Branch for storm water and grading issues, and to notify Hawaii County Planning Department of your project so it may determine whether an environmental assessment or any special use permits are required.

If you have any questions, please call Ms. April Matsumura of my staff at (808) 586-4200.

Sincerely,



WILFRED K. NAGAMINE
Manager, Clean Air Branch

AM:lk

Enclosures: Instructions for Applying for an Air Pollution Control Permit
Compliance Certification (Form C-2)
Initial Covered Source Permit Application (Form S-2)
Receipt for application fee

c: Wastewater Branch, (808) 586-4294
Clean Water Branch, (808) 586-4309
Hawaii County Planning Department, (808) 961-8288
Environmental Planning Office
Ed Yamamoto, EHS - Hilo

Matsumura, April Mido

From: janabryan@thetimberexchange.com
Sent: Tuesday, August 01, 2006 3:45 PM
To: Matsumura, April Mido
Importance: High

Dear Ms. Matsumura,

We are in receipt of the Department's comments on our application. We are in the process of reviewing the comments and will provide additional information shortly.

In order to give you some background, Tradewinds has met with personnel in both the Wastewater and Clean Water Branches. Our latest meetings were in January of this year. We received help from both branches and have a pretty clear understanding of what will be required for our project. In addition, we have had extensive meetings with planners in Hawaii County as well as Mayor Kim. They know of our project and have given us information as to what permits will be required.

We are currently working on final design documents that will be submitted as part of our NPDES permit applications for both construction and operation. As part of the applications we will need to address management of stormwater and process water as well as wastewater and materials on site.

We appreciate your guidance regarding which branches of government to check with. This is a project that requires a great deal of coordination and we welcome input from everyone so that we can make this a success.

In the final note, we carefully reviewed this project with planners at the Office of Environmental Quality Control and all are in agreement that this project does not trigger any of the nine requirements for an EA or EIS. We also have letters from the Department of Health agreeing that this project

2/2006

Does not require an EA or EIS.

Again, we deeply appreciate your input and assistance-as you know, there are lots of regulations and we may not be aware of all of them. This is an important project to us and we are anxious to work with you to move forward.

Mahalo, Don Bryan
President/CEO
Tradewinds Forest Products LLC

8/2/2006