UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

August 16, 2006

Amy Vasquez
Environmental Manager
Pimalco, Gila River Operations
6833 West Willis Road
Box 5050
Chandler, AZ 85226

Re: Proposed Title V Operating Permit Renewal for Pimalco (GR-ROP 04-02)

Dear Ms. Vasquez:

EPA has completed its review of the application for a title V permit renewal submitted by Pimalco for its Gila River operations. Pimalco filed a timely application for a title V renewal on October 18, 2004, received by EPA on October 21, 2004. EPA deemed this application complete on December 21, 2004. A supplement to this application was received by EPA on July 7, 2006 to correct errors in the calculations for potential emissions of hazardous air pollutants ("HAP"). We have enclosed the draft permit renewal as well as the accompanying Statement of Basis prepared pursuant to 40 C.F.R. Part 71. Copies of these documents will also be available on EPA's website at http://www.epa.gov/Region9/air/permit/r9-permits-issued.html.

At the time of initial permit issuance, this source was not subject to any substantive requirements that control emissions under the Clean Air Act (CAA). As such, the title V permit issued to Pimalco on April 25, 2000 only contained Title V administrative requirements. As you are aware, Pimalco is now subject to the area source requirements of 40 CFR Part 63, subpart RRR. The applicable requirements from this standard have now been incorporated into this draft title V renewal permit, along with emission limits, operational limits, and periodic monitoring to ensure that Pimalco remains an area source for MACT applicability purposes. EPA is also proposing to add general permit requirements that apply to all Part 71 sources subject to substantive CAA regulations.

We would also like to call your attention to a condition in the draft permit renewal (Condition IV.A) that differs from the corresponding condition in the initial permit (Condition III.A). We are changing the due date for annual fee payment to April 1. The initial permit required payments to be submitted by September 1. However, since Pimalco's application for its initial Title V permit was submitted to EPA Region 9 on January 6 (1998), Part 71 requires subsequent fee payments to be submitted by April 1 (40 C.F.R. 71.9(h)(1)). Fees for 2005 will be due September 1, 2006; fees due thereafter shall be submitted by April 1 (i.e fees for 2006 will be due April 1, 2007; fees for 2007 will be due April 1, 2008).

A public notice (enclosed) in the Gila River Indian News and the Arizona Republic will announce EPA's proposal to renew the permit on August 18, 2006. Comments on this proposed action

may be submitted to the EPA Region 9 office in San Francisco, CA for a period of thirty (30) days from the start of the public comment period. Should there be a significant degree of public comment with respect to the proposed action, the EPA may hold a public hearing.

If you should have any questions, please contact Kathleen Stewart at (415) 947-4119 or stewart.kathleen@epa.gov.

Sincerely,

Gerardo C. Rios
Chief, Permits Office
Air Division

Enclosures

cc: Scott Archer, *Bureau of Land Management, National Science and Technology Center* (w/o enclosures)
Trevor Baggiore, *Arizona Department of Environmental Quality* (w/o enclosures)
Daniel C. Blair, *Gila River Indian Community, Department of Environmental Quality* (w/o enclosures)
Steve Brittle, *Don't Waste Arizona* (w/o enclosures)
John Bunyak, *USDI-National Park Service, Air Resources Division* (w/o enclosures)
Bill Civish, *Bureau of Land Management, Gila District* (w/o enclosures)
William Dowdle, *Arizona Natural Resources Division, Arizona State Land Department* (w/o enclosures)
Mariano Gonzalez, Jr., *Gila County Div of Emergency Management* (w/o enclosures)
Kathlene Graf, *Maricopa County Air Quality Department* (w/o enclosures)
Gaye Knight, *City of Phoenix Environmental* (w/o enclosures)
Pete Lahm, *USDA Forest Service, Arizona National Forests Air Resource Program* (w/o enclosures)
Mary Price, *City of Phoenix Fire Operations, Special Hazards Program* (w/o enclosures)
William Rhodes, *Gila River Indian Community, Governor* (w/o enclosures)
Sandra Silva, *US Fish and Wildlife Service, National Air Quality Program* (w/o enclosures)
Don Stapley, *Maricopa County, Supervisor* (w/o enclosures)
Gordon Taylor, *Arizona State Land Department, Planning Se*ction (w/o enclosures)
Louis Trammell, *Arizona Division of Emergency Managem*ent (w/o enclosures)
Elaine Zielinski, *Bureau of Land Management, Arizona State Office* (w/o enclosures)