APPENDIX B

SUPPLEMENTAL ENVIRONMENTAL PROJECT DESCRIPTION

The Supplemental Environmental Project ("SEP") is an effort to reduce pollutants by applying a treatment system designed to separate additional solids from the regulated process wastewater generated by the Facility, and to significantly reduce the volume of regulated wastewater that would otherwise be discharged to the POTW. During limited periods of maintenance or unplanned shutdowns of this treatment system, the Facility may need to discharge wastewater to the POTW without the additional treatment it provides, and shall comply with an applicable ADEM permit for such discharges.

The completed SEP shall sustain pollutant reductions through a three-step process: pre-cleaning, evaporation, and steam generation. In the pre-cleaning step, additional large solids in the process wastewater will be separated using both a screen and a decanter centrifuge. These solids will be incinerated in a pre-existing furnace ("K-4 Wood Process Heater Unit") generating heat for the Facility's production process. The SEP shall not increase air emissions above the Facility's applicable ADEM air permit. The decanted wastewater will be filtered once again before entering a falling film evaporator and vapor compressor system, where it will be partially evaporated into a concentrate containing 10-20% solids. This concentrate will also be incinerated in the K-4 Wood Process Heater Unit. The evaporator-compressor system will output a volume of water that will supply a new steam boiler. The steam produced by this boiler will be added to the steam generated for the Facility's production process, conserving an equivalent volume of potable water that is presently consumed.

Implementation Schedule

Implementation of the SEP requires design, construction, installation, start-up testing, and then steady-state operation of the treatment system. Kronospan shall proceed with the following implementation schedule, achieving a full steady-state operation of the treatment system within seven-hundred ninety (790) Days of the Effective Date of this Consent Decree:

1. An order for the treatment system shall be placed with a vendor within sixty (60) Days of the Effective Date of this Consent Decree.
2. Site-specific design engineering shall be completed within one hundred forty (140) Days of placing the order with the vendor.
3. Preparation of the construction site shall be completed within one-hundred twenty (120) Days of completing the site-specific design engineering work.
4. Installation of the treatment system shall be completed within one hundred sixty (160) Days of its delivery by the vendor; delivery is expected within two hundred fifty (250) Days of completing the construction site preparation work.
5. Start-up testing shall be completed, and steady-state operation shall be achieved, within sixty (60) Days of installing the treatment system.