BEFORE THE

OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Ellwood Engineered Castings Co. 7158 Hubbard Masury Road Hubbard, Ohio 44425	: : :	Director's Final Findings and Orders

I certify this to be a true and accurate copy of the official documents as filed in the records of the Ohio Environmental Protection Agency.

By: Amy Lassiter Date: 11-15-10

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Ellwood Engineered Castings Co. ("Respondent") pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under Ohio Revised Code ("ORC") §§ 3704.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or of the facility (as hereinafter identified) shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3704 and the regulations promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA makes the following findings:

1. Respondent's facility is a grey iron foundry located at 7158 Hubbard Masury Road in Hubbard, Trumbull County, Ohio. At this facility, Respondent owns and operates, among other equipment, a melt shop with three electric induction furnaces for its foundry business which also has other operations such as pouring/cooling/shakeout, sand handling, mold making and mold finishing. These induction furnaces are identified by Ohio EPA as emissions units ("EUs") P012 (electric induction furnace #1), P013 (electric induction furnace #2), and P014 (electric induction furnace #3). In addition, Respondent

operates a natural gas-fired scrap preheater, which is identified as EU F008, which was located outdoors.

2. The above-listed electric induction furnaces and the natural gas-fired scrap preheater are "air contaminant sources" as defined in Ohio Administrative Code ("OAC") Rules 3745-31-01(I) and 3745-15-01(C) and (X).

3. In addition to applicable laws and rules, a Title V Permit, issued by the Director of Ohio EPA on May 16, 2001, governs Respondent's operations at the foundry facility. The Title V Permit establishes emission limitations, and monitoring, record-keeping and reporting requirements for all EUs at the above-referenced facility. Since Respondent filed a timely Title V renewal application prior to the expiration date of May 16, 2006 of the Title V permit, the requirements of the expired permit continue in effect until final action is taken by the Director on the renewal application, in accordance with OAC Rule 3475-77-08(E)(1).

4. On April 3, 2006, Respondent determined that its annual emissions of hazardous air pollutants ("HAPs") were below the applicability threshold of 40 CFR Part 63, Subpart EEEEE. On January 24, 2007, Ohio EPA questioned the emission factors used for this determination and requested Respondent to demonstrate that its actual emissions from pouring, cooling and shakeout operations are lower than the emission factors in the Casting Emissions Research Program ("CERP") report before submitting an application for a Federally Enforceable State Operating Permit ("FESOP") in order to establish federally enforceable restrictions that would keep HAP emissions below the Subpart EEEEE applicability threshold. Based on historical information from Respondent, Ohio EPA's position has been that the HAP emissions from the facility were above the applicability threshold of 4o CFR Part 63, Subpart EEEEE.

5. In 2006, Respondent stated that its maximum annual quantity of metal melting was 55,000 tons, and typical annual production is much lower. Respondent further stated that melt capacity at its facility is therefore limited to this amount by its foundry operations, which cannot accommodate any more metal than this amount for casting operations.

6. In March 2007, Respondent commissioned a study of its pouring, cooling and shakeout operations to demonstrate that its emissions were below the applicability threshold of Subpart EEEEE. The study, which was performed by Covenant Associates Inc., concluded that the maximum emission factor was 0.71 pound of HAPs per ton of molten metal poured. The study was completed on June 1, 2007.

7. Respondent submitted a FESOP application on June 18, 2007 requesting a limitation on iron melting of 84,000 tons per year at EUs P012, P013 and P014 to ensure that HAPs do not exceed the applicability threshold of 25 tons per year. This amount was based on the two-year maximum HAP emission factors determined by Covenant Associates and a maximum production capacity that would result in HAP emissions below 25 tons per year.

8. By application of the USEPA's "Once In Always In" policy, as set forth in Ohio EPA's Engineering Guide #68, Respondent's FESOP application was deemed untimely and was returned to Respondent unreviewed on August 3, 2007. Respondent, therefore had to meet the requirements of Subpart EEEEE. If the FESOP was timely filed and obtained, Respondent would have had two additional years to install the same controls per 40 CFR Part 63, Subpart ZZZZZ, which has a compliance deadline of January 2, 2011.

9. On August 31, 2007, Respondent was issued permit to install ("PTI") #02-22669 for the installation of EU F008. Section A.II.2 of this PTI requires Respondent to comply with the applicable restrictions required under 40 CFR Part 63, Subpart EEEEE (National Emission Standards for Hazardous Air Pollutants for Iron and Steel Foundries). Since furnaces shared the same control equipment (baghouse) with EU F008, the restrictions required under 40 CFR Part 63, Subpart EEEEE were also applicable to EUs P012 through P014. In addition, effective April 22, 2007, all iron foundries with "major source" status, as defined in OAC Rule 3745-77-01(W), were subject to the requirements of 40 CFR Part 63, Subpart EEEEE. Respondent's facility is a "major source"; therefore, it is subject to the requirements of 40 CFR Part 63, Subpart EEEEE.

10. Section 63.7690(a)(7) of 40 CFR Part 63, Subpart EEEEE requires Respondent to not discharge any fugitive emissions to the atmosphere from foundry operations that exhibit greater than 20 percent opacity, except for one 6-minute average per hour that does not exceed 27 percent opacity for EUs P012, P013, and P014.

11. During a meeting with Ohio EPA on February 17, 2009, Respondent revealed to Ohio EPA that since April 23, 2007, Respondent's facility has not complied with the fugitive emissions limitation specified in Section 63.7690(a)(7) of 40 CFR Part 63, Subpart EEEEE. Even though the actual opacity readings were not available due to these EUs operating at night, but based on the information provided by Respondent, Respondent was in violation of Section 63.7690(a)(7) of the 40 CFR Part 63, Subpart EEEEE from April 22, 2007 until December 12, 2009.

12. On February 25, 2009, Ohio EPA issued a notice of violation ("NOV") letter to Respondent for its violations of the fugitive emissions limitation specified in Section 63.7690(a)(7) of the 40 CFR Part 63, Subpart EEEEE. This NOV letter also requested Respondent to submit a compliance schedule within one week of receipt of the NOV letter to correct the violation.

13. In letters dated February 17 and March 4, 2009, Respondent submitted a compliance plan and schedule which proposed the replacement of the existing dust collector [50,000 dry standard cubic feet per minute ("dscfm")] serving EUs F008, P012, P013 and P014 with a new dust collector (350,000 dscfm) serving EUs P012, P013 and P014 and a new dust collector (60,000 dscfm) serving EU F008, and the installation of a canopy hood capture system with vent to the new larger dust collector, which will provide for total building evacuation. Respondent indicated that it would replace the existing dust collector with the new units between April 1 and August 8, 2009. Also, Respondent

proposed to install the new canopy hood capture system starting April 1, 2009 and ending by December 1, 2009. According to Respondent, these proposed projects, once completed, would enable its facility to fully comply with the fugitive emissions limitation specified in Section 63.7690(a)(7) of the 40 CFR Part 63, Subpart EEEEE.

14. In August and November 2009, Respondent completed the installation of the new canopy hood capture system and new baghouses for EUs F008, P012, P013 and P014. A subsequent opacity evaluation on December 12, 2009 confirmed that Respondent's facility was in compliance with the fugitive emissions limitation specified in Section 63.7690(a)(7) of the 40 CFR Part 63, Subpart EEEEE.

15. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their relation to benefits to the people of the State to be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Respondent shall maintain EUs F008, P012, P013 and P014 in compliance with the requirements of its Title V permit and 40 CFR Part 63, Subpart EEEEE.

2. Respondent shall pay the amount of twenty thousand dollars ($20,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC § 3704.06. Within thirty (30) days after the effective date of these Orders, payment to Ohio EPA shall be made by an official check made payable to "Treasurer, State of Ohio" for sixteen thousand dollars ($16,000) of the total amount. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent, to:

Ohio EPA
Office of Fiscal Administration
50 West Town Street, Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049

3. In lieu of paying the remaining four thousand dollars ($4,000) of civil penalty to Ohio EPA, Respondent shall fund a Supplemental Environmental Project ("SEP") by making a contribution in the amount of $4,000 to the Ohio EPA's Clean Diesel School Bus Program Fund (Fund 5CD0). Respondent shall make payment on or within thirty (30) days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for $4,000. The official check shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent and Fund 5CD0, to the above-stated address.

4. A copy of each of the above checks shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, at the following address:

Ohio EPA
Division of Air Pollution Control
50 West Town Street, Suite 700
P.O. Box 1049
Columbus, Ohio 43216-1049

5. Should Respondent fail to fund the SEP within the required timeframe in Order 3, Respondent shall immediately pay to Ohio EPA $4,000 of the civil penalty in accordance with the procedures in Order 2.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that Respondent has performed all obligations under these Orders and the Chief of Ohio EPA's Division of Air Pollution Control acknowledges, in writing, the termination of these Orders. If Ohio EPA does not agree that all obligations have been performed, then Ohio EPA will notify Respondent of the obligations that have not been performed, in which case Respondent shall have an opportunity to address any such deficiencies and seek termination as described above.

The certification shall contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be submitted by Respondent to Ohio EPA and shall be signed by a responsible official of Respondent. For purposes of these Orders, a "responsible official" is as defined in OAC Rule 3745-77-01(GG)(1) for a corporation or a duly authorized representative of Respondent as that term is defined in the above-referenced rule.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent's facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state, and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Ohio EPA, Northeast District Office
2110 East Aurora Road
Twinsburg, Ohio 44087-1924
Attention: Robert Goulish

and to:

Ohio Environmental Protection Agency
Lazarus Government Center
Division of Air Pollution Control
P.O. Box 1049
Columbus, Ohio 43216-1049
Attention: Thomas Kalman, Manager, Enforcement Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA and Respondent each reserve all rights, privileges and causes of action, except as specifically waived in Section XII of these Orders.

XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, and in lieu of further enforcement action by Ohio EPA for only the violations specifically cited in these Orders, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

ORDERED AND AGREED:

Ohio Environmental Protection Agency

Chris Korleski
Director

Date 11/8/10

AGREED:

Ellwood Engineered Castings Co.

BY: Daniel L. Rhoads
Signature

Date 10/20/10

Daniel L. Rhoads
Printed or Typed Name

President
Title