

**BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY**

In the Matter of:

Sifco Industries, Inc.
970 East 64th Street
Cleveland, Ohio 44103

Respondent

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**Director's Final
Findings and Orders**

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to Sifco Industries, Inc. (Respondent) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under Ohio Revised Code (ORC) §§ 3734.13 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 Respondent or of the Facilities 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 3734. and the rules promulgated thereunder.

ENTERED DIRECTOR'S JOURNAL

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OHIO E.P.A.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent is a "person" as defined in ORC §3734.01(G) and Ohio Administrative Code (OAC) rule 3745-50-10(A).
2. Respondent operates two facilities in Ohio. Respondent operates a forging facility where titanium, carbon steel, stainless steel and other alloys are manufactured into commercial and military aviation components, located at 970 East 64th Street, Cleveland, Ohio (Forging Division Facility). Respondent also manufactures chemicals for plating and conducts brush plating at its facility located at 5708 Schaaf Road, Cleveland, Ohio (Plating Division Facility).
3. Respondent notified Ohio EPA of its hazardous waste activities and was issued generator identification numbers OHD 097 627 384 for the Forging Division Facility and OHD 095 339 362 for the Plating Division Facility.
4. At the Forging and Plating Division Facilities, Respondent generates "hazardous waste" as that term is defined by ORC § 3734.01(J) and OAC rules 3745-50-10(A) and 3745-51-03. At the Forging and Plating Division Facilities, Respondent is a large quantity generator of hazardous waste. The hazardous waste generated by Respondent at the Forging Division Facility consists primarily of spent acid (D002, D006, D007, D008). Hazardous waste generated by Respondent at the Plating Division Facility includes spent silver solution (D011, F007), waste cyanide solution (D003, D011, F007), waste corrosive liquids (D002, D006, D007, D008, D011), and various other hazardous waste liquids and solids associated with the chemical production and plating processes.

Findings for Respondent's Forging Division Facility

5. On October 29, 1999, Ohio EPA conducted a compliance evaluation inspection at Respondent's Forging Division Facility. As a result of the inspection, Ohio EPA determined that Respondent had stored two containers of hazardous waste without a permit, in violation of ORC § 3734.02(E) and (F).
6. By letter dated November 23, 1999, Ohio EPA notified Respondent of the violation referenced in Finding No. 5 of these Orders. Also in this letter, Ohio EPA notified Respondent that Respondent had abated the violation referenced in Finding No. 5 of these Orders.

7. On March 16, 2004, Ohio EPA conducted a compliance evaluation inspection at Respondent's Forging Division Facility. As a result of this inspection, Ohio EPA determined that Respondent had, *inter alia*:
 - a. Established and operated a hazardous waste storage facility without a permit, in violation of ORC § 3734.02(E) and (F);
 - b. Failed to obtain and maintain a written assessment for a hazardous waste storage tank system, in violation of OAC rules 3745-55-92/3745-66-92;
 - c. Failed to conduct and document daily inspections of the hazardous waste storage tank system, in violation of OAC rules 3745-55-95/3745-66-95;
 - d. Failed to conduct and document weekly inspections of the hazardous waste storage area, in violation of OAC rules 3745-55-74/3745-66-74;
 - e. Failed to mark a hazardous waste storage tank with the words, "Hazardous Waste," in violation of OAC rule 3745-52-34(A)(3);
 - f. Failed to conduct and document weekly inspections of emergency equipment, in violation of OAC rules 3745-54-33/3745-65-33;
 - g. Failed to maintain a copy of manifests for a period of three years from the date that hazardous waste was transported off-site, in violation of OAC rule 3745-52-40(A);
 - h. Failed to maintain land disposal restriction notifications for hazardous waste generated at the Forging Division Facility and offered for off-site transportation in the year 2002, in violation of OAC rule 3745-270-07(A);
 - i. Failed to maintain a contingency plan, in violation of OAC rules 3745-54-52/3745-65-52; and
 - j. Failed to develop, maintain, and implement a hazardous waste training program for employees that handle and/or manage hazardous wastes, in violation of OAC rules 3745-54-16/3745-65-16.
8. By letter dated March 31, 2004, Ohio EPA notified Respondent of the violations referenced in Finding Nos. 7.a. through 7.j. of these Orders.

9. In correspondence dated April 7, 12 and 13, and May 3, 2004, Respondent provided responses to Ohio EPA's March 31, 2004 letter.
10. By letter dated May 17, 2004, Ohio EPA notified Respondent that Respondent had abated the violations referenced in Finding Nos. 7.c. through 7.g. of these Orders.
11. In correspondence dated June 11 and 24, and August 19, 2004, Respondent provided responses to Ohio EPA's May 17, 2004 letter.
12. By letter dated September 29, 2004, Ohio EPA notified Respondent that Respondent had abated the violation referenced in Finding No. 7.h. of these Orders.
13. In correspondence dated December 3 and 15, 2004, Respondent provided responses to Ohio EPA's September 29, 2004 letter. In the December 3, 2004 correspondence, Respondent informed Ohio EPA that the storage tank system, referenced in Finding No. 7.b of these Orders, is no longer used to accumulate and store hazardous waste. Further, Respondent informed Ohio EPA that the storage tank system would be used as a product material emergency containment system only.
14. By letter dated February 7, 2005, Ohio EPA notified Respondent that Respondent had abated the violation referenced in Finding No. 7.i. of these Orders.
15. Because the product material emergency containment system, referenced in Finding No. 13 of these Orders, was used to accumulate and store hazardous waste, the product material emergency containment system remains subject to the generator closure requirements, referenced in OAC rules 3745-52-34, 3745-66-11(A) and (B), OAC rule 3745-66-14, and OAC rules 3745-66-97(A) and (B).
16. Because the unpermitted storage of hazardous waste consisted of one partially full container located inside a building with no visible evidence of releases, the Director has determined that no additional action is required of Respondent regarding the ORC § 3734.02(E) and (F) violation referenced in Finding No. 7.a. of these Orders.

Findings for Respondent's Plating Division Facility

17. On August 5 and 10, 2004, Ohio EPA conducted a compliance evaluation inspection at Respondent's Plating Division Facility. As a result of this inspection, Ohio EPA determined that Respondent had, *inter alia*:

- a. Failed to evaluate waste generated at the Plating Division Facility to determine if that waste was a hazardous waste, in violation of OAC rule 3745-52-11;
 - b. Failed to provide annual hazardous waste training to employees at the Plating Division Facility who handled and/or managed hazardous waste during the year 2002, and failed to provide a written description of initial and annual training provided to employees who currently handle and/or manage hazardous waste, in violation of OAC rule 3745-65-16;
 - c. Failed to include the location and capabilities of all emergency equipment in the contingency plan, in violation of OAC rule 3745-65-52(E);
 - d. Failed to conduct and document weekly inspections of spill control equipment, in violation of OAC rule 3745-65-33;
 - e. Failed to mark a hazardous waste accumulation container with the words "Hazardous Waste," or other words describing the contents, in violation of OAC rule 3745-52-34(C)(1);
 - f. Failed to mark hazardous waste storage containers with the accumulation start date, and failed to ensure that hazardous waste containers are closed except when adding or removing waste, in violation of OAC rules 3745-52-34(A)(2) and 3745-66-73(A);
 - g. Failed to obtain and maintain written assessments for seven hazardous waste tank systems, in violation of OAC rule 3745-66-92;
 - h. Failed to conduct and document daily inspections of hazardous waste aboveground piping in areas where secondary containment is not provided for such piping, in violation of OAC rule 3745-66-93(F); and
 - i. Failed to identify all underlying hazardous constituents for hazardous waste generated at the Plating Division Facility and transported off-site, in violation of OAC rule 3745-270-09(A).
18. By letter dated August 19, 2004, Ohio EPA notified Respondent of the violations referenced in Finding Nos. 17.a. through 17.i. of these Orders.
 19. In correspondence dated September 16, 2004, Respondent submitted responses to Ohio EPA's August 19, 2004 letter.

20. By letter dated September 23, 2004, Ohio EPA notified Respondent that Respondent had abated the violations referenced in Finding Nos. 17.a. through 17.f., 17.h., and 17.i. of these Orders.
21. In correspondence dated October 19 and 26, 2004, Respondent provided responses to Ohio EPA's September 23, 2004 letter. In the October 19 and 26, 2004 correspondences, Respondent submitted certified tank assessments for six of the seven hazardous waste storage tanks referenced in Finding No. 17.g. of these Orders. In addition, Respondent informed Ohio EPA that the seventh hazardous waste storage tank, referenced in Finding No. 17.g. of these Orders, was no longer used for the accumulation and storage of hazardous waste and was closed in accordance with the generator closure requirements referenced in OAC rules 3745-52-34, 3745-66-11(A) and (B), OAC rule 3745-66-14, and OAC rules 3745-66-97(A) and (B).
22. By letter dated November 4, 2004, Ohio EPA notified Respondent that Respondent had abated the violation referenced in Finding No. 17.g. of these Orders.

V. ORDERS

Respondent shall achieve compliance with Chapter 3734. of the ORC and the regulations promulgated thereunder according to the following compliance schedule:

1. Within 30 days after the effective date of these Orders, Respondent shall submit to Ohio EPA, for review and approval, a written protocol describing the operation and management of the product material emergency containment system, referenced in Finding No. 13 of these Orders, that includes practices and procedures utilized by Respondent to ensure that the emergency containment system will not be used for the accumulation and storage of hazardous waste. Compliance with Order No. 1 of these Orders will abate the violation referenced in Finding No. 7.b. of these Orders.
2. Within 30 days after the effective date of these Orders, Respondent shall submit to Ohio EPA documentation demonstrating that a hazardous waste management training program has been developed and training has been provided to all employees at Respondent's Forging Division Facility, in compliance with OAC rules 3745-54-16/3745-65-16. Compliance with Order No. 2 of these Orders will abate the violations referenced in Finding No. 7.j. of these Orders.
3. Respondent shall pay Ohio EPA the amount of \$45,000.00 in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3734. In lieu of payment of \$25,000.00 of this amount,

Respondent shall implement a supplemental environmental project (SEP) by contributing \$25,000.00 to the Cleveland Municipal School District School Bus Retrofit & Anti-Idling Program (CMSD Program). Monies given to the CMSD Program will allow the Cleveland Municipal School District to upgrade the district's school buses with emissions control technology, and will be submitted pursuant to the following schedule:

- a. Within 90 days after the effective date of these Orders, Respondent shall pay to the CMSD Program the amount of \$6,250.00;
- b. Within 180 days after the effective date of these Orders, Respondent shall pay to the CMSD Program the amount of \$6,250.00;
- c. Within 270 days after the effective date of these Orders, Respondent shall pay to the CMSD Program the amount of \$6,250.00; and
- d. Within 360 days after the effective date of these Orders, Respondent shall pay to the CMSD Program the amount of \$6,250.00.

Respondent shall tender the official checks, each in the amount of \$6,250.00, to the Cleveland Municipal School District, Attention: Treasurer, Cleveland Municipal School District, 1380 East Sixth Street, 400 South, Cleveland, Ohio 44115, made payable to "Cleveland Municipal School District." Each check shall identify Revenue Account: 007.8588.1820, and shall be accompanied by a letter identifying the Respondent. A copy of these checks shall be submitted in accordance with Section X. of these Orders.

4. Should Respondent fail to fully comply with Order No. 3, Respondent shall pay to Ohio EPA the remaining unpaid balance due the CMSD Program which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for the remaining unpaid balance. The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, P.O. Box 1049, Columbus, Ohio 43216-1049, together with a letter identifying the Respondent. Payment shall be due no later than 30 days after the date Respondent last missed a scheduled payment, as that schedule appears in Order No. 3. A copy of this check shall be submitted in accordance with Section X. of these Orders.
5. In lieu of payment of the remaining \$20,000.00 of the civil penalty settlement, Respondent shall implement at the Plating Division Facility a SEP as follows:

- a. Within 90 days after the effective date of these Orders, Respondent shall install at the Plating Division Facility a wastewater evaporator system as described in Attachment A to these Orders, incorporated herein.
 - b. Within 30 days after the installation of the wastewater evaporator system, Respondent shall submit to Ohio EPA a report describing the installation of the wastewater evaporator system. The report shall include documentation of expenditures, e.g., paid invoices, relating to the purchase and installation of the wastewater evaporator system. The report shall be submitted in accordance with Section X of these Orders.
 - c. Within 180 days after completing the installation of the wastewater evaporator system, Respondent shall submit to Ohio EPA a report documenting reductions in the generation and disposal of wastes which are attributable to the operation of the wastewater evaporator system. The report shall be submitted in accordance with Section X of these Orders.
6. Should Respondent fail to implement and/or operate the SEP pursuant to the time frames established in Order No. 5 of these Orders, Respondent shall pay to Ohio EPA the \$20,000.00 balance of the civil penalty which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made within 30 days of the time frame, as those time frames appear in Order No. 5, which was missed by tendering a certified check for \$20,000.00 made payable to "Treasurer, State of Ohio" to Ohio EPA, Office of Fiscal Administration, P.O. Box 1049, Columbus, Ohio 43216-1049, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X of these Orders.

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 Ohio EPA's Division of Hazardous Waste Management 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 a corporate officer who is in charge of a principal business function of Respondent.

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 Facilities.

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 Environmental Protection Agency
Northeast District Office
Division of Hazardous Waste Management
2110 E. Aurora Road
Twinsburg, Ohio 44087
Attn: DHWM Manager

and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

Joseph P. Koncelik, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section

For deliveries to the building:

Joseph P. Koncelik, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
122 South Front Street
Columbus, Ohio 43215
Attn: Manager, Compliance Assurance Section

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

XI. RESERVATION OF RIGHTS

Ohio EPA reserves its right to exercise its lawful authority to require Respondent to perform corrective action at Respondent's Forging Division Facility, some time in the future, pursuant to ORC Chapter 3734. or any other applicable law. Respondent reserves its rights to raise any administrative, legal, or equitable claim or defense with respect to any final action of the Director regarding such corrective action. Ohio EPA and Respondent each reserve all other 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, Respondent consents to the issuance of these Orders and agree to comply with these Orders. Except for the right to seek corrective action at Respondent's Forging Division Facility by Respondent, which right Ohio EPA does not waive, compliance with these Orders shall be a full accord and satisfaction for Respondent's liabilities 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

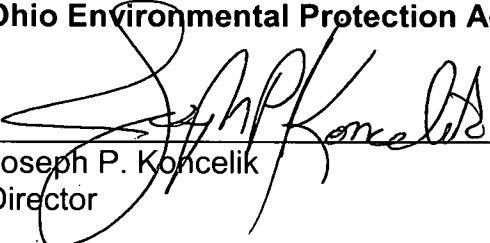
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

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.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

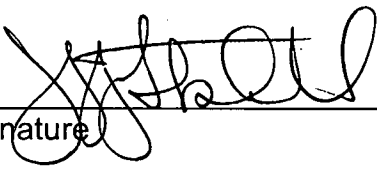


Joseph P. Koncelik
Director

March 7, 2005
Date

IT IS SO AGREED:

Sifco Industries, Inc.



Signature

February 18, 2005
Date

Jeffrey P. Gotschall
Printed or Typed Name

Chairman of the Board - CEO
Title

ATTACHMENT A

PSI

ENCON N6Y-48 EVAPORATOR SPECIFICATIONS

<u>PHYSICAL:</u>	Dimensions:	99.625" x 50.375" x 83" (L x W x H)
	Vent Stack Diameter:	6" OD, material must be rated up to 250F
	Blower Volume:	780 CFM, 1 HP, 1725 RPM
	Weight (Empty):	1525 lbs.
	Inlet Pipe Diameter:	Fluid - 1"
	Cleanout Diameter:	6" Flanged Cap with 1.5" NPT fitting
	Heat Exchanger:	Immersed Maze Chamber
	Tank Capacity:	350 gallons at high level
	Tank Bottom:	Sloped at 15% angle to 6" cleanout
	<u>UTILITIES:</u>	Burner:
Operating Gas Pressure to Burner:		5" Water Column, Natural or Liquid Propane Gas
Incoming Gas Line:		1.5" Connection to Gas Volume Meter with 5"-14" Water Column
Electric Requirements:		120 Volt, 20 Amp, (240/480 volt available), All Components are UL approved.
Gas Volume Meter:		Sized to Burner requirements
<u>FABRICATION:</u>	Tank:	6% Moly Super Stainless Alloy, 14 ga
	Heat Exchanger:	6% Moly, 0.187" Firing Chamber, 11 ga body
	Mist Eliminator Pad:	316L Stainless
	Skins and Lid:	304 Stainless Steel
	Insulation:	All 6 sides, rated to 450F, R = 4.3
<u>CONTROLS:</u>	Burner Controller:	Honeywell with Spark Ignition, loss of airflow shutdown, timed flame proving, redundant start contactor
	Temperature Controls:	<ul style="list-style-type: none"> ➤ Four (4) channel analog card ➤ 2 Type J Thermocouples <ul style="list-style-type: none"> 1) fluid concentration 2) air intake/redundant low level shut-off
	Control Inputs:	<ul style="list-style-type: none"> ➤ 4 Frequency shift level probes ➤ Mist Pad Differential Pressure Transducer
	Industrial Modem:	Internally powered for direct connection by PSI Service Engineers over <u>non-dedicated</u> phone line.

ENCON N6Y-48 EVAPORATOR SPECIFICATIONS

CONTROLS:
 (continued)

Front Panel:

- * Selector Switches (2) - Main Power and Manual Fill
- * Warning Lamp for Following 5 Conditions - High Temp, High Level, Low Level, Mist Pad Pressure, Level Probe Malfunction (Actual Error Message is displayed on LCD Panel)
- * Operator Interface LCD Display Panel with scrolling text messages for normal and alarm conditions.
- * Scrolling Display for normal Conditions of air temperature, water temperature, mist pad pressure.
- * Indicators(3) For: Main Power, Burner(s), Alarms
- * Manual Reset(1) - High Temperature, High Pressure, High Level, Level Probe Malfunction
- * Liquid Tight Enclosure(1) - meets NEMA 4, 12 and 13 standards
- * Keypad for Setpoint Display and Modification

QUALITY:

Pressure Test:	On heat exchanger
Leak Test:	Dye penetrant test on welded tank
I/O Simulation:	To insure accuracy of controls
Combustion Gas Analysis:	Test for excess Oxygen and gas exit temperature (Gas and Oil Models only)

WARRANTY:

One Year	Parts and Workmanship
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PERFORMANCE:

Fluid Reduction Factor	Approximately 85% (approx 15,000 Gal/Month)
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