

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Hasco Spring Industries, Inc.
150 South Cucumber Street
Jefferson, OH 44047

:
:
:

Director's Final Findings
and Orders

ENTERED DIRECTOR'S JOURNAL

AUG - 3 2001

OHIO E.P.A.

PREAMBLE

It is hereby agreed that:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Hasco Spring Industries, Inc. ("Respondent"), pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency ("Ohio EPA") under R.C. 3704.03 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and its assigns and successors in interest.

III. DEFINITIONS

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

IV. FINDINGS OF FACT

The Director of Ohio EPA has determined the following findings of fact:

1. Respondent is a corporation organized under the laws of the State of Ohio and licensed to transact business in the State of Ohio. Respondent has its principal place of business located at 150 South Cucumber Street, Jefferson, Ashtabula County, Ohio.
2. Respondent owns and operates a facility for the painting and greasing of automotive steel springs located at 150 South Cucumber Street, Jefferson, Ashtabula County, Ohio. At this facility, Respondent operates a paint spinner line used for the coating of metal springs and, prior to January 1, 2001, operated four grease dip and bake lines used for applying a grease coating to the springs. This equipment is (was) identified by Ohio EPA application number 0204000040K001 ("K001") and 0204000040P001 through 0204000040P004 ("P001 through P004"), respectively. K001 is used to apply a

water-based paint in a dip process, spins a basket containing the springs to remove excess paint and dries the springs in an oven. P001 through P004 each applied a mixture of mineral spirits and grease to the springs, and the mineral spirits were then evaporated in an oven at 190 to 200 degrees Fahrenheit to leave the grease coating on the springs.

3. K001 and P001 through P004 each emit or emitted volatile organic compounds ("VOCs") as defined in Ohio Administrative Code ("OAC") Rule 3745-21-01(B)(6), and each constitute or constituted an "air contaminant source," as defined in OAC Rules 3745-35-01(B)(1) and/or 3745-31-01(D).

4. OAC Rule 3745-31-02 prohibits a person from allowing the installation of an air contaminant source without first applying for and obtaining a permit to install ("PTI"), unless otherwise provided by rule or law. Also, R.C. 3704.05(C) prohibits, in part, any person from violating any rule adopted by the Director of Ohio EPA. K001 was installed in August 1991, P003 was installed in August 1991, and P004 was installed in at least 1984, prior to obtaining a PTI, in violation of OAC Rule 3745-31-02 and R.C. 3704.05(G). Respondent submitted a PTI application for K001 on May 21, 1991, and PTI 02-8741 was issued by Ohio EPA on March 15, 1995. Respondent submitted PTI applications for P003 and P004 on May 28, 1991. These applications could not be processed as P003 and P004 were not in compliance with OAC Rule 3745-21-09(U). Respondent was informed of this by letter dated October 24, 1994 from the Northeast District Office of Ohio EPA ("NEDO"). Respondent submitted a new PTI application for P003 on September 26, 1996, and PTI 02-10645 was issued by Ohio EPA to Respondent on December 11, 1996. On September 9, 1996, Respondent sent a letter to NEDO indicating that P004 would no longer be in operation and that permits for P004 would no longer be necessary. The application was withdrawn and returned to the facility. However, NEDO determined that P004 was not shut down at that time and required a PTI. On September 7, 1999, NEDO sent Respondent a letter requesting that permit applications be submitted for P004. No applications were submitted by Respondent.

5. OAC Rule 3745-35-02 requires any owner or operator of an air contaminant source to apply for and obtain a permit to operate ("PTO") prior to operating any air contaminant source, unless otherwise provided by rule or law. Respondent has operated K001 from August 1991 until the present and P001 through P004 from May 23, 1994, May 23, 1994, October 1991, and at least 1984, respectively, through December 31, 2000 without obtaining PTOs, in violation of OAC Rule 3745-35-02 and R.C. 3704.05(G). Respondent submitted a PTO application for K001 to NEDO on May 28, 1991; however, this application was not processed by Ohio EPA or returned to Respondent. The PTOs for P001 and P002 expired on May 23, 1994, and renewal applications were submitted on May 25, 1994. On October 24, 1994, NEDO informed Respondent that P001 and P002 were not in compliance with OAC Rule 3745-21-09(U), and Respondent submitted new applications on August 9, 1999. These applications could not be processed as P001 and

P002 are not in compliance. Respondent submitted PTO applications for P003 on May 28, 1991, September 26, 1996, and August 9, 1999, and for P004 on August 23, 1991 and August 8, 1999; however, the applications could not be processed as P003 and P004 were not in compliance.

6. Except as otherwise provided in OAC Rule 3745-21-09(U)(2), OAC Rule 3745-21-09(U)(1)(c) prohibits any owner or operator of a miscellaneous metal parts or products coating line employing extreme performance coatings from causing, allowing or permitting the discharge into the ambient air of any VOCs from such coating line after December 31, 1982, as specified in OAC Rule 3745-21-04(C)(28)(a), in excess of 3.5 pounds of VOC per gallon of coating, excluding water and exempt solvents. Pursuant to OAC Rule 3745-21-09(B)(1), compliance with the limitation of 3.5 pounds of VOC per gallon of coating, excluding water and exempt solvents, is based upon a weighted average by volume of all coating material employed in a coating line in any one day.

7. Based upon information provided by the Respondent, the coatings employed by Respondent in P001 through P004, which are "extreme performance coatings," as defined in OAC Rule 3745-21-01(D)(19), contained 4.238 pounds of VOC per gallon of coating, excluding water and exempt solvents, as applied, in violation of OAC Rule 3745-21-09(U)(1). These coatings have been employed in P001 and P002 since 1968, P003 since October 1991, and P004 since 1984, and usage of these coatings ceased on or about January 1, 2001. The emission of an air pollutant in excess of any limitation adopted by the Director of Ohio EPA is a violation of R.C. 3704.05(A) and a violation of any OAC rule constitutes a violation of R.C. 3704.05(G). On October 21, 1994, NEDO notified Respondent that P001 through P004 were incorrectly being regulated under OAC Rule 3745-21-07, that OAC Rule 3745-21-09 was the applicable rule, and that these sources were in violation. Respondent had been unsuccessful in having the grease coatings reformulated to comply with OAC Rule 3745-21-09(U).

8. OAC Rule 3745-21-09(B)(3)(h) requires the owner or operator of any coating line subject to OAC Rule 3745-21-09(U) to maintain the following records at its facility: the name and identification number of each coating, as applied; the mass of VOC per volume of coating (excluding water and exempt solvents), as applied, employed each day; and the total VOC emissions at the facility. Respondent failed to maintain these records for P001 through P004 at the facility from March 31, 1993 (the first day that they were required to be maintained) to on or about January 1, 2001, in violation of OAC Rule 3745-21-09(B)(3)(h) and R.C. 3704.05(G).

9. The Special Terms and Conditions ("STCs") of PTI 02-10645 limit the VOC content of the coatings employed in P003 to 3.0 lbs/gallon of coating, excluding water and exempt solvents, as applied, and daily VOC emissions from P003 to 120 lbs/day. PTI 02-10645 also requires Respondent to maintain monthly coating usage records to demonstrate compliance with the daily VOC emission limit. Respondent has violated the

STCs of PTI 02-10645 by employing coatings in P003 with VOC contents greater than 3.0 lbs of VOC/gallon of coating, excluding water and exempt solvents, as applied, and by failing to maintain monthly records from December 11, 1996 until on or about January 1, 2001.

10. In a letter dated September 7, 1999, NEDO requested that Respondent, within 30 days of receipt of the letter, submit a compliance plan and time schedule to bring P001 through P004 into compliance with OAC Rule 3745-21-09(U)(1)(c).

11. On September 25, 1999, Respondent sent a letter to NEDO indicating that it was in the process of reformulating the grease coatings and final compliance would be achieved by December 30, 1999. On October 4, 1999, a compliance plan and schedule was submitted to NEDO from Respondent to reformulate the grease/solvent coatings; however, samples of the reformulated coatings indicated the coatings were still in violation of OAC Rule 3745-21-09(U)(1)(c) and the VOC content limitation in the PTI for P003. Respondent failed to meet the December 30, 1999 deadline.

12. On April 20, 2000, NEDO sent Respondent a notice of violation ("NOV") notifying it of the violation of OAC Rule 3745-21-09(U). The NOV also requested that a new compliance plan and schedule be submitted to NEDO within 30 days of receipt of the letter.

13. On April 27, 2000, Respondent submitted a compliance plan and schedule indicating three options for achieving final compliance. The first option consisted of replacing the current grease application equipment with solvent-less hot melt grease application processes by the end of 2000. If unsuccessful, the second option consisted of using the new equipment in the first option to use solvent-less grease/water emulsions and employing drying equipment to remove the water. This second option was to be implemented by January 30, 2001. If the second option is unsuccessful, then by February 28, 2001, the existing grease/solvent mixture would be used, but the mixture would use less solvent and an air knife would be used to remove excess grease from the parts and equipment.

14. In a letter dated July 14, 2000, NEDO notified Respondent that sources P001 through P004 were in violation of OAC Rule 3745-21-09(U)(1) and that the matter had been referred to the Central Office of Ohio EPA for enforcement action.

15. On November 9, 2000, Respondent sent a letter to NEDO to follow up on its letter of April 28, 2000. Respondent indicated it was adhering to its schedule for replacing the current grease application equipment with hot melt grease application processes by the end of year 2000. One full scale production line with the new hot melt grease application process was installed and successfully tested. Respondent further indicated that one of the existing grease dip and bake lines had been taken out of service,

and installation of three additional hot melt grease application lines, which would eliminate the remaining existing lines, was 80 percent complete. Respondent stated that it anticipated all equipment being installed before the end of year 2000. Lastly, Respondent noted that it was expecting approval by its customers of the process change; however, there was still a possibility of a customer's refusal to accept the new material and that consideration should be given to Respondent's efforts to comply with environmental requirements. Conversion to solvent-less grease application is estimated to reduce VOC emissions from the facility by 15.6 tons per year.

16. In January, 2001, Respondent informed NEDO that the project identified in Finding 15 had been completed by January 1, 2001.

17. 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 the 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 compliance with OAC Rule 3745-21-09(U)(1). Specifically, in any coating line at the facility, Respondent shall not employ any coating(s) that contain(s) VOC in excess of any of the limitations provided in such rule.

2. Pursuant to R.C. 3704.06, Respondent is assessed a civil penalty in the amount of forty-three thousand one hundred and fifty dollars (\$43,150) in settlement of Ohio EPA's claim for civil penalties. Within fourteen (14) days after the effective date of these Orders, Respondent shall pay to Ohio EPA the amount of twenty-four thousand five hundred and twenty dollars (\$24,520) of the total penalty amount. Payment shall be made by certified check made payable to "Treasurer, State of Ohio" and sent to Vicki Galilei, Fiscal Specialist, or her successor, at the following address:

Fiscal Administration
Ohio Environmental Protection Agency
P.O. Box 1049
Columbus, Ohio 43216-1049

A copy of the check shall be sent to James A. Orlemann, Manager, Engineering Section, or his successor, at the following address:

Division of Air Pollution Control
Ohio Environmental Protection Agency
P.O. Box 1049
Columbus, Ohio 43216-1049

In lieu of payment to Ohio EPA of the remaining eighteen thousand six hundred and thirty dollars (\$18,630) of the total penalty amount, Respondent shall perform the supplemental environmentally beneficial projects identified in Orders 3 and 4. Of the \$18,630, \$10,000 shall be used to fund the project in Order 3 and \$8,630 shall be used to fund the project in Order 4. In the event Respondent defaults or otherwise fails to complete the project as specified in Order 3, the \$10,000 shall immediately become due and payable to Ohio EPA. Such payment shall be made by certified check made payable to "Treasurer, State of Ohio" and sent to Vicki Galilei at the above-stated address. A copy of the check shall be sent to James A. Orlemann, or his successor, at the above-stated address.

3. As outlined below, and with reference to the chapters described in Ohio EPA's 1993 "Ohio Pollution Prevention and Waste Minimization Planning Guidance Manual" (the Manual), Respondent shall conduct a pollution prevention study ("P2 Study") at the facility. The P2 Study is an assessment of selected facility processes to identify and evaluate specific source reduction and environmentally sound recycling opportunities.

- a. Within ninety (90) days after the effective date of these Orders, Respondent shall submit a detailed narrative report to Ohio EPA for review and approval containing the following:
 - i. a list of the members of a cross-functional team for the P2 Study, including the name of a designated team leader;
 - ii. an identification of the processes selected for study and the methods used to select the processes; and
 - iii. a description of the processes being studied, including types and quantities of raw materials used, waste generated (i.e., air emissions, hazardous waste, solid waste, wastewater), and the intermediate or final products.

The above items shall be completed following the guidance provided in Chapters 8 and 9 of the Manual.

- b. Within one hundred eighty (180) days after the effective date of these Orders, Respondent shall submit a detailed narrative report to Ohio EPA for review and approval containing the following:

- i. an analysis of the process-related factors contributing to waste generation;
- ii. a description of the specific pollution prevention opportunities identified; and
- iii. a discussion of the approach used in screening and prioritizing pollution prevention opportunities for future implementation.

The above items shall be completed following the guidance provided in Chapters 11 and 12 of the Manual.

- c. Within two hundred seventy (270) days after the effective date of these Orders, Respondent shall submit a detailed narrative final report to Ohio EPA for review and approval containing the following:

- i. an evaluation of the cost considerations and feasibility analysis of the identified pollution prevention opportunities;
- ii. a discussion of those projects that have been eliminated as well as those that have been implemented, planned for implementation, or under consideration for possible implementation; and
- iii. a description of the other items bulleted in Table 7 of Chapter 15 of the Manual.

The above items shall be completed following the guidance provided in Chapters 13, 14 and 15 of the Manual.

- d. Within three hundred and thirty (330) days after the effective date of these Orders, Respondent shall submit an approvable detailed narrative final report to Ohio EPA, unless the report submitted to Ohio EPA pursuant to the above paragraph c is approved by Ohio EPA.

Ohio EPA shall provide Respondent with its comments and an indication of approval or disapproval of the reports submitted pursuant to this Order in a timely manner.

4. Respondent shall perform the supplemental environmentally beneficial project consisting of funding urban area tree-planting projects in Ohio. Specifically, within thirty (30) days after the effective date of these Orders, Respondent shall deliver a certified check in the amount of eight thousand six hundred and thirty dollars (\$8,630) made payable to the Ohio Department of Natural Resources, Division of Forestry, State Forest

Fund for this purpose. This check shall specify that such monies are to be deposited into Fund No. 509. The check shall be sent to John Dorka, Deputy Chief, or his successor, at the following address:

Division of Forestry
Ohio Department of Natural Resources
1855 Fountain Square Court, H-1
Columbus, Ohio 43224-1327

A copy of the check shall be sent to James A. Orlemann, Manager, Engineering Section, or his successor, at the above-stated address.

5. Within thirty (30) days of the completion and approval by Ohio EPA of the project identified in Order 3, Respondent shall submit documentation to Ohio EPA of the total cost of the P2 Study. If the total cost of the P2 Study is less than \$10,000, Respondent shall submit along with the final report identified in Order 3 and in the manner described in Order 2, a certified check to Ohio EPA for the difference in cost between \$10,000 and the total cost of the P2 Study.

VI. 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's facility.

VII. NOTICE

All documents required by these Orders, unless otherwise specified in writing, shall be submitted to:

Ohio EPA
Northeast District Office
2110 E. Aurora Road
Twinsburg, OH 44087
Attention: C. (Tracy) Gu

and to:

Ohio Environmental Protection Agency
Division of Air Pollution Control
P.O. Box 1049
Columbus, OH 43216-0149

Attention: Thomas Kalman

VIII. RESERVATION OF RIGHTS

Nothing contained herein prevents Ohio EPA from seeking legal or equitable relief to enforce the terms of these Orders or from taking other administrative, legal, or equitable action as deemed appropriate and necessary, including seeking penalties against Respondent for noncompliance with these Orders. Nothing contained herein prevents Ohio EPA from exercising its lawful authority to require Respondent to perform additional activities at its facility pursuant to R.C. Chapter 3704 or any other applicable law in the future. Nothing herein restricts the right of the Respondent to raise any administrative, legal or equitable claim or defense with respect to such further actions that Ohio EPA may seek to require of Respondent.

IX. SIGNATORIES

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 this document.


X. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, Respondent agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Respondent's civil liability for the specific violations cited herein. Respondent hereby waives the right to appeal the issuance, terms and service of these Orders and it hereby waives any and all rights it may have to seek administrative or judicial review of these Orders either in law or equity.

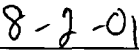
Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such an appeal. In such event, Respondent shall continue to comply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

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency




Christopher Jones
Director




Date

IT IS AGREED:


Hasco Spring Industries, Inc.



By



Date



Title