

OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

Valeo Climate Control Corporation
3620 Symmes Road
Hamilton, Ohio 45015

Director's Final Findings
and Orders

ENTERED DIRECTOR'S JOURNAL

MAY 11 2004

OHIO E.P.A

PREAMBLE

It is agreed by parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Valeo Climate Control Corporation ("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's 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 OAC Chapter 3704 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent owns and operates a facility that die cuts and presses automotive heater coils. The facility is located at 3620 Symmes Road, Hamilton (Butler County), Ohio, and is identified by Ohio EPA as facility ID 1409040801. At this facility Respondent employs a solvent vapor cleaning machine (identified by Ohio EPA as "emissions unit L001") to remove oil from heater coils.

2. The vapor cleaning machine emits, in part, volatile organic compounds ("VOCs") and hazardous air pollutants ("HAPs"), as defined in OAC Rules 3745-21-01(B)(6) and 3745-77-01(V), respectively; and is an "air contaminant source," as defined in OAC Rules 3745-31-01(G) and 3745-15-01(C) and (W). Further, Respondent's entire facility is classified as a "major source," as defined in OAC Rule

This is a true and accurate copy of the official document as filed in the records of the Ohio Environmental Protection Agency.

By: [Signature] Date: 5-11-04

3745-77-01(W).

3. OAC Rule 3745-31-05(C) states, in part, that the Director of Ohio EPA may impose special terms and conditions in a Permit to Install ("PTI") as are appropriate or necessary to ensure compliance with applicable laws and to ensure adequate protection of the environment.

4. OAC Rule 3745-31-01(I) defines, in part, applicable laws as applicable provisions of ORC Chapters 3704 and 3745; rules, regulations and orders of Ohio EPA; the Clean Air Act; rules and regulations of the Administrator of the U. S. Environmental Protection Agency ("USEPA"). This includes any standard or other requirements established under the federal HAP program established by section 112 of the Clean Air Act.

5. OAC Rule 3745-77-02(B) states, in part, that major sources are subject to the permitting requirements of OAC Chapter 77 (i.e., Title V).

6. OAC Rule 3745-77-07(A)(1) requires, in part, that a Title V permit include emission limitations and standards, including those operational requirements and limitations that assure compliance with all applicable requirements at the time of issuance. Further, OAC Rule 3745-77-07(C)(5) requires, in part, that a Title V permit require the permittee to submit an annual compliance certification certifying compliance with the federally enforceable terms and conditions contained in the permit. The compliance certification is required to be submitted more frequently if required by an applicable requirement.

7. OAC Rule 3745-77-01(H) defines, in part, an applicable requirement as any standard or other requirement established under the federal HAP program established by section 112 of the Clean Air Act.

8. 40 CFR, Part 63, Subpart T ("Subpart T") establishes, in part, standards and requirements for any solvent cleaning machine that uses any halogenated HAP (i.e., methylene chloride, perchloroethylene, trichloroethylene, 1,1,1-trichloroethane, carbon tetrachloride or chloroform, or any combination of these halogenated HAP solvents, in a total concentration greater than 5 percent by weight) as a cleaning and/or drying agent. Subpart T specifies, in part, design requirements, control measures, work and operational practices, control measure requirements, and monitoring, record keeping and reporting requirements for batch solvent vapor cleaning machines using halogenated HAP solvents. Additionally, Subpart T requires, in part, the owner and operator of a vapor cleaning machine, using a freeboard refrigeration device and a superheated vapor system, to comply with the following standards:

a chilled air blanket temperature that is no greater than 30 percent of the solvent's boiling temperature [all temperatures measured in

degrees Fahrenheit ("F°");
the center of the superheated vapor zone is at least 10°F above the solvent's boiling temperature;
measure and record the temperature of the air blanket weekly;
measure and record the temperature of the center of the superheated solvent vapor zone weekly;
record any actions taken to comply with the air blanket temperature (i.e., corrections); and
submit semiannual exceedance reports (quarterly reports are required if an exceedance occurs). (The reports are to be postmarked by the 30th day of the calendar month following the reporting period. Subpart T defines, in part, an exceedance as failure to correct, within 15 days of the detection, an air blanket temperature greater than 30 percent of the solvent's boiling temperature and the failure to timely report all such exceedances and all corrections.)

9. OAC Rule 3745-78-02(A) requires, by June 15, 1994 for calendar year 1993, and April 15 of each year thereafter, the owners or operators of sources subject to the Title V permit program to submit an annual fee emission report ("FER") and pay fees on the facility's actual emissions of certain air pollutants.

10. ORC § 3704.03(I) grants the Director of Ohio EPA the authority, in part, to require any air contaminant source to maintain records or file periodic reports containing information as to the location, size and height of emission outlets, rate, duration, and composition of emissions, and any other pertinent information the Director prescribes.

11. ORC § 3704.05(D) prohibits, in part, any person from failing to submit reports or other information required under ORC § 3704.03(I).

12. ORC § 3704.05(C) prohibits any person from violating any terms or conditions of any permit issued by the Director of Ohio EPA.

13. ORC § 3704.05(G) prohibits any person from violating any order, rule or determination of the Director of Ohio EPA issued, adopted, or made under ORC Chapter 3704.

14. ORC § 3704.05(J)(2) prohibits, in part, any person from violating any applicable requirement of a Title V permit or any permit conditions, except for an emergency as defined in 40 CFR 70.6(g).

15. On December 23, 1997, Ohio EPA issued PTI 14-4399 to Respondent authorizing the installation of emissions unit L001. The permit contained the requirements specified in 40 CFR, Part 63, Subpart T.

16. On October 24, 2001, Ohio EPA issued a Title V permit to Respondent. In accordance with OAC Rule 3745-77-07, the permit contained the requirements to submit an annual compliance certifications by April 15 of each year. The permit also contained the requirements of 40 CFR, Part 63, Subpart T.

17. On May 27, 2002, Hamilton County Department of Environmental Services ("HAMCO"), Ohio EPA's contractual representative in Butler County, informed Respondent, by telephone, that it had failed to submit a FER for calendar year 2001 by the specified deadline (i.e., April 15, 2002).

18. On May 28, 2002, a representative of Respondent contacted HAMCO saying he had been so busy that he had "not had a chance to even look at it" (i.e., the submission of a FER).

19. A notice of violation ("NOV") was sent to Respondent on June 11, 2002, by HAMCO for the failure to submit the required Title V compliance certification for calendar year 2001, in violation of OAC § 3704.05(C) and (J)(2). The Title V compliance certification was required to be submitted by April 30, 2002. On June 11, 2002, a second NOV was sent to Respondent, from HAMCO, for the failure to submit the required FER for the calendar year 2001. The 2001 FER was required to be submitted by April 15, 2002. On July 16, 2002, a NOV was sent to Respondent, from Ohio EPA, for failure to submit the required FER for the calendar year 2001. Also, pursuant to ORC § 3704.03(I), the July 16, 2002 letter requested Respondent to submit the emissions inventory system report ("EIS") for the calendar year 2001.

20. On February 6, 2003, an announced facility inspection was conducted by HAMCO. During the inspection, Respondent acknowledged it had not submitted the required Title V FER and compliance certification, and the 2001 EIS. Also, during the inspection it was discovered that Respondent was not monitoring the vapor cleaning machine's air blanket temperature and superheated vapor zone temperature, and was not submitting exceedance reports, as required by its Title V permit and PTI.

21. On February 7, 2003, Ohio EPA sent a NOV to Respondent for the failure to submit the required Title V compliance certification and FER and the 2001 EIS.

22. On February 19, 2003, Respondent submitted the 2001 FER and EIS. Respondent failed to timely submit the 2001 FER and 2001 EIS, in violation of OAC Rule 3745-78-02 and ORC § 3704.05(G) and (J)(1), and ORC § 3704.05(D), respectively.

23. On February 20, 2003, Respondent submitted the Title V compliance certification report for the year of 2001. The compliance certification report stated that Respondent had failed to weekly monitor, for 47 weeks between October 31, 2000 and December 9, 2002, the vapor cleaning machine's air blanket temperature and superheated vapor zone temperature as required by 40 CFR, Part 63, Subpart T and Respondent's Title V permit and PTI, in violation of ORC § 3704.05(C) and (J)(2). The Title V compliance

certification report further stated that during the times when monitoring was performed the vapor cleaning machine's air blanket temperature exceeded 30 percent of the solvent's boiling temperature 21 times between April 10, 2000 and November 7, 2002. Of those 21 incidents, three were not corrected within 15 days of detection and constituted an exceedance, in violation of Subpart T, the Title V permit and PTI and ORC § 3704.05(C) and (J)(2). Also, Respondent failed to submit semiannual and quarterly exceedance reports that contained the reasons for each exceedance and actions taken to correct each exceedance as required by Subpart T and the terms and conditions of the PTI and Title V permit, in violation of ORC § 3704.05(C) and (J)(2). For specific dates of the violation, refer to Attachment I of these Orders.

24. On April 15, 2003, HAMCO inspected Respondent's facility and found that the violations identified in Finding 23 had been corrected.

25. On July 21, 2003, Respondent submitted a quarterly exceedance report for the second quarter of 2003. The report stated that Respondent failed to monitor the temperatures of the vapor cleaning machine's air blanket and the superheated zone during the week of June 8th. The report said the reason for the failure to monitor was because the person responsible for the monitoring was not available. To assure that this did not occur again, Respondent trained other employees to perform the required monitoring. The failure to perform such monitoring was a violation of ORC § 3704.05(C) and (J)(2).

26. 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

Within fourteen (14) days after the effective date of these Orders, Respondent shall pay Ohio EPA the amount of twenty-two thousand five hundred dollars (\$22,500) of the total penalty amount in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704.06. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for \$22,500. The official check shall be submitted to Brenda Case, or her successor, at Ohio EPA, Office of Fiscal Administration, P.O. Box 1049, Columbus, Ohio 43216-1049, together with a letter identifying the Respondent and facility.

A copy of the official check shall be submitted to James A. Orlemann, Assistant Chief, Enforcement Section, or his successor, at Division of Air Pollution Control, Ohio EPA, P.O. Box 1049, Columbus, Ohio 43216-1049.

VI. TERMINATION

Respondent's obligations under these Orders shall terminate upon Ohio EPA's

receipt of the official checks required by Section V of these Orders.

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 the 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

Except as otherwise provided in these Orders, all documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:

Hamilton County Department of Environmental Services
Air Quality Programs
250 William Howard Taft Road
Cincinnati, Ohio 45219-2660
Attn: Kerri Castlen

and to:

Ohio Environmental Protection Agency
Lazarus Government Center
Division of Air Pollution Control
122 South Front Street, P.O. Box 1049
Columbus, Ohio 43216-1049
Attention: Thomas Kalman

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 the 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.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency



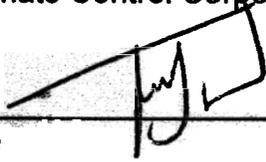
Christopher Jones
Director

5-3-04

Date

IT IS SO AGREED:

Valeo Climate Control Corporation



Signature

04/27/04

Date

Armando Alanis

Printed or Typed Name

Plant Manager

Title

Attachment I. Table Showing Dates of Alleged Violation of Monitoring and Repair Requirements					
Failure to weekly monitor air blanket temperature	Number of weeks	Failure to weekly monitor vapor zone temperature	Number of weeks	Blanket temperature exceeds standard	Number of exceedances^A
October 31, 2000	1	October 31, 2000	1	April 10, 2000	
November 13, 2000	1	November 13, 2000	1	April 17, 2000	
April 30, 2001	1	April 30, 2001	1	May 2, 2000	
May 7, 2001	1	May 7, 2001	1	May 9, 2000	
May 14, 2001	1	May 14, 2001	1	May 16, 2000	1
June 25, 2001	1	June 25, 2001	1	May 22, 2000	
July 1, 2001	1	July 1, 2001	1	July 24, 2000	
July 8, 2001	1	July 8, 2001	1	November 6, 2000	
July 30, 2001	1	July 30, 2001	1	January 15, 2001	
September 3, 2001	1	September 3, 2001	1	February 12, 2001	
November 19, 2001	1	November 19, 2001	1	August 6, 2001	
February 4, 2002	1	February 4, 2002	1	September 17, 2001	
February 11, 2002	1	February 11, 2002	1	September 24, 2001	
February 25 to July 8, 2002	20	February 25 to July 8, 2002	20	October 2, 2001	1
July 29 to August	2	July 29 to August	2	October 15, 2001	

Attachment I. Table Showing Dates of Alleged Violation of Monitoring and Repair Requirements

Failure to weekly monitor air blanket temperature	Number of weeks	Failure to weekly monitor vapor zone temperature	Number of weeks	Blanket temperature exceeds standard	Number of exceedances [^]
12, 2002		12, 2002			
August 26 to September 23, 2002	4	August 26 to September 23, 2002	4	October 29, 2001	
October 7 to November 4, 2002	5	October 7 to November 4, 2002	5	November 5, 2001	
November 18, 2002	1	November 18, 2002	1	November 12, 2001	1
November 25, 2002	1	November 25, 2002	1	December 3, 2001	
December 9, 2002	1	December 9, 2002	1	January 28, 2002	
				October 7, 2002	
Total	47	Total	47	21	3

[^] Subpart T defines an exceedance, in part, as the failure to correct an air blanket temperature greater than 30 % of the solvent boiling point within 15 days of the detection.