OHIO E.P.A.

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ENTERED DIRECTOR'S JOURNAL

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:

The Sawbrook Steel Castings Company :
Shepherd and McWorter Avenues :
Cincinnati, Ohio 45215 :

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: [signature] Date: 7-7-10

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to The Sawbrook Steel Castings Company ("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 defined) 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 rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA makes the following findings:

1. Respondent owns and operates a facility located at 425 Shepherd Avenue, Lockland, Hamilton County, Ohio. This facility is identified by Ohio EPA facility ID number 1431260066. This facility is a steel foundry which melts scrap metal to produce carbon and low alloy steel castings for a broad spectrum of industrial equipment, including: hoists, industrial cranes, valves, railroad equipment, heavy equipment, gear, presses, mining machines, and transmission equipment.

2. The facility contains numerous air contaminant sources, including the following emissions units identified below with their associated identification numbers and control equipment include the following:

ID	Company Description	Control Equipment
F002	Core & Molding Sand Receiving, Handling and Conveying	SLY Dust Collector, Silo Baghouse
F004	Core Making Line (Mullers #1465 and #1466, and Core Making Ovens)	SLY Dust Collector
F006	Molding Line (Green Sand Mullers (2), Molding Machines)	SLY Dust Collector, Scrubber Baghouse #1245
F008	Airset Large Mold Mixer	Torit Dust Collector
F009	Core Room Airset Mold Making	SLY Dust Collector
N001	Thermfire Sand Reclaimer	Thermfire Baghouse (Griffin Baghouse)
P001	Pattern Shop	Pattern Shop Cyclone
P005	Shot Blast (Tumblast #530A)	Dust Collector #530A (Table Blast Dust Collector)
P006	Medium Cleaning Line (Tableblast #418A)	Baghouse #431
P007	Small Cleaning Line (Tableblast #430A)	Baghouse #431
P901	Electric Arc Furnace #225	Furnace Baghouse #210A (McLaughlin Baghouse)
P902	Casting Finishing (Small Welding, Medium Welding, Large Welding, Finish Grinding)	Baghouse #431 – for small and medium finishing only
P903	Casting Shakeout - Large	East Baghouse, Middle Baghouse
P904	Casting Shakeout - Small	West Baghouse

3. The emissions units identified in Finding 2 are "air contaminant sources" as defined in Ohio Administrative Code ("OAC") Rule 3745-15-01(C) and (X), and ORC § 3704.01(C).

4. ORC § 3704.05(G) prohibits any person from violating any OAC rule adopted by the Director of Ohio EPA pursuant to ORC Chapter 3704. OAC Chapters 3745-15, 3745-31 and former 3745-35 were adopted by the Director pursuant to ORC Chapter 3704.

Nuisances Violations:

5. OAC Rule 3745-15-07, in part, specifies that the emission of any air contaminant or combinations of air contaminants, including dust, in such manner or in such amounts as to endanger the health, safety or welfare of the public, or cause unreasonable injury or damage to property is deemed to be a public nuisance. Furthermore, this rule prohibits any person from causing, permitting or maintaining a public nuisance.

6. It is the Director's position that during several incidents in late 2006, in early 2007, and in 2008 Respondent caused, permitted, or maintained a public nuisance in the neighborhood surrounding the facility as a result of particulate matter deposition on private property. Such deposition caused damage to the paint finish on vehicles, the siding of homes, and outdoor furniture, in violation of OAC Rule 3745-15-07 and ORC § 3704.05(G).

7. Notice of Violation ("NOV") letters (on December 20, 2006, July 3, 2007, August 22, 2007, December 28, 2007 and July 11, 2008), a March 4, 2008 warning letter, and proposed Findings and Orders (on April 21, 2008) were sent to Respondent by Hamilton County Department of Environmental Services ("HCDES"), Ohio EPA's contractual representative in Hamilton County, informing Respondent of the deposition of particulate matter on neighboring property. Responses to these letter were provided by Sawbrook or its representatives on January 27, 2007, March 2, 2007, April 19, 2007, April 27, 2007, July 30, 2007, August 27, 2007, September 5, 2007, February 14, 2008, March 4, 2008 and April 28, 2008.

PTI/PTO Violations:

8. OAC Rule 3745-31-02 requires that a person not allow the installation or modification of an air contaminant source without first applying for and obtaining a permit to install ("PTI"), except as otherwise provided by rule or law.

9. Former OAC Rule 3745-35-02 prohibited any person from operating an air contaminant source unless a permit to operate ("PTO") had been applied for and obtained, except as otherwise provided by rule and law.

10. In 1990, Respondent installed a hopper/mixer referred to as the "Palmer Airset Mixer," now identified as emissions unit F008, in the large floor molding area of the facility in order to process airset sand as an alternative to the green sand process and as what the Respondent viewed as part of emissions unit F006. The history and emissions of the Palmer Airset Mixer were discussed in letters from Respondent to HCDES dated April 27, 2007 and July 30, 2007.

11. Respondent installed emissions unit F008 without first applying for and obtaining a PTI. Emissions unit F008 is an "air contaminant source," as defined in OAC Rule 3745-31-01(I), and a "new source," as defined in OAC Rule 3745-31-01(UUU). Installation of emissions unit F008 without a PTI was in violation of OAC Rule 3745-31-02(A) and ORC § 3704.05(G). On July 30, 2007, Respondent submitted a PTI application for emissions unit F008. A PTI was issued on September 27, 2007.

12. Respondent operated emissions unit F008 from, at least, November 29, 2006, when HCDES discovered its operation, until September 27, 2007, when the PTI was issued, without obtaining a PTO or other authorization to operate the source, in violation of former OAC Rule 3745-35-02 and ORC § 3704.05(G).

13. In 1995, Respondent installed a "Palmer M-200 airset mixer," now identified as emissions unit F009, in the core making room as a replacement for the Palmer 150 mixer that was installed in 1968, without first applying for and obtaining a PTI. Calculations by Respondent's contractor originally indicated that the Palmer M-200 mixer was a *de minimis* emissions unit, and provided calculations in support of that determination on October 11, 2007. However, after further inquiry by HCDES, Respondent corrected the calculations and submitted a PTI application on November 8, 2007. A PTI was issued on January 3, 2008.

14. Emissions unit F009 is an "air contaminant source," as defined in OAC Rule 3745-31-01(I), and a "new source," as defined in OAC Rule 3745-31-01(UUU). Installation of emissions unit F009 without a PTI was in violation of OAC Rule 3745-31-02(A) and ORC § 3704.05(G).

15. Respondent operated emissions unit F009 from, at least, June 5, 2007, when HCDES discovered its unpermitted operation, until January 3, 2008, when the PTI was issued, without obtaining a PTO or other authorization to operate the source, in violation of former OAC Rule 3745-35-02 and ORC § 3704.05(G).

16. On July 3, 2007 and December 28, 2007, HCDES sent NOV letters to Respondent citing the PTI/PTO violations above. Respondent's responses to the NOV letters were dated July 30, 2007 and February 14, 2008.

Quarterly Deviation Report Violations:

17. A PTO issued for emissions unit P005 requires Respondent to submit quarterly deviation reports to Ohio EPA. The PTO also required Respondent to

record the pressure drop across the baghouse serving emissions unit P005 on a daily basis, and the quarterly deviation reports were to identify any day in which the baghouse pressure drop range was not met during the previous calendar quarter. On November 13, 2006, HCDES discovered that no quarterly deviation reports had been received for emissions unit P005 since the permit was issued on May 5, 1998. The outstanding reports were received at HCDES on December 4, 2006. The failure to timely submit the required reports was a violation of the terms and conditions of the PTO and ORC § 3704.05(C).

18. 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 be derived from such compliance.

V. ORDERS

The Director hereby issues the following Orders:

1. Respondent shall continue to implement, maintain and update as appropriate the operation and maintenance ("O&M") plan dated March 16, 2007 for its control equipment at the facility. Respondent shall follow the manufacturer's recommendations in determining the optimum conditions to run the equipment effectively. These include, but are not limited to, bag specifications, pressure drop, temperature, inspection schedule, and component replacement schedule. Respondent is encouraged to install early bag leak detection systems for its baghouses.

2. Respondent shall continue to implement, maintain and update as appropriate the preventative maintenance and malfunction abatement plan as explained in Respondent's letter of August 4, 2008 to HCDES, for its sand transport system at the facility. Respondent shall utilize all reasonable measures to minimize the number of leakage incidents in the sand transport pipes.

3. Respondent shall pay the amount of twenty thousand dollars ($20,000) in settlement of Ohio EPA's claims for civil penalties, which may be addressed pursuant to ORC Chapter 3704. Payments to the Ohio EPA shall be made by official checks made payable to "Treasurer, State of Ohio" for sixteen thousand dollars ($16,000) of the total amount, payable in four installments of $4,000 each, due on or before 120 days (for the first installment), 210 days (for the second installment), 300 days (for the third installment), and 390 days (for the last installment) after the effective date of these Orders. The official checks shall be submitted to Brenda Case, or her successor, together with a letter identifying the Respondent, to:

Ohio EPA
Office of Fiscal Administration
P.O. Box 1049
Columbus, Ohio 43216-1049

4. In lieu of paying the remaining four thousand dollars ($4,000) of the civil penalty, Respondent shall, within thirty (30) days of the effective date of these Orders, 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 tender 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.

5. 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
P.O. Box 1049
Columbus, Ohio 43216-1049

6. Should Respondent fail to fund the SEP within the required time frame set forth in Order 4, Respondent shall immediately pay to Ohio EPA $4,000 of the civil penalty in accordance with the procedures in Order 3.

VI. TERMINATION

At or after eighteen months after the effective date of these Orders, Respondent's obligations under these Orders shall terminate when Respondent certifies in writing and demonstrates to the satisfaction of Ohio EPA that as of the submittal of the certification to the Ohio EPA, Respondent has performed all obligations under these Orders and has continued to comply with all continuing obligations and the Chief of the 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. Termination of these Orders shall not effect any other obligation Respondent has to follow either or both of the plans referred to in Orders 1 and 2. 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 the purposes of these Orders, a

responsible official is a principal executive officer of at least the level of vice president or his duly authorized representative.

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, operations by Respondent.

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:

Hamilton County Department of Environmental Services
250 William Howard Taft Road
Cincinnati, Ohio 45219
Attn: Kerri Castlen

and to:

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

7/1/10
Date

AGREED:

The Sawbrook Steel Castings Company

Signature

6/28/10
Date

MICHAEL N. BEYERSDORFER
Printed or Typed Name

PRESIDENT
Title