



**Environmental
Protection Agency**

John R. Kasich, **Governor**
Mary Taylor, **Lt. Governor**
Scott J. Nally, **Director**

January 10, 2012

CERTIFIED MAIL

Mr. Timothy P. Dolon
Chief Financial Officer
Elyria Foundry Company, LLC
120 Filbert Street
Elyria, Ohio 44036

Re: Final Findings and Orders for: air pollution
control rule, permit and law violations
associated with the Elyria Foundry
Company, LLC, located at 120 Filbert
Street, Elyria, Ohio

Dear Mr. Dolon:

Transmitted herewith are the Final Findings and Orders ("Orders") of the Director of Ohio EPA concerning the above-referenced matter.

Please note that the effective date of the Orders is the date that the Orders were entered into the Ohio EPA Director's journal, which is the date that is stamped on the first page of the Orders.

Sincerely,

Thomas J. Kalman, P.E.
Acting Assistant Chief, SIP Development and Enforcement
Division of Air Pollution Control

TJK/ef

xc: Carol Hester, PIC
Erica Fetty, DAPC
Akia Smith, Fiscal Office (Agency # NA)
Stephen Feldmann, Legal Office
Patty Porter, DAPC
Ed Fasko, NEDO
Tim Fischer, NEDO
Erik Bewley, NEDO

OHIO E.P.A.

JAN 10 2012

BEFORE THE
OHIO ENVIRONMENTAL PROTECTION AGENCY

ENTERED DIRECTOR'S JOURNAL

In the Matter of:

Elyria Foundry Company, LLC : Director's Final Findings
120 Filbert Street : and Orders
Elyria, Ohio 44036 :

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders ("Orders") are issued to Elyria Foundry Company, LLC ("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 OAC Chapter 3704 and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA makes the following findings:

1. Respondent owns and operates a fully-integrated grey and ductile iron foundry on a 30-acre plant site located at 120 Filbert Street, Elyria, Ohio. The foundry is defined as a "facility" pursuant to OAC Rule 3745-31-01(OO). The facility is classified as a "major source" for Title V and the Prevention of Significant Deterioration/New Source Review ("PSD/NSR") regulations in Ohio Administrative Code ("OAC") Chapters 3745-77 and 3745-31, respectively. At this facility, preheated scrap metal is melted in six induction furnaces where additives are used to adjust the chemistry of the molten iron. The molten iron is poured into ladles and a portion of it is inoculated to change the physical properties of the iron and to produce ductile iron. From the ladles, the molten iron is then poured in sand molds or an automated British Molding Machine ("BMM") to form castings. Once

solidified, the castings are removed from the molds by vibrating shakeouts and are cleaned and finished to remove burrs, risers, and gates. The castings can also be further finished by painting. Sand molds (shapes the outside of the casting) and cores (shapes the internal voids of the casting) are made on site through the mixing of sand, clay and organic binders. The used sand from the mold shakeouts is recovered, cleaned and reused to make new molds. These processes and steps emit "air pollutants" as defined in OAC Rule 3734-15-01(C), and are "emissions units" ("EUs") as defined in OAC Rule 3745-31-01(MM). The individual EUs are identified in Table 1 of these Orders.

2. The EUs identified in these Orders emit volatile organic compounds ("VOCs") as defined in OAC Rule 3745-21-01(B)(4) and/or particulate emissions ("PE"), particulate matter ("PM"), and/or particulate matter with an aerodynamic diameter of 10 microns or less ("PM₁₀"), which are defined as "air pollutants" or "air contaminants" in OAC Rule 3745-15-01(C). Additionally, these EUs are "air contaminant sources" as defined in OAC Rules 3745-31-01(I) and 3745-15-01(C) and (X).

3. OAC Rule 3745-31-02(A)(1) prohibits any person from installing or modifying any "new source" as defined in OAC Rule 3745-31-01(UUU) without first applying for and obtaining a permit-to-install ("PTI") or permit-to-install-and-operate ("PTIO") unless the new source is otherwise exempt from the requirement.

4. OAC Rule 3745-31-05 (D) and (E) state, in part, that the Director of Ohio EPA may impose special permit terms and conditions as are appropriate or necessary to ensure compliance with applicable laws and to ensure adequate protection of the environment.

5. OAC Rule 3745-31-05(F) (formerly OAC Rule 3745-31-02(A)(2)) allows the owner or operator of any air contaminant source to voluntarily request a PTI from Ohio EPA that would lower the allowable emissions from the air contaminant source. OAC Rule 3745-31-01(K) defines "allowable emissions," as the emission rate of an air contaminant source calculated using the maximum rated capacity to emit, unless federally enforceable limitations restrict the operating rate or hours of operation. This type of permit is referred to as a "synthetic minor permit."

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

7. 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. OAC Rule 3745-77-07(A)(3) requires, in part, that a Title V permit contain emission monitoring and analysis procedures or test methods sufficient to yield reliable representative data to determine the source's compliance with the permit and applicable emission limitations.

8. OAC Rule 3745-77-08(E) states that if the Director fails to take a final action on an application to renew a Title V permit and the owner or operator of the source filed a timely and complete renewal application, all provisions and authorizations of the expired Title V permit remain in effect until the Director's final action on the pending renewal application occurs. On January 9, 2002, Ohio EPA issued a Title V permit to Respondent with an expiration date of January 7, 2007. On June 28, 2006, Respondent submitted a timely and complete renewal Title V permit application. Therefore, the provisions and requirements of Respondent's original Title V permit remain in effect until the Director issues or denies the Title V renewal permit application.

9. ORC § 3704.05(C) prohibits any person from violating any terms or conditions of any permit issued by the Director of Ohio EPA pursuant to OAC Chapter 3704.

10. 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 the authority of ORC Chapter 3704.

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

Failure to comply with Title V prohibition on using holding furnaces (EUs F019 and F020) as melting furnaces:

12. Respondent's Title V permit and PTI # 02-1167 prohibited the north and south holding furnaces (identified by Ohio EPA as "EU F019 and EU F020") from being used as melting furnaces. The permits further required Respondent to apply for and obtain a PTI prior to melting scrap in EUs F019 and F020.

13. Around December 2005, Respondent began to melt scrap castings and other small amounts of material scrap in EUs F019 and F020, in violation of the facility's Title V permit and PTI #02-1167 and ORC § 3704.05(C) and (J)(2). In a letter dated February 23, 2009, Respondent told Ohio EPA that prior personnel erroneously believed that melting in the holding furnaces was permitted. Respondent stated that it ceased the melting in the holding furnaces in April 2008. The violation occurred from December 2005 to April 2008.

Installation of EUs K003 and P903 without a PTI:

14. On September 26, 2007, Ohio EPA's Northeast District Office ("NEDO") inspected Respondent's facility and discovered that around February 2006 Respondent had installed a paint booth in the facility's west cleaning room. On November 13, 2007, Respondent submitted a PTI application for the cleaning room's spray booth. On November 21, 2007, NEDO sent a warning letter and, on April 3, 2008, sent a notice of violation ("NOV") letter to Respondent for the failure to apply for and obtain a PTI prior to the start of installation of EU K003. On December 11, 2007, Ohio EPA issued PTI # 02-

22865 authorizing the installation of the paint booth (identified by Ohio EPA as "EU K003") (on April 25, 2011, Ohio EPA issued PTI # P0107694 for the west cleaning room). Respondent's failure to apply for and obtain a PTI prior to start of the installation of EU K003 was a violation of OAC Rule 3745-31-02(A)(1) and ORC § 3704.05(G).

15. On or around February 26, 2007, Respondent installed and began operation of the BMM inoculation station (identified by Ohio EPA as "EU P903"). On June 18, 2008, Respondent submitted a PTI application for EU P903, and on December 19, 2008, Ohio EPA issued PTI # P0103845 to Respondent. Respondent violated OAC Rule 3745-31-02(A)(1) and ORC § 3704.05(G) by failing to apply for and obtain a PTI prior to the start of installation of EU P903.

Failure to operate control equipment for EUs P031, P901, P017, F009 and P007:

16. On August 7, 2007, Ohio EPA issued PTI # 02-22635 for the installation of a scrap dryer (identified by Ohio EPA as "EU P031") and two, 11-ton electric induction furnaces (identified by Ohio EPA as "EUs P901 and P902"). The permit limited the combined total PM emissions emitted from the fabric filter controlling these three EUs to 0.02 grain per dry standard cubic foot ("gr/dscf"), 10.29 pounds per hour ("lbs/hr"), and 45.07 tons per year ("TPY"). On May 2, 2008, Respondent submitted a quarterly deviation report for the first quarter of 2008, as required by the Title V permit. The quarterly report indicated that EUs P031 and P901 had operated since February 13, 2008 without the required fabric filter. In a letter dated February 24, 2009, Respondent stated that EU P031 was removed from service during the first quarter of 2008 and reinstalled and vented to a baghouse on January 7, 2009. Similarly, Respondent wrote that EU P901 was vented to a baghouse on May 27, 2008. Respondent failed to comply with the requirements of PTI # 02-22635 when it operated EUs P031 and P901 without exhausting the emissions through a fabric filter, in violation of ORC § 3704.05(C). The violations for EU P901 occurred from February 13, 2008, the start of operation without the control equipment, and continued until it was vented to a control device on May 27, 2008. The violations for EU P031 occurred from February 13, 2008, the start of operation without the control equipment, and continued until it was removed from service in the first quarter of 2008 (the exact date EU P031 was removed from service is not known; therefore, March 2008 is assumed). Ohio EPA sent notice of violation ("NOV") letters to Respondent on June 25, 2008 and February 3, 2009 for these violations.

17. On January 9, 2002, Ohio EPA issued a Title V permit to Respondent. The Title V permit limited the meltshop inoculation operation's (identified by Ohio EPA as "EU P017") PE from the baghouse exhaust to not more than 5.85 lbs/hr. Based on a review of Respondent's 2007 and 2008 quarterly deviation reports, it was discovered that emissions from this operation were not always captured by the dust collector hood for emissions unit P017, and that the pressure drop measurements for the baghouse were reported as out of specification for 195 days in 2007 and 70 days during the first quarter of 2008, in violation of Respondent's Title V permit and ORC §§ 3704.05(C) and (J)(2).

18. Respondent's Title V permit and PTI # 02-5515 limited the CL blow-off station's (i.e., an operation where an air lance is used to discharge the core from the casting and identified by Ohio EPA as "EU F009") PM emissions emitted from the baghouse exhaust to not more than 0.01 gr/dscf and 1.1 lbs/hr. Ohio EPA noticed during the September 26, 2007, inspection that the baghouse used to control the PM emissions from EU F009 had been removed. Respondent stated in a letter dated February 24, 2009, that the baghouse for EU F009 had been disconnected in June 2007. Respondent further stated that prior personnel believed that the control equipment was not required because the vast majority of emissions settled within the building. Respondent also stated that it had planned to vent the emissions to the baghouse and hood system controlling the new shakeout-process (identified by Ohio EPA as "EU P032") but this proved to be unfeasible. Additionally, Respondent said it planned to install a new capture and collection system for EU F009 in 2009. Respondent instead took this source out of service. Respondent failed to comply with the requirements of PTI # 02-5515 and the Title V permit when it operated EU F009 from June 2007 to February 2009 (the exact date is not known; therefore, it is estimated to have been taken out of service in the first quarter of 2009) without exhausting the emissions through a baghouse, in violation ORC § 3704.05(C) and (J)(2).

19. Starting from the second quarter of 2007, Respondent failed to operate the control equipment that is required to control the cut-off saw (identified by Ohio EPA as "EU P007"), in violation of terms and conditions of the Title V permit and ORC § 3704.05(C) and (J)(2). In letters dated November 12, 2007 and February 24, 2009, Respondent submitted calculations that Respondent believed showed that EU P007 did not violate the specified PM emission limitation while operating uncontrolled and that the EU qualifies for exemption from Ohio air pollution laws and regulations because its emission rates are "de minimis" as described in OAC Rule 3745-15-05(B). Based on Respondent's calculations, NEDO concurred that EU P007 should be classified as "de minimis."

Failure to comply with PTI and Title V permit production and PM/PE limitations:

20. Since 1974, Ohio EPA has issued several PTIs (specific PTI and limitations are identified in Table 2 of these Orders) to Respondent for the installation of the EUs identified in Table 2 of these Orders. The PTIs contain short-term and long-term particulate matter ("PM") and/or particulate emission ("PE") limitations and several of the PTIs also contain throughput limitations. Many of these limitations were to preclude the applicability of PSD/NSR (i.e., synthetic minor limitations) and contain operating limitations to provide reasonable assurance that these limitations were not exceeded. On January 9, 2002, Ohio EPA issued Respondent a Title V operating permit with the same limitations as well as additional monitoring, record-keeping and reporting requirements to provide reasonable assurance of compliance with the limitations. The Title V permit also contained emissions factors that were to be used to determine compliance with the limitations.

21. Based on the Respondent's records submitted to Ohio EPA, Respondent failed to comply with the PM/PE and throughput limitations contained in the Title V permit and corresponding PTIs, in violation of ORC § 3704.05(C) and (J)(2). To correct the

violations, Respondent submitted PTI modification applications requesting new limitations, new maximum throughput rates and emission factors, and Ohio EPA granted those applications for PTI modifications. No physical change or change in the method of operation was associated with the modifications. NEDO sent NOV letters to Respondent on October 18, 2007, April 3, 2008, June 25, 2008 and February 3, 2009, regarding these violations. Additionally, Table 2 of these Orders contains details of the individual violations.

Failure to operate baghouses within the required pressure drop ranges and failure to monitor and record the monitoring results as specified in PTIs and Title V permit:

22. To assure the control equipment is being properly operated, Respondent's PTIs and Title V permit required the control equipment associated with the EUs identified in Table 3 of these Orders to be operated within specified pressure drop ranges. The permits also required that Respondent monitor and record the pressure drop for each baghouse on a daily basis.

23. Respondent failed to operate the control equipment within the specified pressure drop ranges as identified in Table 3 of these Orders, in violation of the PTIs and the Title V permit and ORC § 3704.05(C) and (J)(2). Table 3 of these Orders also contains the days Respondent failed to monitor and/or record the pressure drop, in violation of the PTIs and the Title V permit and ORC § 3704.05(C) and (J)(2).

24. NEDO sent NOV letters to Respondent on October 18, 2007, April 3, 2008, June 25, 2008 and February 3, 2009, regarding these violations. Respondent has implemented a monitoring and action plan that requires the maintenance department and the director of environmental compliance to review daily records of the pressure drop readings. If a pressure drop is out of range, the maintenance personnel are to immediately investigate the cause and take the actions necessary to correct the deviation. This monitoring and action plan has greatly reduced the number of "out-of-range" readings. Respondent is continuing to improve and update the control equipment to further reduce the occurrence of out-of-range pressure drops.

Failure to conduct visual emission checks as required in PTIs and the Title V permit:

25. Respondent's various PTIs and Title V permit specify visible emission limitations and require Respondent to conduct daily visible emissions checks of the stack or building, whichever is applicable, when the respective EU is in operation and when weather allows. The permits also require Respondent to keep records of the visible emission checks along with any corrective actions that may have been taken to eliminate any visible emissions.

26. Respondent failed to comply with the requirements to conduct the daily visible emission checks on the days identified in Table 4 of these Orders, in violation of the terms

and conditions of its PTIs and the Title V permit and ORC § 3704.05(C) and (J)(2). NEDO sent NOV letters to Respondent on April 3, 2008, June 25, 2008 and February 3, 2009, regarding these violations. In a letter dated February 24, 2009, Respondent stated that all visible emission checks were being performed on a daily basis.

Failure to submit timely and complete compliance reports:

27. Respondent's Title V permit and PTIs require written quarterly deviation reports to be submitted to Ohio EPA by January 31, April 30, July 31, and October 31 of each year that cover the previous calendar quarter. Respondent is required to report any deviation from emission limitations, operational restrictions (i.e., restrictions on production and hours of operation or on the use of certain materials and/or operations), and control device operating parameter limitations (i.e., pressure drop range).

28. Respondent's Title V permit and PTIs require that written semiannual reports be submitted to Ohio EPA every six months, by January 31 and July 31 of each year, for the previous six calendar months. Respondent is required to report any deviations from the requirements to monitor, maintain records, and/or submit reports. Respondent is required to submit a semiannual report even if no deviations occurred during the reporting period.

29. Respondent's Title V permit requires that an annual compliance certification be submitted to Ohio EPA by the April 30th of each year for the preceding calendar year. In the report, Respondent is required to state, in part, the current compliance status of each EU contained in the Title V permit as well as whether the compliance was continuous or intermittent for the calendar year that is being reported.

30. Any document (including reports) required to be submitted by Respondent's Title V permit regarding a federally enforceable requirement is required to be certified by a responsible official that, based on information and belief formed after reasonable inquiry, the statements in the document are true, accurate, and complete.

31. On October 18, 2007, NEDO sent a NOV letter to Respondent requesting the submittal of the January 2005 through September 2007 monitoring records required by the Title V permit and various PTIs. The NOV also requested that Respondent correct and resubmit previously submitted quarterly and semiannual deviation reports which did not include all deviations and/or exceedances of the monitoring, operational and emission limitation requirements contained in the facility's PTIs and Title V permit. On November 5, 2007, Respondent submitted the requested production and material usage records and the baghouse pressure drop readings that identified numerous deviations (these deviations and resulting violations are specified in the Findings herein).

32. On April 3, 2008, NEDO sent Respondent a NOV letter identifying quarterly and semiannual deviation reports that had not been submitted and identifying the ones that were submitted late. The NOV also informed Respondent that all eight quarterly deviation,

four semiannual reports and both annual compliance certifications for 2005 and 2006, previously submitted, were not complete because they did not contain the deviations identified by the review of the requested monitoring records and discovered during the September 26, 2007, inspection.

33. On June 24, 2008, NEDO sent a NOV to Respondent for the failure to submit the annual compliance certification required by the Title V permit for the calendar year 2007 by April 30, 2008 (the required submittal date).

34. In November 2008, Respondent submitted the corrected quarterly and semiannual deviation reports and the annual compliance certification report for the calendar years 2005 and 2006. Similarly, in September 2008 Respondent submitted the 2007 compliance reports that were previously not submitted. (For more details see Tables 5 and 6 of these Orders.)

35. In summary, Respondent did not timely submit complete quarterly and semiannual deviation reports and the annual compliance certification reports for the calendar years as identified in Table 5 of these Orders, in violation of the terms and conditions of the Title V permit and various PTIs, and ORC § 3704.05(C) and (J)(2).

Failed to conduct stack tests at required maximum capacity levels (EU F010 and F011):

36. On February 17, 1995, Respondent conducted the initial compliance demonstration tests for EUs F010 and F011. During the tests the EUs operated at 60 percent of their rated capacities. As a result, Respondent's Title V permit limited the production capacities to the tested capacities until compliance was demonstrated at higher capacities. Respondent subsequently exceeded the tested capacities (see Table 2 of these Orders for dates) without conducting new tests or modifying its Title V permit, in violation of terms and conditions of the Title V permit and ORC § 3704.05(C) and (J)(2). On September 25, 2008, Respondent demonstrated compliance with the higher permitted production rates contained in its PTIs and Title V permit.

37. 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 pay the amount of one hundred fifty-five thousand dollars (\$155,000) in settlement of Ohio EPA's claims for civil penalties, which may be assessed pursuant to ORC Chapter 3704. Of this amount, Respondent shall pay to Ohio EPA the

amount of one hundred twenty-four thousand dollars (\$124,000) in accordance with the payment schedule in Order 3. Payments shall be made by official checks made payable to "Treasurer, State of Ohio." . The official checks shall be submitted to Brenda Case, or her successor, together with a letter identifying Respondent, to:

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

2. In lieu of paying the remaining thirty-one thousand dollars (\$31,000) 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 \$31,000 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 \$31,000. 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.

3. Respondent shall comply with the following schedule for the payment of the \$124,000 identified in Order 1:

<u>Payment Deadline</u>	<u>Amount Due</u>
within 30 days of the effective date of these Orders	\$31,000 (to OEPA)
within 120 days of the effective date of these Orders	\$31,000 (to OEPA)
within 210 days of the effective date of these Orders	\$31,000 (to OEPA)
within 300 days of the effective date of these Orders	\$31,000 (to OEPA)

4. A copy of each of the above checks shall be sent to Thomas Kalman, Acting 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

5. Should Respondent fail to fund the SEP within the required time frame set forth in Order 2, Respondent shall immediately pay to Ohio EPA \$31,000 of the civil penalty in accordance with the procedures in Order 1.

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 be signed by Respondent and contain the following attestation: "I certify that the information contained in or accompanying this certification is true, accurate and complete."

This certification shall be signed by a responsible official of Respondent and submitted by Respondent to Ohio EPA. 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, 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

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

Ohio Environmental Protection Agency
Northeast District Office
2110 East Aurora Road
Twinsburg, Ohio 44087
Attention: Tim Fischer

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 or for violations about which Ohio EPA possessed information before July 30, 2011, 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 and for any violations about which Ohio EPA possessed information before July 30, 2011.

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

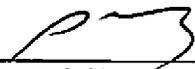
The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

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



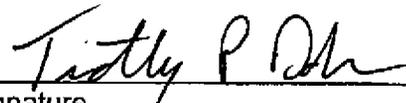
Scott J. Nally
Director

1/4/12

Date

AGREED:

Elyria Foundry Company, LLC



Signature

12/19/11

Date

Timothy P. Dolan

Printed or Typed Name

Chief Financial Officer

Title

Table 1 – Identification of Emissions Units

Emissions unit as identified by Ohio EPA	Emission unit description
F001 (Furnace #1)	Electric melting of scrap metal to produce molten metal.
F002 (Furnace #2)	Electric melting of scrap metal to produce molten metal.
F003 (Furnace #3)	Electric melting of scrap metal to produce molten metal.
F004 (Furnace #4)	Electric melting of scrap metal to produce molten metal.
F005 (#1 Core Dept. Mixer- Castech)	Sand/binder mixing process.
F006 (#2 Core Dept. Mixer- C. E. Cast)	Sand/binder mixing process.
F007 (No. 3 Iron Inoculation)	Large ductile iron castings back-up.
F009 (CL Blow-off Station)	Air lancing to pneumatically discharge core from casting.
F010 (Casting Cooling)	Iron pouring and sand mold cooling equipment with baghouse.
F011 (BMM/Cleaning)	BMM Line mold punch-out, and shakeout.
F012 (Pouring #1 Foundry)	Pouring metal.
F013 (Pouring #2 Foundry)	Pouring metal.
F014 (Pouring #3 Foundry)	Sand/binder mixing process.
F015 (#Core Dept. Mixer-Kloster)	Sand/binder mixing process.
F016 (#2 Core Dept. Mixer- Palmer)	Sand/binder mixing process.
F018 (#1 Core Dept. Mixer- Palmer)	Sand/binder mixing process.
F019 (#6 (North) holding furnace - new foundry)	Holding and pouring of molten metal.
F020 (#5 (South) holding furnace - new foundry)	Holding and pouring of molten metal.
F021 (Foundry #2 Self-managed Mixer)	Sand/binder mixing process.
F022 (#2 Core Dept Palmer M200 Sand Mixer)	Sand/binder mixing process.
F023 (#1 Foundry CE 2000 #/hr. Sand Mixer)	Sand/binder mixing process.
F024 (#3 Foundry Palmer Sand Mixer)	Sand/binder mixing process.
K002 (Paint Booth East Cleaning Room)	Application of coatings onto castings.
P004 (Shot Blast 6 ft.)	Surface cleaning of castings.
P005 (Shot Blast 8 ft.)	Shot blast cleaning of castings.
P006 (Vac-Blast)	Grit blasting cabinet.
P007 (Cut-off Saw)	Abrasive wheel cut-off for gates and risers from casting.
P008 (N. Plant Reclamation)	Pneumatic cleaning of castings and sand reclamation.
P010 (Scrap Dryer)	Drying of scrap iron and steel.
P017 (Meltshop Inoculation)	Ductile iron processing.
P19 (#1 Core Dept. Core Oven)	Core drying oven (water bases coating).
P023 (Shakeout #1)	Shakeout/separation of sand and castings.
P024 (Shakeout #2)	Shakeout/separation of sand and castings.
P026 (Shakeout #3)	Shakeout/separation of sand and castings.
P027 (MS Sand Reclaimer)	South plant mechanical reclaimer.
P029 (Core and mold wash)	Core and mold wash operations.
P030 (Shot blast)	Disa-Goff twin 8 ft. table blast machine.
P031 (15 MM-BTU)	Scrap preheater.
P032 (Shakeout #4)	Blowout/Shakeout Deck.
P033 (East Sand Dept.)	East Sand Reclaim System.

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P035 (West cleaning room – Spin Blaster)
P036 (West cleaning room –Table Blaster)
P037-P052 (West cleaning room-Cleaning Booths)

Metal Shot Blasting.
Metal Shot Blasting.
Chipping and grinding castings.

P901 (11 ton furnace)

Inductotherm Electric Furnace.

P903 (inoculation)

BMM inoculation.

K003 (paint booth)

West Cleaning room paint booth.

P0904 (BMM Mold Making)

Green (no resin) sand mold making.

P0905 (BMM Sand Reclaim)

BMM sand reclaim operations.

Table 2 – Exceedance of Permit Limitations

Emissions Unit	Limitation	Permit	Highest Exceedance	Duration
F001	11,000 tons of product / rolling 12-months & 8.25 tons of PM / rolling 12-months	PTI # 02-12455 Title V	12,032 tons of product / rolling 12-months and 9.02 tons of PM / rolling 12-months [#]	2008: Jan., May, Jun., Jul., Aug., Sept., Oct., Nov. and Dec.; 2009: Jan. – Mar.
F002	11,000 tons of product / rolling 12-months & 8.25 tons of PM / rolling 12-months	PTI # 02-12455 Title V	11,151 tons of product / rolling 12-months and 8.36 tons of PM / rolling 12-months [#]	2007: May, Jul., Aug., Sept., Oct., and Nov.
F004	11,000 tons of product / rolling 12-months & 8.25 tons of PM / rolling 12-months	PTI # 02-12455 Title V	11,726 tons of product / rolling 12-months and 8.80 tons of PM / rolling 12-months [#]	2008: Nov. and Dec.; 2009: Jan. and Feb.
F006	1.7 lbs/hr PE	PTI #02-10900 Title V	13.1 lbs/hr PE [#]	1,152 days (1 st quarter 2005 through 1 st quarter 2009)
F010 [!]	15,360 tons of product / rolling 12-months & 3.2 tons of product / hour	Title V	15,715 tons of product / rolling 12-months and 7.95 tons of product / hour	2005: Jan. to Sept.; all of 2006 and 2007; 2008: Jan. to Sept.
F011 [!]	22 tons of product / hour	Title V	64.76 tons of product / hour	Jan. 2005 to Sept. 2008
F016	0.82 lb/hr PE	PTI #02-11167 Title V	2.2 lbs/hr PE [#]	1,133 days (1 st quarter 2005 through 1 st quarter 2009)
F018	0.6 lb/hr PE	PTI #02-9188 Title V	2.22 lbs/hr PE [#]	1,139 days (1 st quarter 2005 through 1 st quarter 2009)
F021	4.65 lbs/hr PE	PTI #02-11997 Title V	7.52 lbs/hr PE [#]	1,138 days (1 st quarter 2005 through 1 st quarter 2009)
F022	1.8 lbs/hr PE	PTI #02-13610 Title V	1.87 lbs/hr PE [#]	705 days (2 nd quarter 2006 through 1 st quarter 2009)
F023	3.5 lbs/hr PE	PTI #02-14154 Title V	3.5 lbs/hr PE [#]	1,125 days (1 st quarter 2005 through 1 st quarter 2009)

! The Title V permit lowered production limits due to a February 17, 1995 stack test when the EUs operated at 60% capacity. Additionally, it was originally thought that Respondent failed to monitor and keep records of the hours EUs F010 and F011 operated between the fourth quarter of 2006 through the second quarter of 2007. However, Respondent found the records and submitted them to Ohio EPA on February 25, 2009 (letter dated February 24, 2009). On September 25, 2008, Respondent demonstrated compliance with the higher capacity rates as required by the Title V permit.

Calculated with an emission factor, not measured.

Table 3 – Baghouse Pressure Drop Out of Range and Failure to Monitor and/or Record the Pressure Drop

EU	Pressure Drop Out of Range/ Not Monitored/ Not Recorded	Duration**
F007	out of range	124 days (1 st and 2 nd quarters 2005)
F007	not monitored/recorded	1 day (2 nd quarter 2005)
F009	out of range	112 days (1 st quarter through the 4 th quarter 2005; 3 rd quarter 2006; and the 2 nd quarter 2007)
F009	not monitored/recorded	24 days (4 th quarter of 2006)
F010	out of range	82 days (1 st , 2 nd and 3 rd quarters 2005; 1 st , 3 rd and 4 th quarters 2007; 1 st , 2 nd and 3 rd quarters 2008; and 1 st quarter 2009)
F011	out of range	712 days (1 st quarter 2005 through 4 th quarter 2008)
F011	not monitored/recorded	5 days (2 nd quarter 2008)
P004/P006	out of range	276 days (1 st quarter 2005 through 1 st quarter 2009)
P004	not monitored/recorded	4 days (2 nd quarter 2008)
P005/F009	out of range	105 days (1 st , 2 nd , 3 rd and 4 th quarters 2005; 3 rd and 4 th quarters 2006)
P006	out of range	278 days (1 st quarter 2005 through 1 st quarter 2009)
P006	not monitored/recorded	5 days (2 nd quarter 2008)
P024	out of range	390 days (1 st , 2 nd , 3 rd and 4 th quarters 2005; 1 st , 2 nd , 3 rd and 4 th quarters 2006; 1 st and 2 nd quarters 2007. Actual days were not given for 1 st quarter 2008.)
P007	not monitored/recorded	3 days (2 nd and 4 th quarters 2005 and 1 st quarter 2006)
P008	out of range	107 days (1 st , 3 rd and 4 th quarters 2005; 1 st quarter 2006; 1 st , 2 nd , 3 rd and 4 th quarters 2007; 1 st , 2 nd , 3 rd and 4 th quarters 2008)
P008	not monitored/recorded	7 days (1 st quarter 2006; 4 th quarter 2007; 2 nd quarter 2008)
P010	not monitored/recorded	11 days (2 nd quarter 2005 and 4 th quarter 2005)
P017/P026	out of range	712 days (1 st quarter 2005 through 3 rd quarter 2008) (P026 decoupled from P017 in 1 st quarter 2008)
P017	not monitored/recorded	5 days (2 nd quarter 2008)
P023	out of range	573 days (2 nd quarter 2005 through 3 rd quarter 2008)
P023	not monitored/recorded	5 days (2 nd quarter 2008)
P024/F007	out of range	694 days (1 st quarter 2005 through 1 st quarter 2009)
P024/F007	not monitored/recorded	15 days (2 nd and 4 th quarters 2005; 1 st quarter 2006; 3 rd quarter 2007; and 2 nd quarter 2008)
P026	out of range	721 days (1 st quarter 2005 through 1 st quarter 2009)
P026	not monitored/recorded	6 days (3 rd quarter 2007 and 2 nd quarter 2008)
P027	out of range	793 days (1 st quarter 2005 through 1 st quarter 2009)
P027	not monitored/recorded	10 days (2 nd and 4 th quarters 2007; and 1 st quarter 2008)

~~Dates provided by Respondent:~~

Table 4 - Failure to Conduct Visible Emissions Checks

EU	Stack	Building	Duration
F001 – F004		X	35 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, 2 nd and 4 th quarters 2007)
F006		X	11 days (2 nd and 4 th quarters 2005)
F010		X	40 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, 2 nd and 4 th quarters 2007, and 2 nd quarter 2008 [5 days])
F011		X	11 days (2 nd and 4 th quarters 2005)
F016 ^a		X	911 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, 2 nd and 4 th quarters 2007, and 2 nd quarter 2008 [96 days])
F018		X	913 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, 2 nd and 4 th quarters 2007, and 2 nd quarter 2008 [96 days])
F019		X	34 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, and 2 nd and 4 th quarters 2007)
F020		X	34 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, and 2 nd and 4 th quarters 2007)
F021		X	34 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, and 2 nd and 4 th quarters 2007)
F022		X	34 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, and 2 nd and 4 th quarters 2007)
F023		X	34 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, and 2 nd and 4 th quarters 2007)
K002	X		34 days (2 nd and 4 th quarters 2005, 2 nd and 4 th quarters 2006, and 2 nd and 4 th quarters 2007)
P027	X		14 days (2 nd and 4 th quarters 2005, 2 nd quarter 2006 and 4 th quarter 2007)
P030 ^b	X		100 days ^b + (2 nd and 4 th quarters 2007 and 1 st quarter 2008 [assumed 90 days])
P031 ^b	X		removed from service 1 st quarter 2008; started up different BH Jan. 2009 and checks started (assumed 1 month in 1 st quarter 2008)
P901 ^b	X		135 days (from 1/1/08 to 5/15/08 ^b)

a - Respondent believed that visible emissions checks were not needed because this EUs vents inside the building.

b - The dates of VE checks are based on Respondent's letter dated February 24, 2009.

Table 5 Late Compliance/Deviation Reports

Report	Date Complete Report Due	Date Complete Report or Corrected Received
1 st 2005 Quarterly	April 30, 2005	November 3, 2008
2 nd 2005 Quarterly	July 31, 2005	November 3, 2008
3 rd 2005 Quarterly	October 31, 2005	November 3, 2008
4 th 2005 Quarterly	January 31, 2006	November 3, 2008
1 st half 2005 Semiannual	July 31, 2005	November 3, 2008
2 nd half 2005 Semiannual	January 31, 2006	November 3, 2008
2005 Annual Certification	April 30, 2006	November 3, 2008
1 st 2006 Quarterly	April 30, 2006	November 10, 2008
2 nd 2006 Quarterly	July 31, 2006	November 10, 2008
3 rd 2006 Quarterly	October 31, 2006	November 10, 2008
4 th 2006 Quarterly	January 31, 2007	November 10, 2008
1 st half 2006 Semiannual	July 31, 2006	November 10, 2008
2 nd half 2006 Semiannual	January 31, 2007	November 10, 2008
2006 Annual Certification	April 30, 2007	November 10, 2008
1 st 2007 Quarterly	April 30, 2007	September 2, 2008
2 nd 2007 Quarterly	July 31, 2007	September 2, 2008
3 rd 2007 Quarterly	October 31, 2007	September 2, 2008
4 th 2007 Quarterly	January 31, 2008	September 2, 2008
1 st half 2007 Semiannual	July 31, 2007	September 2, 2008
2 nd half 2007 Semiannual	January 31, 2008	September 2, 2008
2007 Annual Certification	April 30, 2008	September 2, 2008