



State of Ohio Environmental Protection Agency

Northwest District Office

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July 31, 2008

CERTIFIED MAIL
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Christopher E. Kiser
Director of Environment & Safety
MagReTech, Inc.
12205 Broadway Avenue
Garfield Heights, Ohio 44125

Subject: Notice of Violation (NOV) and Follow-up to June 9, 2008 complaint investigation

Dear Mr. Kiser:

As the company is aware, this office received a complaint on June 2, 2008 regarding smoke inside the facility and the operation of the baghouse controlling the two melt furnaces (emissions units P901 and P902). As the result of the complaint, Brian Riedmaier and I conducted an unannounced site visit on June 9, 2008 to walk through the facility and review records.

Based on our discussions, observations during the visit, and a review of the company's files, our findings are as follows:

1. Fugitive emissions in melt area and operation of baghouse: Upon entering the melt area, a considerable amount of fugitive emissions was observed throughout the room. In addition, it got worse when the baghouse cleaning cycle was initiated. The presence of significant fugitive emissions in the room indicates the company has allowed the capture efficiency of the baghouse to deteriorate over time.

Records were also reviewed for the previous few months to determine if the company was doing all monitoring and recordkeeping as required in permit to install (PTI) 03-13824, issued 10/29/02, for the two melt furnaces. The PTI establishes an operational restriction that the feed rate of aluminum silicate, in pounds per hour, to the baghouse is maintained at not less than 11.90 pounds per hour. This is necessary to ensure emissions of HCl do not exceed the permit limit. In order to demonstrate compliance with this, MagReTech is required to keep records of each time the baghouse is replenished with aluminum silicate, the amount added and then calculate the average hourly feed rate.

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The log sheets for the control system did identify the amount of aluminum silicate added each time the control system was replenished, however, records showing the hourly feed rate were not being maintained. This is a violation of the terms and conditions of the permit and ORC 3704.05. The company must immediately begin complying with the monitoring and recordkeeping requirements of the PTI. The company is also required to go back two years and perform the calculations to determine past feed rates and submit this information. The company must also submit purchase records for aluminum silicate for the past two years. This information should be submitted by **August 28, 2008**.

A review of all baghouse pressure drop readings during this time frame were within the acceptable range of 1 to 10 inches of water. However, as stated in the PTI and in the company's preventative maintenance malfunction abatement plan (PMMAP), a complete baghouse cleaning cycle for the baghouse must be initiated every 24 hours of operation or, whenever the pressure drop is equal to or greater than 7 inches of water, whichever occurs first. The PTI also states that the company is required to identify in their quarterly deviation reports any time the pressure drop exceeded 7 and the baghouse was not cleaned.

In speaking with Ken Balser during our visit, he stated that a cleaning cycle is typically initiated when the pressure drop reaches 9. In reviewing the log sheets, the pressure drop frequently only went back down to 7 or 8 after a cleaning cycle. This is inconsistent with the company's PMMAP for the proper operation of the baghouse. We expect the cleaning cycle to be initiated at 7 and then drop to a lower range upon completion of a cleaning cycle.

The company has failed to identify these deviations in the quarterly reports which is a violation of the terms and conditions of the permit and ORC 3704.05. The operation of the baghouse in this manner is contrary to how it was operated during previous compliance tests. The company is required to resubmit past deviation reports and identify all instances when they occurred.

2. Unpermitted emissions from two distinct operations associated with the collection and handling of the baghouse fines: At the time of our visit we asked to see a shakedown of the baghouse. After the cleaning cycle was initiated, we went outside to see if any emissions could be observed from the baghouse stack. No emissions were seen from the stack however, excessive emissions were noticed coming from a small door (manway) on the chute that empties the fines to a hopper. The door was not bolted shut in order to contain the emissions and the company believed that perhaps a bag had fallen or something else was plugging the chute and immediately stopped the cleaning cycle.

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In speaking with Chip Renz about this problem he said he could not say whether or not this was an issue during previous cleaning cycles or not. Uncontrolled emissions were also observed coming from the uncontained hopper that the baghouse fines were being emptied into. The hopper was nearly full during our visit and the fines were easily being blown out.

The operation of the baghouse control system in such a manner constitutes an equipment malfunction reportable under the provisions of OAC rule 3745-15-06(B). The company needs to determine how long this has been going on and submit a report to that effect. It also needs to submit a compliance plan on how it will prevent further occurrences of unpermitted emissions.

3. Compliance testing: Based on our observations, review of the facility records and the fact that this office has received two similar complaints in the past year regarding the lack of maintenance in the operation of the baghouse control system, in accordance with the provisions of OAC rule 3745-15-04, the Northwest District Office (NWDO) is requiring MagReTech to perform compliance testing on P901 and P902 while the emissions units are operating at their maximum throughput. Testing shall be conducted as soon as possible to verify compliance with allowable PE and HCl emission limitations as well as to determine if the baghouse is meeting the control efficiencies as outlined in the PTI and 40 CFR Part 63, Subpart TTTTTT. In order to ensure the testing is conducted in a timely manner, the company needs to submit an Intent-to-Test (ITT) to the NWDO by **August 28, 2008**.

In addition to the emission testing, MagReTech must also submit all baghouse maintenance records for the past year. Any maintenance performed from the date of our visit to the date of the stack test needs to be detailed and included in the test report. The maintenance records should also be submitted by **August 28, 2008**.

4. Crusher and conveying emissions: MagReTech contacted the Northwest District Office (NWDO) via a letter dated January 22, 2004 with their intentions to install the crusher, hoppers and conveying equipment. In the letter, MagReTech stated that the crusher will size incoming Type I magnesium into consistent 2 inch by 2 inch pieces and there should be no emissions from the process. When we were taken to the crusher building it was not operating and the operators stated it had been shut down about 5 minutes prior to us going out there.

The building didn't appear to have a significant build-up of dust, however, we received conflicting information as to when the last time it had been cleaned. Mr. Balsler stated that it was cleaned out 6-8 months ago while an operator said it was cleaned approximately a month ago. The building had an open truck door, an open side door and vent near the ceiling.

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The operators started the crusher back up, at our request, with only a small amount of material that was still left in the crusher. There were some fugitive emissions from the operation upon start up that were exiting out the truck door. When only a small amount of material was going through the process, there were little emissions. At one point a larger amount of material passed through and visible emissions were more significant. We were told that this was more indicative of normal operations.

Based on our observations, the company's statement that there are no emissions from this operation is incorrect. In the absence of emissions data, the installation of this operation is a violation of OAC rules 3745-31-02 and 3745-35-02 (based on installation date). The absence of any add-on control measures also appears to be a violation of OAC rule 3745-31-05. If emissions data were to show the company is exempt from permitting requirement, failure to maintain the appropriate records is a violation of OAC rule 3745-15-05.

5. Secondary Non Ferrous Metals Processing MACT for Area Sources (40 CFR Part 63 Subpart TTTTTT): MagReTech is subject to this MACT standard and was required to submit an Initial Notification as well as a Notification of Compliance Status no later than 120 days after the applicable compliance date. The compliance date for existing affected sources was December 26, 2007. The company did not meet the deadline for submitting either notification and was in violation of these provisions. Both notifications were received on July 2, 2008.
6. Scrap restrictions on material being melted: A concern was also raised in the most recent complaint of the company melting a material that may not be allowed in the current permit for the melt furnaces. The material, called Remacore, is magnesium spatters from a die casting facility. We were told that it is sorted on-site and when it is clean enough to melt they do. Otherwise it is shipped to another facility.

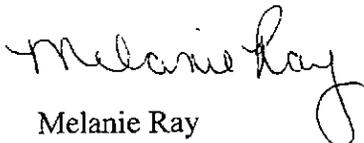
This office would like a more detailed explanation of this material and how its use complies with the operation restrictions in the permit. How is it sorted and determined to be clean enough to melt or when it needs to be shipped off-site. Who makes these determinations? In addition, please submit records from the past two years of the classification and description of all materials received and what is being melted. This information should also be submitted by **August 28, 2008**.

The submission of information to respond to this letter does not constitute a waiver of Ohio EPA's authority to seek civil penalties pursuant to ORC section 3704.06. The Ohio EPA will make the decision on whether to pursue or decline to pursue such penalties regarding this matter at a later date.

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If the company has any questions and/or comments concerning this letter, please contact me at the above address or call (419) 373-4111.

Sincerely,



Melanie Ray
Division of Air Pollution Control

/csl

pc: Don Waltermeyer, DAPC-NWDO
Tom Kalman, DAPC, CO
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NWDO follow-up file
(NWDO Sandusky County correspondence file.)

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PS Form 3800, June 2002 See Reverse for Instructions