



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

Re: Seneca County
Kansas Grain
6040 West Township Road 174
Kansas, Ohio 44841
Notice of Violation (NOV/non-HPV)

October 30, 2012

CERTIFIED MAIL

Mr. David Moroschan
Kansas Grain
P.O. Box 151
Kansas, Ohio 44841

Mr. Moroschan:

This letter shall serve as follow-up to the inspection conducted at Kansas Grain on October 24, 2012. The reason for the inspection was to determine the compliance status of the emission units that are operating at Kansas Grain with the rules and regulations of the Division of Air Pollution Control (DAPC). The inspection was conducted by Ms. Miranda Garlock and Mr. Mohammad Smidi, both representatives of Ohio EPA's Northwest District Office (NWDO), DAPC.

As we discussed with you during the inspection, the previous owner of the facility, Rural Service Inc., was issued two separate registrations for two separate air emission units under two separate Premise Numbers 0374000082 and 0374000152. Emission unit P001 (Grain Cleaning and Drying with a 30,000 pounds/hr cyclone) was listed on registration status under Premise No. 0374000082. However, this premise number and its associated registration status were permanently shut down on August 22, 1997. Emission unit G001 (GDF under 24,000 gallons/yr with Stage I Vapor Balance) was listed on registration status under Premise No. 0374000152. However, the premise number and its associated registration status were permanently shut down on October 28, 1996.

You indicated during the inspection that you purchased the facility in early 1999 from Rural Service, Inc. which operated the facility until your purchase and that several modifications have occurred to the facility over the years including the addition of a new silo in 2004, a new outdoor receiving pit in 2000, and a new grain dryer in 1982. It is our understanding that the facility operates seasonally from approximately the first week of October through the second week of November each year.

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The total storage capacity at the facility is 210,000 bushels and the facility has an annual throughput on average of 600,000 bushels/year. The facility handles corn, wheat, and soybeans. In addition, you are planning on installing a new cyclone as a control device to the outside receiving pit by the end of this season.

1. Through our inspection the following air emission units were observed:
 - Receiving operations [including three receiving pits (two inside a building and one outside) screening, cleaning, and transferring and conveying];
 - Truck Loading Operations [including three loading arms (two with rubber sleeves and one without)]; and
 - One 1,200 bushels/hour Zimmerman propane fueled column grain dryer.
2. According to the Ohio Department of Commerce, Division of State Fire Marshal's Office, Bureau of Underground Storage Tank Regulations (BUSTR) web site, the facility maintains one 8,000-gallon gasoline underground storage tank (UST) and one 8,000-gallon diesel UST, each installed in 1988 and equipped with a submerged fill. The tanks would be subject to OAC rule 3745-21-09(P); however, it appears that the tanks may qualify for a permit exemption under OAC rule 3745-21-09(P)(5)(a) if the facility's daily throughput is less than 4,000 gallons per day. Please confirm that the daily throughput is less than 4,000 gallons per day to determine if the tanks meet the permit exemption.

The three air emission units observed during the inspection and listed in No. 1 above are currently unpermitted. In addition, several modifications to the existing receiving operations were made. The installation, operation, and modification of these emission units are in violation of Ohio Administrative Code (OAC) rule 3745-31-02 and Ohio Revised Code (ORC) 3704.05. Therefore, Kansas Grain is required to submit Permit to Install/Operate (PTIO) applications, appropriate Emission Activity Category (EAC) forms, and process flow diagrams for these emissions units in order to correct this administrative violation. This application will be treated as an initial installation and will be assessed applicable fees. Permit applications and EAC forms can be downloaded from the following link on Ohio EPA's website:

<http://www.epa.ohio.gov/dapc/fops/eacforms.aspx>.

Please note that the Ohio EPA has an Office of Compliance Assistance and Pollution Prevention (OCAPP) that may be able to assist you in coming into compliance with the rules and regulations of DAPC. Additional information about this office can be found at <http://www.epa.ohio.gov/ocapp> or by calling OCAPP at 1-800-329-7518.

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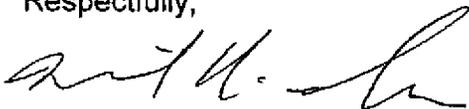
The OCAPP representative at the Northwest District Office is Mr. Ron Nabors and he can be reached at (419) 373-3147 or at Ron.Nabors@epa.state.oh.us.

It should be noted that Kansas Grain will be assigned new emission codes and a new premise number upon the receipt of the PTIO applications.

Kansas Grain is required to submit the information detailed above by no later than **November 21, 2012**. Please be advised that the submission of the requested information to respond to this letter does not constitute waiver of the Ohio EPA's authority to seek civil penalties pursuant to ORC section 3704.06. The Ohio EPA will make a decision on whether to pursue or decline to pursue such penalties regarding this matter at a later date. The decision on whether to pursue or decline to pursue such penalties regarding this matter is dependent on several factors, one of which is the company's future compliance with applicable Ohio EPA requirements.

If you have any questions and/or concerns regarding this letter, feel free to contact me at (419) 373-3069 or by email at Miranda.Garlock@epa.ohio.gov.

Respectfully,



Miranda R. Garlock
Environmental Specialist
Division of Air Pollution Control

/cg

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