

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

| | | |
|-------------------------------|---|--|
| In the Matter of: |) | EPA-5-24-113(a)-MN-01 |
| |) | |
| Smith Foundry |) | Proceeding Under Sections 113(a) and |
| Minneapolis, Minnesota |) | 114(a)(1) of the Clean Air Act, 42 U.S.C. |
| |) | § 7413(a) and 7414(a)(1) |
| _____ |) | |

Administrative Consent Order

1. The Director of the Enforcement and Compliance Assurance Division, U.S.

Environmental Protection Agency, Region 5, is issuing this Order to Smith Foundry Company Inc.

(“Smith Foundry” or “Respondent”) under Sections 113(a) and 114(a)(1) of the Clean Air Act (CAA), 42 U.S.C. §§ 7413(a) and 7414(a)(1).

A. Statutory and Regulatory Background

Minnesota’s State Implementation Plan

2. Under Section 109(a) of the CAA, 42 U.S.C. § 7409(a), EPA must promulgate national ambient air quality standards for the following air pollutants: ground-level ozone, fine particulates, lead, nitrogen dioxide, carbon monoxide, and sulfur dioxide.

3. Under Section 110 of the CAA, 42 U.S.C. § 7410, each state must submit to the Administrator of EPA a plan for implementing, maintaining, and enforcing the national ambient air quality standards promulgated by EPA pursuant to Section 109(a). These plans are referred to as “State Implementation Plans.”

4. On July 27, 2020, EPA approved a revision to Minnesota’s State Implementation Plan (SIP), which updated Minnesota’s air program rules for attaining and maintaining the national ambient

air quality standards by, among other things, incorporating Minnesota Rules 7005.0100, 7007.0800, 7011.0075, 7011.0080, 7011.0150, 7011.0715, 7011.0730, and 7019.1000 into Minnesota’s SIP. 85 Fed. Reg. 45,094, 45,094-96 (July 27, 2020).

5. MINN. R. 7011.0075.1 applies to stationary sources and provides that, unless specifically allowed otherwise by an applicable permit, “each piece of listed control equipment, with the exception of low-temperature fabric filters . . . using visible emissions as the monitoring parameter under part 7011.0080, shall at all times be operated in the range established by the control equipment manufacturer’s specifications for each monitoring parameter listed in part 7011.0080.” MINN. R. 7011.0080 lists “pressure drop” as the monitoring parameter for “fabric filter (bag house),” which the Rule identifies as a type of “Pollution Control Equipment.”

6. MINN. R. 7011.0075.2 provides that “[t]he owner or operator of a stationary source shall maintain each piece of listed control equipment according to the control equipment manufacturer’s specifications, shall comply with source-specific maintenance requirements specified in [the applicable] permit, and shall:

- a. ...
- b. ...
- c. thoroughly inspect all control equipment at least annually, or as required by the manufacturing specification (this often requires shutting down temporarily);
- d. inspect monthly, or as required by the manufacturing specification, components that are subject to wear or plugging, for example: bearings, belts, hoses, fans, nozzles, orifices, and ducts;

- e. inspect quarterly, or as required by the manufacturing specification, components that are not subject to wear including structural components, housings, ducts, and hoods;
- f. check daily, or as required by the manufacturing specification, monitoring equipment, for example: pressure gauges, chart recorders, temperature indicators, and recorders;
- g. ...
- h. maintain a record of activities conducted in items (a) to (g) consisting of the activity completed, the date the activity was completed, and any corrective action taken; and
- i. maintain a record of parts replaced, repaired, or modified for the previous five years.”

7. MINN. R. 7011.0080 provides that an owner or operator of a stationary source must comply with the monitoring and recordkeeping requirements listed in the following table, and must maintain the required records for a minimum of five years from the date the record was made:

| Pollution Control Equipment Type | Monitoring Parameter(s) | Monitoring and Recordkeeping Requirement |
|---|---|---|
| Fabric filter (bag house), high temperature (T>250°F), medium temperature (180°F>T<250°F) | Pressure drop | Record pressure drop every 24 hours if in operation |
| Fabric filter (bag house), low temperature (T<180°F) | Pressure drop or visible emissions observation from filter outlet during an entire cleaning cycle | Record pressure drop every 24 hours if in operation, or record whether any visible emissions are observed and the time period of observation every 24 hours if in operation |

8. MINN. R. 7011.0150 provides that “[n]o person shall cause or permit the handling, use, transporting, or storage of any material in a manner which may allow avoidable amounts of particulate matter to become airborne,” or “cause or permit a building or its appurtenances . . . to be . . . used . . . without applying all such reasonable measures as may be required to prevent particulate matter from becoming airborne.”

9. Pursuant to MINN. R. 7005.0100, “[p]articulate matter” means material, except water, that exists at standard conditions in a finely divided form as a liquid or solid as measured by an applicable reference method, or an equivalent or alternative method.

10. MINN. R. 7011.0715(A) provides, in part, that “[n]o owner or operator of any industrial process equipment that was not in operation before July 9, 1969, shall cause to be discharged into the atmosphere from the industrial process equipment any gases that . . . in any one hour contain the sum of filterable and organic condensable particulate matter in excess of the amount permitted in part 7011.0730”

11. MINN. R. 7011.0730 Table 1 sets forth hourly emission limits based on process weight rate, and provides the following equation for determining the amount of gases that may be discharged from industrial process equipment in accordance with MINN. R. 7011.0715(A):

$$E = 3.59 * P^{0.62} \text{ [for] } P \leq 30 \text{ tons/hour}$$

...where:

E = emissions in pounds per hour;

P = process weight rate in tons per hour.”

12. The emissions limit in MINN. R. 7011.0730 does not apply if the calculation set forth in MINN. R. 7011.0735 Table 2 can be used to show that a less stringent limit applies.

13. MINN. R. 7019.1000.1 provides that “[t]he owner or operator of an emission facility, in the event of any deviation, as defined in part 7007.0100, subpart 8a, that could endanger human health or the environment, must notify, orally or by e-mail, the commissioner or must telephone the

state duty officer . . . immediately after discovery of the deviation or immediately after when the deviation reasonably should have been discovered by the owner or operator. Within two working days of the discovery, the owner or operator must submit to the commissioner a written description of the deviation”

14. MINN. R. 7007.0100.8a defines “[d]eviation” as “any noncompliance with an applicable requirement or permit condition.”

15. MINN. R. 7019.1000.2 provides that “[t]he owner or operator of an emission facility, emissions unit, or stationary source must notify the commissioner within 24 hours of a breakdown of more than one hour of any control equipment or process equipment if the breakdown causes any increase in the emissions of any regulated air pollutant. The 24-hour period starts when the breakdown was discovered or reasonably should have been discovered by the owner or operator. . . . At the time of notification or as soon as possible thereafter, the owner or operator must inform the commissioner of the cause of the breakdown and the estimated duration. The owner or operator must notify the commissioner when the breakdown is over.” The notification requirements in MINN R. 7019.1000.2 do not apply if an applicable requirement or compliance document, as those terms are defined in the rules, does not require operation of the control equipment; if an applicable requirement or compliance document specifies alternative minimum operating conditions for the equipment that are still complied with despite the breakdown; or if the facility directly and continuously monitors the emissions with a continuous emissions monitor or similar direct monitoring device that demonstrates emissions do not exceed the applicable limit of any regulated pollutant during the breakdown.

16. MINN. R. 7019.1000.4 provides that “[i]n any shutdown, breakdown, or deviation covered by [Rule 1000.1 or 1000.2], the owner or operator must immediately or as soon as possible considering plant and personnel safety take all practical steps to modify operations to reduce the

emission of any regulated air pollutant. No emissions units that have an unreasonable shutdown or breakdown frequency of process or control equipment are permitted to operate.”

National Emission Standards for Hazardous Air Pollutants

17. Section 112 of the CAA, 42 U.S.C. § 7412, requires EPA to establish national standards for reducing emissions of hazardous air pollutants (HAPs) from stationary sources.

18. Pursuant to Section 112 of the CAA, 42 U.S.C. § 7412, EPA promulgated the National Emission Standards for Hazardous Air Pollutants for Iron and Steel Foundries Area Sources at 40 C.F.R. §§ 63.10880 through 63.10906 (NESHAP Subpart ZZZZZ).

19. The NESHAP Subpart ZZZZZ applies to owners and operators of iron and steel foundries that are area sources of HAP emissions and describes affected sources as each iron and steel foundry. The rule sets forth different requirements based on whether the affected source is a “large” or “small” foundry. 40 C.F.R. § 63.10880. An existing foundry is classified as a “small foundry” if it has “an annual metal melt production of 20,000 tons or less.” *Id.* § 63.10906; *see also id.* § 63.10880(f).

20. The NESHAP Subpart ZZZZZ, at 40 C.F.R. § 63.10890, provides “Requirements for New and Existing Affected Sources Classified as Small Foundries,” and states that owners and operators of iron foundries must “[a]t all times . . . operate and maintain any affected source, including associated air pollution control equipment and monitoring equipment, in a manner consistent with safety and good air pollution control practices for minimizing emissions.”

EPA’s Enforcement Authorities

21. Under Section 113(a)(1) of the CAA, 42 U.S.C. § 7413 (a)(1), the Administrator of EPA may issue an order requiring compliance to any person who has violated or is violating a SIP. Under Section 113(a)(3) of the CAA, 42 U.S.C. § 7413(a)(3), the Administrator of EPA may issue an order requiring compliance to any person who has violated or is violating the NESHAP regulations. The

Administrator has delegated this authority to the Director of the Enforcement and Compliance Assurance Division.

22. The Administrator of EPA may require any person who owns or operates an emission source to make reports, sample emissions, and provide information required by the Administrator under Section 114(a)(1) of the CAA, 42 U.S.C. § 7414(a)(1). The Administrator has delegated this authority to the Director of the Enforcement and Compliance Assurance Division.

B. Findings

23. ASA Holding Company, a Minnesota corporation formerly known as Smith Foundry Company, owned and operated the iron foundry located at 1855 E 28th St. in Minneapolis, Minnesota (the Facility) prior to selling the Facility to Smith Foundry Company Inc. (Smith Foundry) in an asset purchase transaction on December 5, 2022.

24. The Facility produces gray and ductile iron castings, which are created by pouring molten metal into a mold to produce the desired product.

25. The Facility's casting process produces emissions of particulate matter (PM) regulated by Minnesota's SIP, as well as hazardous air pollutants regulated by the NESHAP Subpart ZZZZZ.

26. The Facility is an "emission source" within the meaning of Section 114(a)(1) of the CAA, 42 U.S.C. § 7414(a)(1). Therefore, Smith Foundry is subject to the requirements of CAA Section 114(a)(1).

27. The Facility is an iron foundry, an emission facility, a stationary source, and operates industrial process equipment that was not in operation before July 9, 1969. Smith Foundry is therefore subject to the Minnesota SIP at MINN. R. 7005.0100, 7007.0800, 7011.0075, 7011.0080, 7011.0150, 7011.0715, 7011.0730, and 7019.1000, and the NESHAP Subpart ZZZZZ at 40 C.F.R. § 63.10890.

28. On May 26, 2023, EPA conducted a CAA inspection of the Facility (May 2023 Inspection).

29. On August 15, 2023, EPA issued to Smith Foundry a notice and finding of violation alleging that Smith Foundry had violated the following requirements of the Minnesota SIP and NESHAP Subpart ZZZZZ:

- a. MINN. R. 7011.0075.1 by failing to maintain baghouses within the specified pressure drop ranges;
- b. MINN. R. 7011.0075.2H and 7011.0080 by failing to maintain baghouse pressure drop, inspection, and maintenance records;
- c. MINN. R. 7011.0150 by failing to apply reasonable measures to prevent PM from becoming airborne at many areas both inside and outside the Facility;
- d. MINN. R. 7011.0715 by failing to comply with the PM emission limits specified in MINN. R. 7011.0730 Table 1 for the casting, pouring, and cooling area;
- e. MINN. R. 7019.1000 by failing to notify the Minnesota Pollution Control Agency (MPCA) about deviations and breakdowns that could endanger human health or the environment;
- f. MINN. R. 7019.1000.4 by failing to take all practical steps to modify operations to respond to deviations; and
- g. 40 C.F.R. § 63.10890 by failing to operate and maintain the Facility's control equipment, emission units, the material storage area, and the building envelope in a manner consistent with safety and good air pollution control practices for minimizing emissions.

30. On September 29, 2023, representatives of Smith Foundry and EPA discussed the August 15, 2023 notice and finding of violation.

31. From December 12, 2023 through December 14, 2023, Smith Foundry conducted emissions testing at the Facility. While this emissions testing was occurring, from December 12, 2023 to December 13, 2023, EPA conducted another CAA inspection of the Facility (December 2023 Inspection). During the December 2023 Inspection, EPA Inspectors observed that the holes in ductwork observed during the May 2023 Inspection had been patched; tarps and covers had been added to parts of the Facility to help reduce uncaptured emissions; and Facility personnel had been monitoring and recording pressure drops at the baghouses.

32. Smith Foundry states that it has made other improvements to the Facility since acquiring the Facility in December 2022, including replacing and securing windows and doors, repairing hoods and broken air lines to machines, hiring a new maintenance manager, and completing regular inspections and preventative maintenance.

33. Smith Foundry violated the Minnesota SIP requirements at MINN. R. 7011.0075.1, MINN. R. 7011.0075.2H, MINN. R. 7011.0080, MINN. R. 7011.0150, MINN. R. 7011.0715, MINN. R. 7019.1000, MINN. R. 7019.1000.4, and the NESHAP Subpart ZZZZZ at 40 C.F.R. § 63.10890.

C. Compliance Program

34. Except as outlined in the paragraphs below, by the effective date of this Order, Smith Foundry must achieve, demonstrate, and maintain compliance with the Minnesota SIP and the NESHAP Subpart ZZZZZ at the Facility.

35. By the effective date of this Order, Smith Foundry shall (i) permanently shut down the two pouring and cooling lines designated as “BP-1” and “Cope & Drag,”¹ and (ii) submit to EPA a certification that it has permanently shut down BP-1 and Cope & Drag.

¹ The Facility’s pouring and cooling lines are also referred to as casting and pouring lines, or casting, pouring, and cooling lines. The Order refers to these lines as the “pouring and cooling lines,” but intends to capture the casting, pouring, and cooling processes.

36. By no later than one year from the effective date of this Order, Smith Foundry shall (i) permanently shut down the Facility's furnace, all pouring and cooling lines, all mullers, and all shakeout systems, and (ii) submit to EPA a certification that it has permanently shut down the Facility's furnace, all pouring and cooling lines, all mullers, and all shakeout systems.

37. By no later than one year from the effective date of this Order, Smith Foundry shall submit to MPCA, with a copy to EPA, a letter notifying MPCA that the Facility has completed the actions identified in Paragraphs 35 and 36, and requesting voidance, revocation, rescission, withdrawal, or termination of all relevant portions of CAA permits to install, operating permits, permit renewals, and permit applications for the Facility, pursuant to all applicable rules.

38. Between the effective date of this Order and the date when Smith Foundry permanently shuts down the Facility's furnace, pouring and cooling lines, mullers, and shakeout systems as required under Paragraphs 35 and 36, Smith Foundry may not exceed 2,884 tons of liquid metal poured at the Facility.

39. By the effective date of this Order, Smith Foundry must implement the following improvements at the Facility:

- a. Ensure that openings in the building envelope are not left open for longer than necessary to bring materials or people in or out of the building.
- b. Ensure all doors and windows have properly functioning latches or locks.

40. By August 15, 2024, Smith Foundry shall implement the following actions at all baghouses at the Facility except CE002:

- a. Install and continuously operate pressure drop monitors to continuously monitor and record pressure drops.

- b. Install and continuously operate an audible and visual alarm that will notify operators of out-of-range pressure drop readings.
- c. Initiate corrective action to determine the cause of the alarm within 15 minutes of the alarm, initiate corrective action to correct the cause of the problem within one hour of the alarm, and complete corrective action as soon as practicable, but no later than one day from the date of an alarm.
- d. Document the date and time of each out-of-range pressure drop reading, whether any emission unit controlled by the baghouse was operating at the time of the out-of-range pressure drop reading, the date and time Smith Foundry initiated corrective action, the corrective actions taken, and the date and time when the corrective action was completed.
- e. Maintain baghouses within the pressure drop range recommended by the manufacturer and/or demonstrated during a performance test to be in compliance with all applicable standards.

41. By the effective date of this Order, Smith Foundry shall implement the following actions at all baghouses at the Facility that do not have continuous pressure monitors:

- a. Monitor and record pressure drops at least once per day, including whether any emission unit controlled by the baghouse is operating at the time of the monitoring.
- b. Initiate corrective action to determine the cause of any out-of-range pressure drop reading and to correct the cause of the problem within one hour of the out-of-range reading, and complete corrective action as soon as practicable, but no later than one day from the date of the out-of-range reading.

- c. Document the date and time of each out-of-range pressure drop reading, the date and time Smith Foundry initiated corrective action, the corrective actions taken, and the date and time when the corrective action was completed.

42. By August 15, 2024, Smith Foundry shall implement the following actions at all baghouse(s) associated with all emission units that will remain operating after one year from the effective date of this Order, except CE002:

- a. Install, calibrate, maintain, and continuously operate bag leak detection system(s) (BLDS), consistent with the BLDS requirements in 40 C.F.R. § 63.10897(d).
- b. Install and continuously operate an audible and visual alarm that will notify operators of bag leaks.
- c. Create and operate in accordance with the BLDS monitoring plan, incorporated into the Operations and Maintenance (O&M) plan, as required by Paragraph 44.j. below.
- d. In the event that a BLDS alarm is triggered, initiate corrective action to determine the cause of the alarm within one hour of the alarm; initiate corrective action to correct the cause of the problem within 24 hours of the alarm; complete corrective action as soon as practicable, but no later than 10 calendar days from the date of the alarm; and record the date and time of each valid alarm, the date and time Smith Foundry initiated corrective action, the corrective action taken, and the date and time when corrective action was completed. Corrective actions may include, but are not limited to:
 - i. Inspecting the baghouse for air leaks, torn or broken bags or filter media, or any other condition that may cause an increase in emissions;
 - ii. Sealing off defective bags or filter media;

- iii. Replacing defective bags or filter media or otherwise repairing the control device;
- iv. Sealing off a defective baghouse department;
- v. Cleaning the BLDS probe, or otherwise repairing the BLDS; and
- vi. Shutting down the process producing the particulate emissions.

43. By the effective date of this Order, Smith Foundry shall develop and implement the following notification procedures.

- a. Smith Foundry must implement the standard operating procedure (SOP) attached as Appendix C for determining and recording the cause of any deviation, as defined in MINN. R. 7007.0100, subp. 8a, or breakdown, as described in MINN. R. 7007.1000, subp. 2. Within 60 days of the effective date of this Order, Smith Foundry must amend the SOP by describing the deviation and breakdown scenarios that are likely to occur and indicating whether such deviations and breakdowns require notification under the Minnesota Rules, including but not limited to the scenarios listed in Appendix C. Once amended, Smith Foundry must implement the amended SOP.
- b. Smith Foundry must use the form in Appendix C to notify MPCA when required by MINN. R. 7019.1000 of any deviation that could endanger human health or the environment and a breakdown of more than one hour of any control equipment or process equipment if the breakdown causes any increase in the emissions of any regulated air pollutant. When filling out the form, Smith Foundry will include the corrective action taken, the time corrective action was initiated, the time and date when the corrective action was completed, and all other requirements from MINN.

R. 7019.1000. Smith Foundry must provide a copy of any forms submitted to MPCA under this Paragraph to EPA for the duration of the Order.

- c. Smith Foundry must develop and implement a policy requiring semi-annual internal audits to ensure all deviations are recorded and required notifications are submitted, and Smith Foundry must maintain records of the audit results. If any semi-annual audit identifies any deficiencies, within 30 days Smith Foundry must modify the SOP required under Paragraph 43.a. to address those deficiencies, implement the revised SOP, and provide EPA with a copy of the revised version.

44. By July 31, 2024, Smith Foundry shall modify and operate in accordance with an updated O&M Plan, that includes:

- a. Procedures for proper operation and maintenance of each emission unit and each pollution control device at the Facility.
- b. Procedures for the proper operation and maintenance (including calibration) of monitoring devices and systems, including but not limited to, the pressure drop monitoring devices and BLDS monitoring devices referenced in Paragraphs 40 and 42.
- c. Procedures for documentation and maintenance of records related to the monitoring devices and systems, including the information required by Paragraphs 40.d., 41.c., and 42.d.
- d. Procedures for documentation and maintenance of records associated with calibration and certification of accuracy of the monitoring devices and systems referenced in Paragraph 44.b.

- e. A preventative maintenance and inspection plan that complies with the maintenance and inspection schedules set forth in Appendix A.
- f. Procedures for documentation and maintenance of records related to inspections performed under the O&M Plan, including: (1) the inspection date and name of inspector; and (2) identification of any deficiencies observed during the inspection. The procedures must require Smith Foundry to address each deficiency as soon as practicable within 24 hours, and document and maintain records of each deficiency and the corrective actions taken.
- g. Procedures for documentation and maintenance of records related to preventative maintenance and repairs, including: (1) the date maintenance or repair was performed; and (2) identification of the preventative maintenance or repairs that were performed.
- h. A spare parts inventory, based on vendor recommendations and expanded based on Facility experience.
- i. Documentation of all spare parts currently available on-site.
- j. A BLDS monitoring plan that includes all of the elements specified in Appendix B.

45. Smith Foundry must perform the following monitoring, recordkeeping, and reporting, under Section 114(a)(1) of the CAA, 42 U.S.C. § 7414(a)(1):

- a. By no later than 7 days following the end of each quarter, Smith Foundry must submit to EPA quarterly reports that cover the prior calendar quarter that include the following information:
 - i. date of installation of the equipment required by Paragraphs 40 and 42;

- ii. baghouse monitoring records for all baghouses in operation during the preceding quarter, including records associated with Paragraphs 40, 41, and 42;
 - iii. records of the audit results referenced in Paragraph 43.c.;
 - iv. records of completed documentation referenced in Paragraphs 44.f. and 44.g; and
 - v. until the furnace and pouring and cooling lines are shut down, records of tons of liquid metal poured during each day of operation and total tons of liquid metal poured since the effective date of this Order.
- b. Within 60 days of the effective date of the Order, Smith Foundry must submit to EPA the amended version of the SOP required by Paragraph 43.a.
 - c. By no later than July 31, 2024, Smith Foundry must submit to EPA for review and approval the updated O&M Plan required by Paragraph 44.

46. If the Facility has not complied with Paragraphs 35 through 37 by the deadlines set forth in those paragraphs, Smith Foundry must, upon request from EPA, immediately sign a tolling agreement that extends the tolling period of all allegations set forth in this Order from December 5, 2022 to at least 6 months from the date of signature, and EPA may seek penalties as described in Paragraph 55.

47. By no later than one year from the effective date of this Order, Smith Foundry must submit a revised permit application to MPCA that requests incorporation of the requirements of Paragraphs 40 and 42 of this Order into an air permit, as federally enforceable requirements under the authority of a SIP-approved permit program, that will survive termination of this Order. All supporting documentation required for this application, including this Order, must be included. Smith Foundry

must make this application in accordance with applicable State of Minnesota regulations and must simultaneously provide a copy to EPA. Smith Foundry must respond to requests for additional information and make other good faith efforts to provide MPCA with any additional information it requests to act on Smith Foundry's permit applications.

48. Smith Foundry must send all reports and other information required by this Order by uploading them to the OneDrive link provided by EPA or by sending them via electronic mail to r5airenforcement@epa.gov and Herbers.Jacob@epa.gov. If Smith Foundry uploads the required reports and information, Smith Foundry must send an email notification to the email addresses above that the upload is complete. If Smith Foundry is unable to send any information to these addresses due to email size restrictions or other problems, Smith Foundry must use these email addresses to make additional arrangements for transmission of the information.

D. General Provisions

49. Smith Foundry consents to the transmission of this Order by email at the following email addresses: Quiroga_Adolfo@smithfoundry.com and thomas.braun@stoel.com.

50. In order to provide EPA with information it needs to fulfill its IRS reporting requirements under 26 U.S.C. § 6050X and 26 C.F.R. § 1.6050X-1, Smith Foundry agrees to complete an IRS Form W-9 ("Request for Taxpayer Identification Number and Certification," available at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>) and email it to EPA's Cincinnati Finance Center at wise.milton@epa.gov within 30 calendar days of the effective date of this Order. EPA recommends encrypting IRS Form W-9 email correspondence.

51. For purposes of the identification requirement in Section 162(f)(2)(A)(ii) of the Internal Revenue Code, 26 U.S.C. § 162(f)(2)(A)(ii), and 26 C.F.R. § 162-21(b)(2), performance of the Compliance

Program in Section C of this Order is restitution, remediation, or required to come into compliance with the law.

52. Smith Foundry does not admit the factual allegations in this Order or the alleged violations of law in this Order.

53. This Order does not affect Smith Foundry's responsibility to comply with other federal, state, and local laws.

54. This Order does not restrict EPA's authority to enforce the CAA and its implementing regulations.

55. Failure to comply with this Order may subject Smith Foundry to penalties of up to \$121,275 per day for each violation under Section 113 of the CAA, 42 U.S.C. § 7413, and 40 C.F.R. Part 19.

56. The terms of this Order are binding on Smith Foundry, its assignees, and successors. Smith Foundry must give notice of this Order to any successors in interest prior to transferring ownership and must simultaneously verify to EPA, at the above email addresses, that it has given the notice.

57. Smith Foundry may assert a claim of business confidentiality under 40 C.F.R. Part 2, Subpart B, for any portion of the information it submits to EPA. Information subject to a business confidentiality claim is available to the public only to the extent allowed by 40 C.F.R. Part 2, Subpart B. If Smith Foundry fails to assert a business confidentiality claim, EPA may make all submitted information available, without further notice, to any member of the public who requests it. Emission data provided under Section 114 of the CAA, 42 U.S.C. § 7414, is not entitled to confidential treatment under 40 C.F.R. Part 2, Subpart B. "Emission data" is defined at 40 C.F.R. § 2.301.

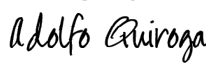
58. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 et seq., because it seeks collection of information by an agency from specific individuals or entities as part of an administrative action or investigation.

59. EPA may use any information submitted under this Order in an administrative, civil judicial, or criminal action.

60. Smith Foundry agrees to the terms of this Order. Smith Foundry waives any remedies, claims for relief, and otherwise available rights to judicial or administrative review that it may have with respect to any issue of fact or law set forth in this Order, including any right of judicial review under Section 307(b) of the CAA, 42 U.S.C. § 7607(b).

61. This Order is effective on the date of signature by the Director of the Enforcement and Compliance Assurance Division. This Order will terminate two years from the effective date, provided that Smith Foundry has complied with all terms of the Order throughout its duration.

For Smith Foundry:
1855 E 28th St.
Minneapolis, MN 55407

DocuSigned by:

C9D271CF900A412...

Adolfo Quiroga, President
Smith Foundry Company Inc.

5/30/2024

Date

For United States Environmental Protection Agency:

Michael D. Harris
Division Director
Enforcement and Compliance Assurance Division
U.S Environmental Protection Agency, Region 5

Appendix A: O&M Plan Proposed Revisions and Additions

| 6.0 | Frequency | Procedures for all capture and control systems |
|------------|------------------|--|
| 6.1 | Continuously | <ul style="list-style-type: none"> -Following the installation of the pressure drop monitor, monitor and record baghouse pressure drops at the baghouse associated with CE004 and report any outside the specified range. -Following the installation of the pressure drop monitors, and until the furnace and pouring and cooling lines are shut down, monitor and record baghouse pressure drops at the baghouses associated with stack CE001, CE003, and CE005 and report any outside the specified range. - Following the installation of the pressure drop monitor, and until such pressure drop monitor is no longer required, maintain a visual and audible alarm for noncompliant readings. |
| 6.2 | Daily | <ul style="list-style-type: none"> -Monitor and record baghouse pressure drops at all baghouses until continuous monitoring is installed. -Check for visible emissions from the baghouse stacks and other building openings. For the furnace, the daily check of the baghouse stack and building opening near the furnace will be conducted during charging and tapping. -Check dust collection system/shaker to make sure they are working properly. |
| 6.3 | Weekly | <ul style="list-style-type: none"> -Check bags for signs of wear. -Clean bags as needed. -Check belts, chains, and other moving parts for signs of wear. -Check pipes and hoses for leaks, replace if needed. -Check hoods, including hood hinges, and enclosures for signs of physical damage, leaks, rust, corrosion or erosion, clogs/obstructions. Lubricate damper and other hood parts. -Check that all doors and windows are closed and have properly functioning latches or locks. -Check that all openings in the building envelope are closed. -Check that the gaps between all ladles and their lids are minimized. |
| 6.4 | Monthly | <ul style="list-style-type: none"> -Lubricate all exhaust fans and baghouse operation motors. -Check for corrosion or buildup in fans. -Check motor bearings and shafts for wear. -Check ductwork from hoods to baghouses for signs of physical damage, leaks, rust, corrosion or erosion, cracks, holes, dents, thermal deformation, material buildup, and corrosion, or visible leakage of contaminants. -Check baghouse, including bag cleaning system compression air pressure, proper rotation of rotary valve, screw conveyor, gaskets, dust fines flow, bag cleaning system solenoid and diaphragm valves, system compressed air pressure, baghouse housing interior, hopper for buildup, and baghouse exterior. -Check all exterior doors to ensure they can be properly latched and sealed. |
| 6.5 | Quarterly | <ul style="list-style-type: none"> -External visual inspection of fans and motors. -Tighten the belts on the motors. -Internal duct inspection to check for signs of settled PM, confirmation that damper controls are moving as intended, and alarms are operating as intended. |

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| 6.6 | Annually | <ul style="list-style-type: none">-Thoroughly clean the baghouses.-Recalibrate the pressure drop gauges.-Blow out and clean the fan motors including fan blades for cleanliness, inspect for wear, damage, vibration; impeller, fan housing and back plate for material buildup and wear, physical damage, rust, and corrosion; and pulley or sheave belts for tension and wear.-Check all bolts in the system for tightness. |
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Appendix B: Bag Leak Detection System Monitoring Plan

The Bag Leak Detection System Monitoring Plan must include the following:

1. A description of each BLDS to be installed, including the name of the system manufacturer, specifications, general design and operational aspects of the system components, methods of data collection, and serial number(s) of each component;
2. A description of the location(s) where each BLDS shall be installed;
3. A description of the methods to be used to calibrate each BLDS;
4. A description of procedures to perform the initial and periodic adjustments of the BLDS and BLDS alarms, consistent with OAQPS Fabric Filter Bag Leak Detection Guidance - EPA-454/R-98-015;
5. A description of the initial BLDS setpoints, including a description of the baseline output, cleaning peaks, alarm delay time, alarm response time, and alarm set points and a description of how this is consistent with OAQPS Fabric Filter Bag Leak Detection Guidance - EPA-454/R-98-015;
6. A description of the procedures to be implemented for the operation of each BLDS including quality assurance and quality control procedures, recordkeeping and reporting on operational performance of each BLDS, all alarms, and any deviations from this plan when responding to an alarm;
7. A description of the procedures to be implemented for the maintenance of each BLDS, including routine maintenance schedules, a spare-parts inventory list, and explanation of how records of maintenance activities shall be maintained;
8. A description of how the BLDS output shall be recorded, analyzed (i.e. conversions from input to mass loadings), and stored; and
9. A description of the procedures to be implemented when an alarm occurs including procedures to identify root cause(s), corrective actions to be taken (i.e. possible corrective actions to be taken in the event of an alarm), and preventative measures implemented or to be implemented.

Appendix C: Deviation/Notification SOP

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|  | Control Equipment Breakdown/Shutdown Notifications Standard Operating Procedure (SOP) | Doc #: TBD Effective Date: 22 Jan 2024 Supersedes: New |
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1. **Purpose/Scope:** The purpose of this procedure is to establish guidelines for notification to the Minnesota Pollution Control Agency (MPCA) that one or more of the Emissions Control Equipment (CE) devices are or have been out of operation for a period mandated by governmental rules and/or regulations. The scope of this procedure includes all five of the current Control Equipment devices and any future Control Equipment that may be employed at Smith Foundry.

2. **References:**

- a. 42 USC 7401 Clean Air Act (CAA)
- b. Minnesota Rules 7007, 7019
- c. 40 CFR Part 63
- d. MPCA Air Permits Shutdown/Breakdown Notification Procedure

3. **Definitions:**

Baghouse: A filtration device that removes/reduces emission from the air and collects the waste in a bag for handling.

Breakdown: A condition where the proper operation of equipment is hindered or not in operation due to mechanical failure.

Control Equipment (CE): A device used to reduce/remove pollutants from air emitted from the building, such as a baghouse.

Deviation: An instance in which an affected source fails to meet any requirement or obligation established by a regulation or permit condition.

Minnesota Pollution Control Agency (MPCA): The state level regulatory body responsible to the Environmental Protection Agency for enforcement and control of emissions, that by rule, to prevent endangerment of human health or the environment.

Shutdown: For the purposes of MPCA Notification, a shutdown is the control stoppage of a CE during periods of production that possibly threatens personal health or the environment.

4. **General Information:** The MPCA requires, as part of Air Permitting, that Smith Foundry report Breakdowns or Shutdowns of CE. Breakdowns of more than one-hour, shutdowns of any duration that cause any increase in emissions, and return to normal operation require notification. Planned shutdowns require 24-hour prior notice and breakdowns require reporting within 24 hours of the event.

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In any shutdown, breakdown, or deviation Smith Foundry shall immediately take all practical steps to modify operations to reduce the emission of any regulated air pollutant. The Commissioner may require feasible and practical modifications in the operation to reduce emissions of air pollutants. No emissions units that have an unreasonable shutdown or breakdown frequency of process or control equipment shall be permitted to operate.

5. Roles and Responsibilities:

- a. General Manager (GM):
 1. The GM is the approving authority for this SOP.
 2. The GM is responsible for ensuring that this procedure is followed by all Smith Foundry personnel.
- b. Environmental, Health, and Safety (EHS) Manager: The EHS Manager is responsible for execution of the reporting requirements to the MPCA. This person will gather, utilizing the form included as an Appendix to this SOP, the required information and complete the actual notification to the MPCA within 24-hours of a breakdown event or 24-hours prior to a shutdown.
- c. Maintenance Manager: The Maintenance Manager is responsible for assisting in gathering information for the EHS Manager, performing the actual notification in the EHS Manager's absence, and correcting any equipment deficiencies that may be required.
- d. All Smith Foundry Personnel: Everyone at Smith Foundry is charged with ensuring the CE's are operational and reporting any deficiencies to their immediate member of the Smith Foundry Leadership Team.
- e. Smith Foundry Leadership Team: All members of the Leadership Team are responsible for ensuring that information gained from Foundry Personnel has been shared with the General Manager, the EHS Manager, and the Maintenance Manager to enable the appropriate notifications are conducted.

6. Qualifications and Training: A familiarization with this SOP by the GM, EHS Manager, and the Maintenance Manager constitutes qualification and training on the subject matter. A review of this SOP



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at the regular Right-to-Know training facilitates qualification and training for all other Smith Foundry Personnel.

7. Work Instruction:

- a. Upon receiving information that a CE is or will be in a state that requires MPCA notification, compile the data requested on the Smith Foundry's Notification and Tracking Form, included as an appendix to this SOP.
- b. Visit <https://www.pca.state.mn.us/business-with-us/air-emissions-shutdown-breakdown-form> and complete the form located therein. Or, as an alternative, a phone call notification can be achieved by calling 651-296-7300 weekdays between 8:00am and 4:30pm. After normal business hours, notifications can be called in to the Minnesota Duty Officer at 651-649-5451. **Answer specific questions only.** Any other information gathered will become part of Smith Foundry's Records.
- c. Upon completion of the shutdown or following the correction of the deficiency that caused a breakdown, return to the MPCA website to provide an update or call the phone numbers above to report the return to normal operation of the CE(s) involved.
- d. Notification of deviations endangering human health or the environment: As soon as possible after discovery, notify the Commissioner or the state duty officer, either orally or by facsimile, of any deviation from permit conditions which could endanger human health or the environment.
- e. Notification of Deviations Endangering Human Health or the Environment Report: Within two working days of discovery, notify the Commissioner in writing of any deviation from permit conditions which could endanger human health or the environment. Include the following information in this written description:
 1. the cause of the deviation;
 2. the exact dates of the period of the deviation, if the deviation has been corrected;
 3. whether or not the deviation has been corrected;
 4. the anticipated time by which the deviation is expected to be corrected, if not yet corrected;
 - and
 5. steps taken or planned to reduce, eliminate, and prevent reoccurrence of the deviation.
- f. File the completed Notification and Tracking Form with Smith Foundry's Air Permit.

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g. Deviations that do not have the potential to endanger human health of the environmental shall be reported on the facility's semiannual deviation reports, under the guidelines outlined within Minnesota and Federal regulation.

8. Appendix: Smith Foundry's Notification Information and Tracking Form.

9. Document Locations:

- a. Master Record – W:\Maintenance\Maint Manager\SOPs
- b. Controlled Copies – Maintenance Manager's desk, Maintenance Supervisor's Desk, and Maintenance Shop Binder.

9. Record Retention: 5 Years.

10. Revision History:

| Version # | Date Revised | Reason for Revision | Revised By: |
|-----------|-----------------|---------------------------------|--------------|
| 1 | 22 January 2024 | Various | Brian David |
| 2 | 22 April 2024 | To include steps re: deviations | Kevin Miller |
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Smith Foundry's Notification Information and Tracking Form

Initial Status Identification Made By:

Date and Time of Initial Identification:

Estimated Date and Time of Breakdown/Shutdown:

Exact Equipment Involved:

Reason for Breakdown/Shutdown:

Potential Human Health and/or Environmental Impact:

Action Taken to Mitigate Impact:

Estimated/Actual Duration of Breakdown/Shutdown:

Information for the MPCA. Only answer these specific questions. All other inquiries must be forwarded to the GM. To Make the Report Refer to: <https://www.pca.state.mn.us/business-with-us/air-emissions-shutdown-breakdown-form> or call the MPCA during normal business hours at 651-296-7300. After normal business hours, calls can be made to the Minnesota Duty Officer at 651-649-5451.

Is this a Breakdown, Shutdown, or an Update?

Reporting Date and Time:

Facility ID, if known: **05300006**

Facility Name: Smith Foundry Company Inc.

Permit Number: 137-91-OT-1

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Street Address: **1855 East 28th Street**

City: **Minneapolis, MN**

County: **Hennepin County**

Name of Person Making Notification:

Notifying Person's Phone Number:

Notifying Person's Email Address:

Description of the Event:

Specific Control Equipment (CE) that is Broke Down or Shut Down:

Is the Facility Continuing to Operate: Yes | No

Event Start Date and Time:

Event End Date and Time (Part of an Update Notification):

Report Number:

First Notification Made to Operator Number:

Close Out Report Notification Made to Operator Number: