



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

AUG 29 2016

REPLY TO THE ATTENTION OF

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Steve Yarbery, Process Engineer
KECO Engineered Coatings, Inc.
1030 South Kealing Avenue
Indianapolis, IN 46203

Re: Administrative Order EPA-5-16-113(a)-IN-06

Dear Steve Yarbery:

Enclosed is an executed original of the Administrative Consent Order regarding the above captioned case. If you have any questions about the Order, please contact me at 312-886-3850.

Sincerely,

A handwritten signature in black ink, appearing to read "N. Frank", written over a horizontal line.

Nathan Frank
Chief, Air Enforcement and Compliance Assurance Section (IL/IN)

Enclosure

cc: Jeffery Trevino, C-14J
Phil Perry, Chief, Air Compliance Branch, IDEM

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5**

In the Matter of:)	EPA-5-16-113(a)-IN-06
)	
KECO Engineered Coatings)	Proceeding Under Sections 113(a)(1)(3) and
Indianapolis, Indiana)	114(a)(1) of the Clean Air Act, 42 U.S.C.
)	§§ 7413(a)(1)(3) and 7414(a)(1)
_____)	

Administrative Consent Order

1. The Director of the Air and Radiation Division, U.S. Environmental Protection Agency (EPA), Region 5, is issuing this Order to KECO Engineered Coatings (KECO) under Sections 113(a)(1)(3) and 114(a)(1) of the Clean Air Act (CAA), 42 U.S.C. §§ 7413(a)(1)(3) and 7414(a)(1).

Statutory and Regulatory Background

2. Under Section 112 of the CAA, U.S.C. § 7412, EPA promulgated the National Emission Standards for Hazardous Air Pollutants (NESHAP) for Area Source Standards for Plating and Polishing Operations at 40 C.F.R. Part 63, Subpart WWWW at 40 C.F.R. §§ 63.11504 – 63.11513 (NESHAP 6W). NESHAP 6W applies to owners and operators of facilities that are area sources of hazardous air pollutant (HAP) emissions and that engage in, among other things, non-electrolytic metal coating processes including thermal spraying that use or emit one or more of the plating and polishing metal HAPs.

3. Under NESHAP 6W, at 40 C.F.R. § 63.11504(a)(2), an area source of HAP emissions is any stationary source or group of stationary sources within a contiguous area under common control that does not have the potential to emit any single HAP at a rate of 10 tons per year or more and any combination of HAP at a rate of 25 tons per year or more.

4. Under NESHAP 6W, at 40 C.F.R. § 63.11511, “plating and polishing metal HAP” includes any compound of any of the following metals in amounts greater than or equal to 0.1 percent by weight: cadmium, chromium, lead, manganese (if present in amounts greater than or equal to 1.0 percent by weight), and nickel, or any of these metals in elemental form, with the exception of lead.

5. Under NESHAP 6W, at 40 C.F.R. § 63.11511, “thermal spraying” is a process that uses or emits any of the plating and polishing metal HAP in which a metallic coating is applied by projecting heated, molten or semi-molten metal particles onto a substrate.

6. Under NESHAP 6W, at 40 C.F.R. 63.11505(a)(2), “affected sources” include “each thermal spraying operation that applies one or more of the plating and polishing metal HAP.”

7. NESHAP 6W, at 40 C.F.R. § 63.11505(b), defines “existing” affected sources as sources that were constructed or reconstructed on or before March 14, 2008.

8. NESHAP 6W, at 40 C.F.R. § 63.11506(a), requires that existing affected sources achieve compliance with the applicable provisions of 40 C.F.R. Part 63, Subpart 6W no later than July 1, 2010.

9. NESHAP 6W, at 40 C.F.R. § 63.11507(f), requires owners and operators of affected thermal spraying operations to implement the applicable management practices listed in 40 C.F.R. § 63.11507(g).

10. NESHAP 6W, at 40 C.F.R. § 63.11508(a) – (c), requires the owner or operator of affected sources to submit a Notification of Compliance Status, comply with applicable management practices and equipment standards of NESHAP 6W at all times, and meet initial

compliance requirements for affected sources, specifically including but not necessarily limited to the requirements in 40 C.F.R. § 63.11508(c)(9).

11. NESHAP 6W requires owners and operators to demonstrate continuous compliance with the applicable management and equipment standards by satisfying the requirements in 40 C.F.R. § 63.11508(d), specifically including but not necessarily limited to the requirements at 40 C.F.R. § 63.11508(d)(1), (2), and (4).

12. NESHAP 6W, at 40 C.F.R. § 63.11509(a), requires the owner or operator of affected sources to submit an Initial Notification containing the information specified in 40 C.F.R. § 63.9(b)(2)(i) – (iv).

13. NESHAP 6W requires owners and operators of affected sources to comply with the applicable notification, reporting and recordkeeping requirements specified at 40 C.F.R. § 63.11509.

14. Owners and operators of affected sources are also required to comply with the NESHAP General Provisions at 40 C.F.R. Part 63, Subpart A in accordance with the requirements of 40 C.F.R. § 63.11510.

15. 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 Air and Radiation Division.

16. The Administrator of EPA may require any person who owns or operates an emission source to make reports 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 Air and Radiation Division.

Findings

17. KECO owns and operates a coating facility at 1030 South Kealing Avenue, Indianapolis, Indiana (the Facility), at which KECO conducts coating operations, including one thermal spraying operation to coat metal parts with a heated metal powder coating.

18. The thermal spraying operations at the Facility use and emit one or more “plating and polishing metal HAP”, within the meaning of 40 C.F.R. § 63.11511.

19. The Facility is an area source of HAP emissions within the meaning of 40 C.F.R. § 63.11504(a)(2).

20. The thermal spraying operations at the Facility qualify as “thermal spraying” within the meaning of 40 C.F.R. § 63.11511.

21. The Facility is a “plating and polishing facility” within the meaning of 40 C.F.R. §§ 63.11504 and 63.11511, and is therefore subject to the area source NESHAP 6W.

22. Each thermal spraying operation at the Facility is an “affected source” within the meaning of 40 C.F.R. § 63.11505(a)(2) and an “existing affected source” within the meaning of 40 C.F.R. § 63.11505(b).

23. KECO has not prepared or submitted the Initial Notification required by 40 C.F.R. § 63.11509(a) in accordance with 40 C.F.R. § 63.9(b)(2)(i) – (iv), has not prepared or submitted the Notification of Compliance Status (NOCS) required by 40 C.F.R. § 63.11508(a) in accordance with 40 C.F.R. § 63.11509(b), has not prepared annual compliance certifications required by 40 C.F.R. § 63.11508(d) as specified in 40 C.F.R. § 63.11509(c), and has not prepared or maintained records as required by 40 C.F.R. § 63.11509(e).

24. On February 1, 2016, EPA conducted an inspection at the Facility.

25. On April 21, 2016, EPA issued an information request to KECO under Section 114(a) of the CAA, 42 U.S.C. § 7414, which required KECO to submit information regarding the plating and polishing operations at the facility.

26. On July 14, 2016, EPA issued to KECO a finding of violation via electronic mail alleging that it violated the NESHAP Subpart 6W by failing to comply with continuous compliance requirements set forth at 40 C.F.R. § 63.11508(a), (b), and (c)(9), failing to generate and maintain records required by 40 C.F.R. § 63.11509(e), and failing to submit notifications, certifications and reports required by 40 C.F.R. §63.11509.

Compliance Program

27. By no later than 60 days after the Effective Date of this Order, KECO must achieve, demonstrate and maintain compliance with all applicable requirements of NESHAP 6W at the Facility, specifically including but not necessarily limited to the requirements in paragraphs 28 through 38 below.

28. By no later than 30 days after the Effective Date of this Order, KECO must submit to EPA an Initial Notification in accordance with 40 C.F.R. §§ 63.11509(a) and 63.9(b)(2)(i) – (iv), specifically including but not necessarily limited to:

- i. The name and address of the owner or operator;
- ii. The address (i.e., physical location) of the affected source;
- iii. An identification of the relevant standard, or other requirement, that is the basis of the notification and the source's compliance date;
- iv. A brief description of the nature, size, design, and method of operation of the source and an identification of the types of emission points within the affected

source subject to the relevant standard and types of hazardous air pollutants emitted; and

- v. A statement of whether the affected source is a major source or an area source.

29. By no later than 60 days after the Effective Date of this Order, KECO must submit to EPA a Notification of Compliance Status in accordance with 40 C.F.R. §§ 63.11509(b) and 63.11508(c)(9)(ii), specifically including but not necessarily limited to:

- i. List of affected sources and the plating and polishing metal HAP used in, or emitted by, those sources;
- ii. Methods used to comply with the applicable management practices and equipment standards in NESHAP 6W;
- iii. Description of the capture and emission control systems used to comply with the applicable equipment standards in NESHAP 6W;
- iv. Statement by KECO as to whether the source is in compliance with the applicable standards or other requirements of NESHAP 6W; and
- v. Statement whether KECO has installed and is operating the control system according to the manufacturer's specifications and instructions, as required by 40 C.F.R. § 63.11508(c)(9)(ii).

30. For each thermal spraying operation, KECO must implement the following applicable management practices, as practicable, as required by 40 CFR §§ 63.11507(g):

- i. Perform regular repair, maintenance, and preventive maintenance of equipment associated with the thermal spraying operations;
- ii. Perform general good housekeeping;

- iii. Minimize spills; and
- iv. Perform regular inspections to identify leaks and other opportunities for pollution prevention.

31. KECO must comply with the applicable compliance requirements specified in 40 C.F.R. § 63.11508, specifically including but not limited to:

- i. Comply with the applicable management practices and equipment standards in NESHAP Subpart 6W at all times;
- ii. Demonstrate initial compliance as specified in 40 C.F.R. § 63.11508(c), specifically including but not necessarily limited to the requirements of 40 C.F.R. § 63.11508(c)(9);
- iii. Demonstrate continuous compliance with the applicable management practices and equipment standards in NESHAP Subpart 6W by complying with the requirements of 40 C.F.R. § 63.11508(d), specifically including but not limited to:
 - 1. KECO must prepare an annual compliance certification as required by 40 C.F.R. § 63.11508(d)(2) and 40 C.F.R. § 63.11509(c) and keep it in a readily-accessible location for inspector review;
 - 2. KECO must only operate affected sources under NESHAP Subpart 6W when associated air pollution control equipment is operating, as required by 40 C.F.R. § 63.11508(d)(1);
 - 3. Following any malfunction or failure of the capture or control devices to operate properly, KECO must take immediate corrective action to

return equipment to normal operation, as required by 40 C.F.R. § 63.11508(d)(4)(ii);

4. KECO must state in its annual certification, prepared pursuant to 40 C.F.R. § 63.11509(c), whether it has operated and maintained the control system according to the manufacturer's specifications and instructions, as required by 40 C.F.R. § 63.508(d)(4)(iii);
5. KECO must record the results of all control system inspections, deviations from proper operation, and any corrective action taken, as required by 40 C.F.R. § 63.11508(d)(4)(iv);
6. KECO must keep manufacturer's operating instructions at the facility at all times in a location where they can be easily accessed by the operators, as required by 40 C.F.R. § 63.11508(d)(4)(v); and
7. KECO must implement all applicable management practices at all times that any one or more affected sources are in operation, as required by 40 C.F.R. § 63.11508(d)(8)(i).

32. KECO must prepare and maintain on-site an annual certification of compliance report, according to 40 C.F.R. §§ 63.11509(c), 63.11508(d)(4)(iii), and 63.11508(d)(8)(ii) for each calendar year beginning July 1, 2011.

33. By no later than 30 days after the Effective Date of this Order, KECO must submit to EPA the annual certification of compliance reports for 2011 through 2015.

34. KECO must annually report any deviations from the compliance requirements specified in NESHAP Subpart 6W, along with the corrective action performed and submit the

report no later than January 31 of the year immediately following the reporting period, in accordance with 40 C.F.R. § 63.11509(d).

35. KECO must maintain the following records, in accordance with 40 C.F.R. § 63.11509(e):

- i. Initial Notification and Notification of Compliance Status that KECO submitted (and all supporting documentation) and the records required by 40 C.F.R. § 63.10(b)(2)(i) through (iii) and (xiv).
- ii. Annual compliance reports and records required to show continuous compliance with each applicable management practice and equipment standard in NESHAP 6W as required by 40 C.F.R. § 63.11509(e).

36. By no later than 45 days after the effective date of this order, KECO must submit a complete permit application to the Indiana Department of Environmental Management to modify the existing Source Specific Operating Agreement for the thermal spray operations to include a statement that the facility is subject to the requirements of 40 C.F.R. Part 63, Subpart 6W, National Emission Standards for Hazardous Air Pollutants: Area Source Standards for Plating and Polishing Operations.

37. By no later than 60 days after the effective date of this order, KECO must submit to EPA a completion report certifying it has completed all requirements listed above and specified by the NESHAP 6W.

38. KECO must send all reports required by this Order to:

Attention: Compliance Tracker (AE-17J)
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
77 W. Jackson Boulevard
Chicago, Illinois 60604

General Provisions

39. This Order does not affect KECO's responsibility to comply with other federal, state and local laws.

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

41. Failure to comply with this Order may subject KECO to penalties of up to \$37,500 per day for each violation under Section 113 of the CAA, 42 U.S.C. § 7413, and 40 C.F.R. Part 19.

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

43. KECO may assert a claim of business confidentiality under 40 C.F.R. Part 2, Subpart B, for any portion of the information KECO 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 KECO 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.

44. 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. To aid in our electronic recordkeeping efforts, please furnish an electronic copy on physical media such as compact disk, flash drive or

other similar item. If it is not possible to submit the information electronically, submit the response to this Order without staples; paper clips and binder clips, however, are acceptable.

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

46. KECO agrees to the terms of this Order. KECO 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).

47. This Order is effective on the date of signature by the Director of the Air and Radiation Division. This Order will terminate one year from the effective date, provided that KECO has complied with all terms of the Order throughout its duration.

8-1-16
Date

Steve Yarbery
Steve Yarbery
Process Engineer
KECO Engineered Coatings, Inc.

8/29/16
Date

Edward Nam
Edward Nam
Acting Director
Air and Radiation Division
U.S. Environmental Protection Agency, Region 5

CERTIFICATE OF MAILING

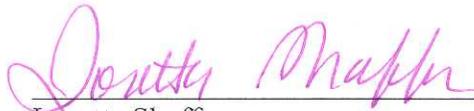
I, Loretta Shaffer, certify that I sent the Administrative Consent Order, EPA-5-16-113(a)-IN-06, by certified mail, return receipt requested, to:

Steve Yarbery
KECO Engineered Coatings, Inc.
1030 South Kealing Avenue
Indianapolis, IN 46203

I also certify that I sent a copy of the Administrative Consent Order, EPA-5-16-113(a)-IN-06, by E-mail to:

Phil Perry, Chief, Air Compliance
Branch, IDEM
PPerry@idem.in.gov

On the 30 day of August 2016.



Loretta Shaffer
Program Technician
AECAB, PAS

CERTIFIED MAIL RECEIPT
NUMBER:

7009 1480 0000 7674 0708