

N2644
Manila
Washtenaw

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection

N264428548

FACILITY: HATCH STAMPING CO		SRN / ID: N2644
LOCATION: 635 E INDUSTRIAL DR, CHELSEA		DISTRICT: Jackson
CITY: CHELSEA		COUNTY: WASHTENAW
CONTACT: Lauren Wilson , Human Resource Manager		ACTIVITY DATE: 02/12/2015
STAFF: Diane Kavanaugh-Vetort	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MINOR
SUBJECT: Complete scheduled inspection, minor source. No permits, all equipment Rule 201 exempt.		
RESOLVED COMPLAINTS:		

On February 12, 2015 I conducted a complete scheduled inspection, unannounced, at the Hatch Stamping (Hatch) facility in Chelsea. The purpose of the inspection was to determine the facility's compliance with federal and state applicable requirements particularly Act 451, Part 55 Air Pollution Control regulations and the administrative rules. Hatch is a true Minor source of emissions and does not currently have any Air Use Permits to install and operates only Rule 201 exempt equipment. The prior inspection was conducted August 5, 2010.

The Hatch facility headquarters is located in the Chelsea Industrial Park. It is directly across the street from the Chelsea power plant. Upon my arrival at the facility I did not notice any visible emissions or odors from or around the facility. I introduced myself to the receptionist, provided my identification and stated the purpose of my visit. I met with Lauren Wilson, Personnel Manager. I was told that Marvin Lorenz, Maintenance Supervisor, whom I had met during the previous inspection was out of state at their newest plant in Tennessee. I gave Lauren a copy of the DEQ Brochure, Environmental Inspections Rights and Responsibilities. Lauren contacted Dave Jordan, Plant Manager, and Jeff Henry, Supervisor, and they both accompanied me on the physical plant inspection. We had a pre-inspection conference to discuss the current operations at the Company and any significant changes since 2010.

Hatch has a second smaller facility location in Chelsea at 570 Cleveland St. This was inspected during the 2006 inspection and contained only a couple stamping machines (Rule 201 exempt equipment) and storage/warehouse/shipping. The Cleveland St. facility also has no Air Use Permits. During the 2010 inspection I was told the building was under some construction and they planned to add a couple more stamping machines in the near future. I informed Lauren that I would need to inspect the Cleveland Plant today as well. She contacted Dennis Crowther, Plant Manager and I drove there upon leaving (See separate section at the end of this report).

Hatch's significant changes since 2010 include: 1) the installation of one Emergency generator / reciprocating internal combustion engine (RICE) fueled by natural gas; 2) installation of two stamping presses at the headquarters plant and one new stamping press at Cleveland.

Per Lauren, Hatch still manufactures automotive metal parts by stamping. All stamping press machines really have no direct exhausts and any emission is exhausted into the building. The Stamping Presses qualify for Rule 201 exemption R285(l)(i). The existing associated processes include welding, metal parts cleaning, surface treatment, grinding, and a waste water evaporator and also are determined to be exempt as most are exhausted in plant and with appropriate particulate control.

Dave told me they currently employ approximately 114 people (this is a reduction from previous inspection years). Hatch operates two shifts Monday through Friday, 6AM to 2PM and 2:30PM to 10:30PM. In past inspections I was told Hatch is ISO Certified and a Tier II supplier. They manufacture hundreds of different small parts including brake parts and a sunroof part. Hatch's primary product is a fuel locking ring for various sizes of automotive gasoline tanks. Gas tanks used to be metal but are now made of plastic and they still make this part for the plastic tanks.

During the 2010 inspection I verified there were no emergency generators on site. At the time, Marvin indicated Hatch is electrically powered and being so close to the Chelsea Power Plant there was no need. Dave and Jeff informed me today that in approximately 2012 they did install one Emergency Generator, fueled by natural gas. It is only large enough to power lights mostly. I informed Lauren and the others that there is a federal National Emission Standard for Hazardous Air Pollutants (NESHAP) and associated federal New Source Performance Standard (NSPS) Standard that applies to the RICE and I requested the details of their generator in order to narrow down the applicable requirements. Lauren

said that Marvin will have all this information and that she will send it to me by the agreed upon date of February 20th. The information was received following the inspection. The GENERAC generator is 130kW, natural gas, and was purchased from Wolverine Power Systems and Hopp Electric, Inc. It is subject to NSPS JJJJ, and I later requested Hatch provide the Manufacturer's Certificate of Conformity from EPA if available, which certifies the engine (family of engines) will meet the applicable emission standards. On March 4th I received this information from Lauren. (Attached to this report to file).

During the physical plant inspection I observed that Hatch is operating several metal part treatment processes. One of these is a 2 Stage Belt washer: a small conveyor line with stage 1 wash, stage 2 rinse, followed by compressed air blow off and a final heated air dryer before parts are dropped into a container. The line has two exhaust stacks. Dave explained that one of these was for the natural gas burner and the other was for the heat evaporative exhaust from the tanks. This would qualify for Rule 201 exemption R281(e).

Stainless Steel Hobart washer: This is used to clean parts prior to etching (below). It is a single stage using a 5% concentration of Fortech FT-121 parts washing soap mixed with 95% water. Because this is a soap containing no VOC or acids it would not be considered a regulated process.

I also observed a separate operation that contains rust inhibitor in a tank and uses a basket system to rinse parts and this exhausts in plant. **Small Metal Parts Etching process:** The SurTec 478A MSDS sheet is attached to this report to file (received following inspection on March 4th). Hatch stated they use this material 5% concentration to a 95% concentration of water in the first dip tank. The second dip tank contains 2.5% concentration, and a water rinse is in the third dip tank. They monitor concentrations using a refractometer.

The parts washers appear to qualify for Rule 201 exemption R284(a), R285(r), and/or R281(e). They are all located near each other. They are relatively small and only small to medium parts could fit through them. They were operating during the inspection. Hatch is connected to the local Chelsea WWTP.

Hatch still operates 3 cold cleaners, but they are no longer maintained by Safety Kleen; they are now using Crystal Clean. There is one in the maintenance area, one in the Tool room, and one in the big dye tool area. These qualify for Rule 201 exemption Rule 281(h). I observed one of these units and the lid was closed and the operating procedure DEQ Orange sticker was on the lid. I gave Lauren and Dave, replacement DEQ Cold Cleaner Stickers. I reminded them that these exempt units are still subject to Act 451, Part 55 administrative rules, under Parts 6 or 7 for cold cleaners and the rules require that lids remain closed when not in use. In prior inspections Marvin told me they hold regular meetings with employees and this is one of the areas they cover.

During my inspection of the facility I observed that all stamping presses, parts washers, and a few welding machines are located in one large room (main building outside of office area in the front). I observed numerous stamping machines were operational. Per previous inspection they operate 14 automatic presses and 5 "OBI" single hit presses. The in-plant environment appeared to be clean with no oil mist or fog or other particulate in the air. Overall housekeeping was acceptable. Omni Source is their scrap metal recycler.

I observed the small waste water evaporator. This appears to qualify for Rule 201 exemption under R285 (m). I understand from previous inspection that it is run by natural gas and has an electric fan. They heat all general cleaning waste fluid to evaporate water to reduce it for removal. It is picked up by Usher Oil, their waste hauler for oils, and lubricant materials.

I observed the new emergency generator located outside within a privacy fence. It was surrounded by deep snow so we did not get close to it. Dave and Jeff explained it runs automatically periodically to check its operational. They believe it is equipped with a non-resettable hours meter. Again, additional information will be submitted to me by February 20th.

At the conclusion of the inspection, Lauren, Dave and I discussed the information needed to finish the compliance determination and by what date they will submit it. I also let them know they will receive a copy of the final inspection report. I gave Lauren the Permit to Install Exemption Handbook. I then left the facility.

CLEVELAND PLANT INSPECTION

Upon leaving Hatch, Chelsea Plant I drove over to their nearby Cleveland Street Plant and met with Dennis Crowther, Plant Manager. Dennis introduced me to Jeff Monahan, who was in the process of being trained to replace Dennis upon his retirement. Both Dennis and Jeff accompanied me during the plant inspection.

This is a smaller plant and is also manufacturing small metal parts, primarily the Fuel Tank locking ring. They have a new 350 ton stamping press machine and a new C&C machine and new wire EDM process. The EDM is an enclosed process with robot, automated settings and it drills holes into metal. Hatch also manufactures/assembles the dies and components used in stamping machines and other machines. These are for their own machines or are also provided to their automotive customers to make their own parts at their facilities.

In this plant I was informed, and I observed that they have a new underground/floor scrap conveyor that transfers metal scraps from the stamping/other machines to the recycling roll-offs located in a separate back room at the loading dock within the plant building. Materials are stored here until they are hauled off and recycled. I observed a waste oil container in this room as well. It appears all wastes are properly handled and it is my understanding they are to be picked up by Usher Oil or Omni Source.

This plant also has two cold cleaners and I gave Dennis new DEQ Orange Stickers for the applicable Part 7 Rule as well.

ADDITIONAL INFORMATION

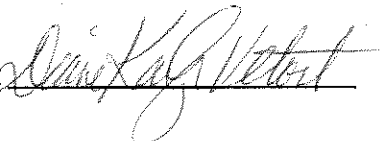
On February 23, and March 4, 2015 I received all requested information.

COMPLIANCE SUMMARY

It appears Hatch Stamping is in compliance with the applicable Act 451 and the administrative rules including the applicable exemptions at this time. Hatch continues to operate only Rule 201 exempt equipment and remains a minor source of criteria air pollutants.

I obtained all the requested additional information following the inspection. I determined the Hatch Emergency Generator is considered to be a new, SI-ICE, emergency, natural gas-fired engine under the Area RICE MACT. Therefore it is subject to compliance requirements under the NSPS Subpart JJJJ. I sent Lauren Wilson a copy of the NSPS standard. Hatch is advised to obtain Manufacturer Certification if possible regarding the emission standards.

NAME



DATE

3/5/15

SUPERVISOR

