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

N762641525

FACILITY: CHELSEA MILLING CO.		**SRN / ID:** N7626
LOCATION: 201 W. NORTH ST, CHELSEA		**DISTRICT:** Jackson
CITY: CHELSEA		**COUNTY:** WASHTENAW
CONTACT: Randy Kepple , Plant Engineer		**ACTIVITY DATE:** 09/12/2017
STAFF: Mike Kovalchick	**COMPLIANCE STATUS:** Compliance	**SOURCE CLASS:** MINOR
SUBJECT: Inspection of a grain elevator, flour mill and mix plant.		
RESOLVED COMPLAINTS:		

Minor Source-

Facility Contacts

Randy Kepple – Plant Engineer

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Purpose

On September 12, 2017, I conducted an unannounced compliance inspection of Chelsea Milling Company (Company) located at 201 W. North Street, Chelsea, Michigan. The purpose of the inspection was to determine the facility's compliance status with the applicable federal and state air pollution regulations, particularly Michigan Act 451, Part 55, Air Pollution Control Act and administrative rules.

Facility Location

The facility is located on the northwest side Chelsea surrounded by commercial businesses and residential homes. See attached aerial photo of facility.

Facility Background

The facility was last inspected on 9/10/2010 and was found to be in compliance.

Regulatory Applicability

New Source Performance Standard (NSPS) for Grain Elevators 40 CFR 60.300-304, Subpart DD does **NOT** apply since the amount of permanent storage at the grain storage elevator is less than 1 million bushels. (Current capacity is 973,279 bushels.)

Arrival & Facility Contact

No visible emissions or odors were observed upon my approach to the Company's facility. I arrived at 1:45 pm, proceeded to the facility office to request access for an inspection, provided my identification and spoke with Randy Kepple (RK) Plant Engineer. I informed him of my intent to conduct a facility inspection and to review the various records as necessary.

RK extended his full cooperation and fully addressed my questions.

Pre-Inspection Meeting

RK outlined that there are 250 to 350 employees depending on seasonality and they operate 5 days per week, 24 hours per day.

They are operating a grain storage elevator, a flour mill, and a mix plant. There is a new mix plant building that started operations just after the July 4th shutdown. So far, only a 50 pound bag dry mix product line has been

transferred to the new building and most of the new potential mixing capacity will not be installed until new business is brought in. The old 50 pound dry mix process has been mothballed. This new process will not increase the throughput through the grain storage elevator as the capacity of the flour mill hasn't been increased. (Attachment 1 shows a basic flow diagram of the facility.)

Onsite Inspection

RK gave me a tour of the facility. Overall, the facility appeared to spotless outside the process buildings and inside them as well. Dust generated from the various handling process appears to be well controlled by a variety of dust collectors.

RK showed me the truck unloading bay. See attached photo. He indicated that 99% of the materials come in via trucks with some corn/sugar coming in by rail. The rail cars are brought inside and product is transfer out of it pneumatically. No dust was seen.

RK showed me the door to a room holding 3 chlorine gas cylinders of 150 gallons a piece. See attached photo.

RK showed me the new mix building and associated process storage silo's. No findings. It appeared that all processes are exempt from permitting and no dust was noted. See attached photo.

RK showed me 6 storage silos that had been added to the grain elevator storage area. He said that they had lost a lot of capacity as the intestacies area in between the original cylindrical storage silos were cracked and no longer judged safe for storage. See attached photo.

RK showed me 3 emergency generators. One of them was an older diesel model used for power interruption backup of the main office building. See attached photo. Another one was a new natural gas model used for power interruption backup of dehumidification equipment. See attached photo. A third one was a very large natural gas fired model used for backup of shipping lights so they continue to load trucks. The third one had not started operating yet as the natural gas line had not been hooked up.

Not inspected was a hot melt adhesive process for making the boxes of Jiffy mix. RK indicated that this process remains the same as observed by inspectors in previous years and is considered exempt from permitting.

Applicable Rules/Recordkeeping Review

The Company provided records that showed that the permanent storage capacity of the grain elevators was less than 1 million bushels so the NSPS Subpart DD doesn't apply.

A variety of permit exempts apply to the facility such Rule 287 (2)(a) for the hot melt glue process, Rule 284 (2)(j) for chlorine storage, and Rule 285 (2)(dd)(ii)(iii) for all the handling of the various grain-based food products.

Post-Inspection Meeting

I held a brief post-inspection meeting with RK. We discussed what he needs to submit to me show that the NSPS for grain elevators does not apply for their facility and some basic information needed to determine applicability to the RICE MACT and related regulations for the 3 emergency generators. (This information was provided to me on September 18, 2017.)

I thanked RK for his time and cooperation, and I departed the facility at approximately 4:00 pm.

Compliance Summary

The Company is in compliance with applicable air regulations. I will send them a letter that requests they submit information to demonstrate that they are incompliance with the RICE MACT and related regulations.

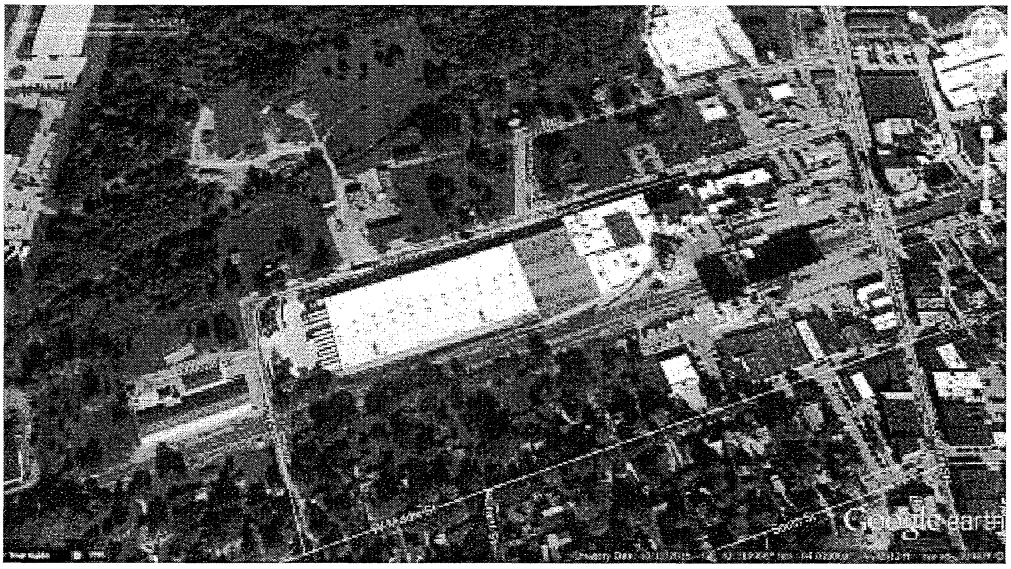


Image 1(Aerial photo) : Aerial photo

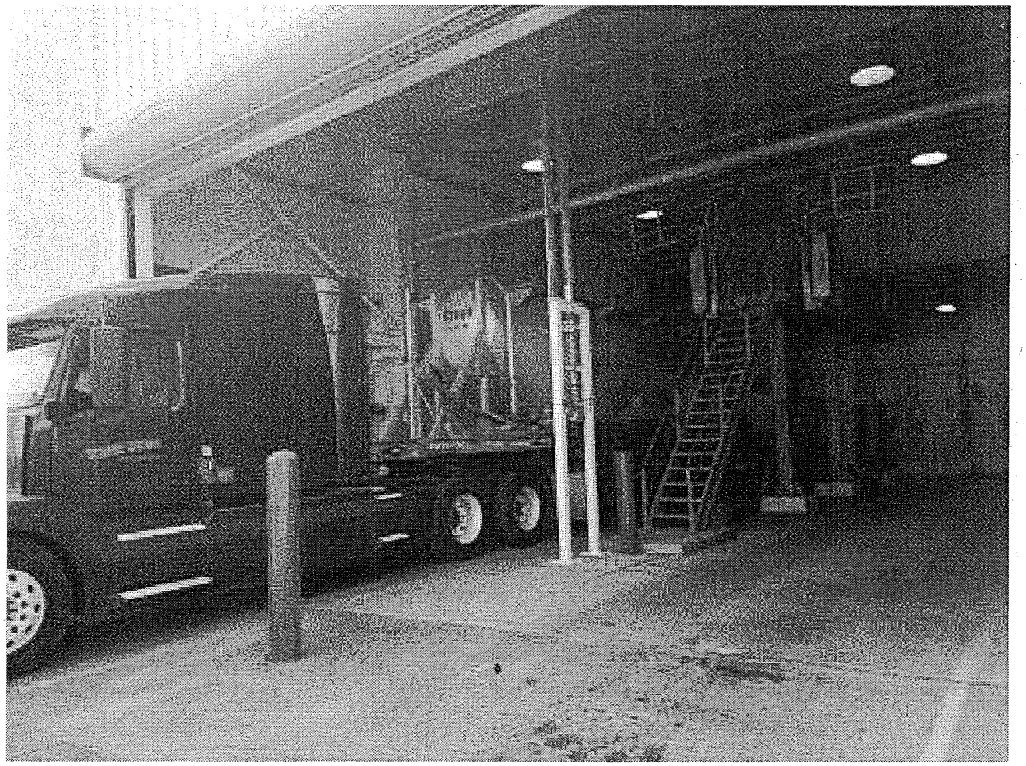


Image 2(Truck unloading) : Truck unloading bay.

Image 3(Train car unloading) : Train car unloading

Image 4(Chlorine gas storage) : Chlorine gas storage.

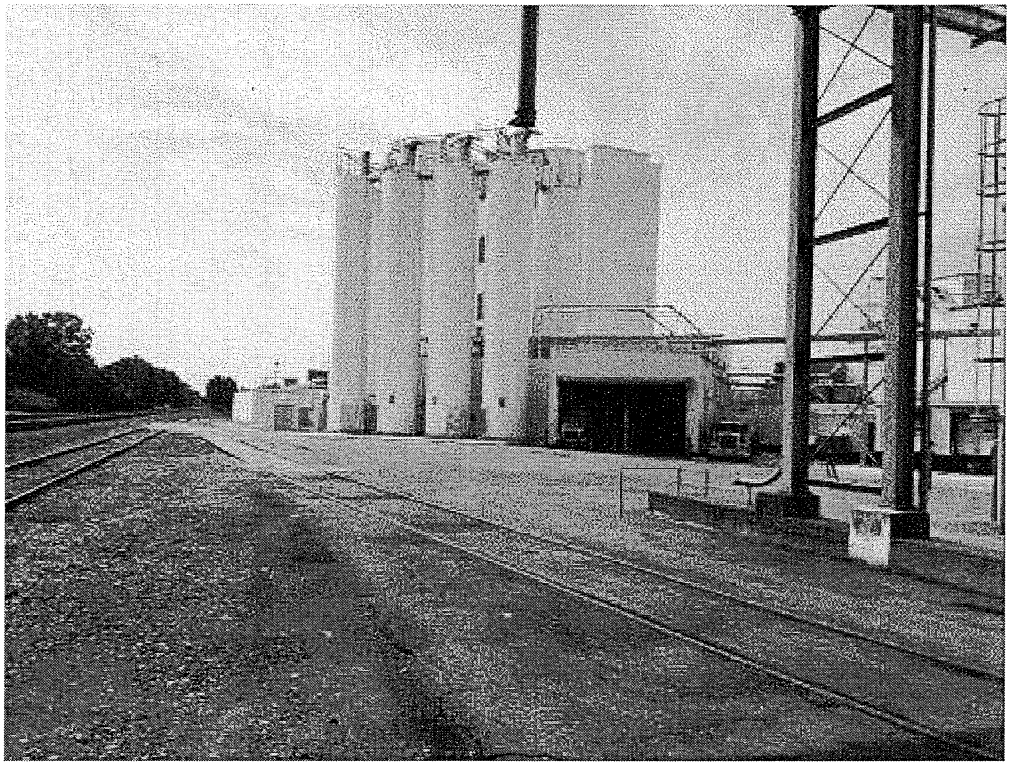


Image 5(New Mix building) : New mix building and associated process storage silos.

Image 6(New storage silos) : New storage silos associated with grain elevator.

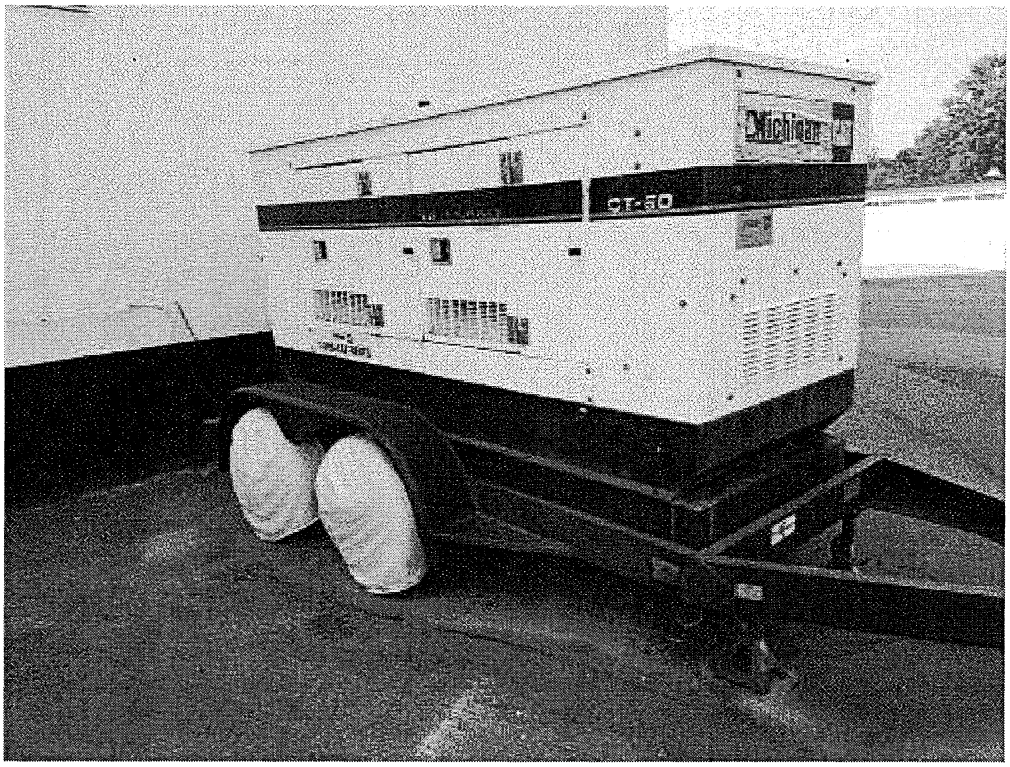


Image 7(Diesel generator) : Diesel emergency generator.

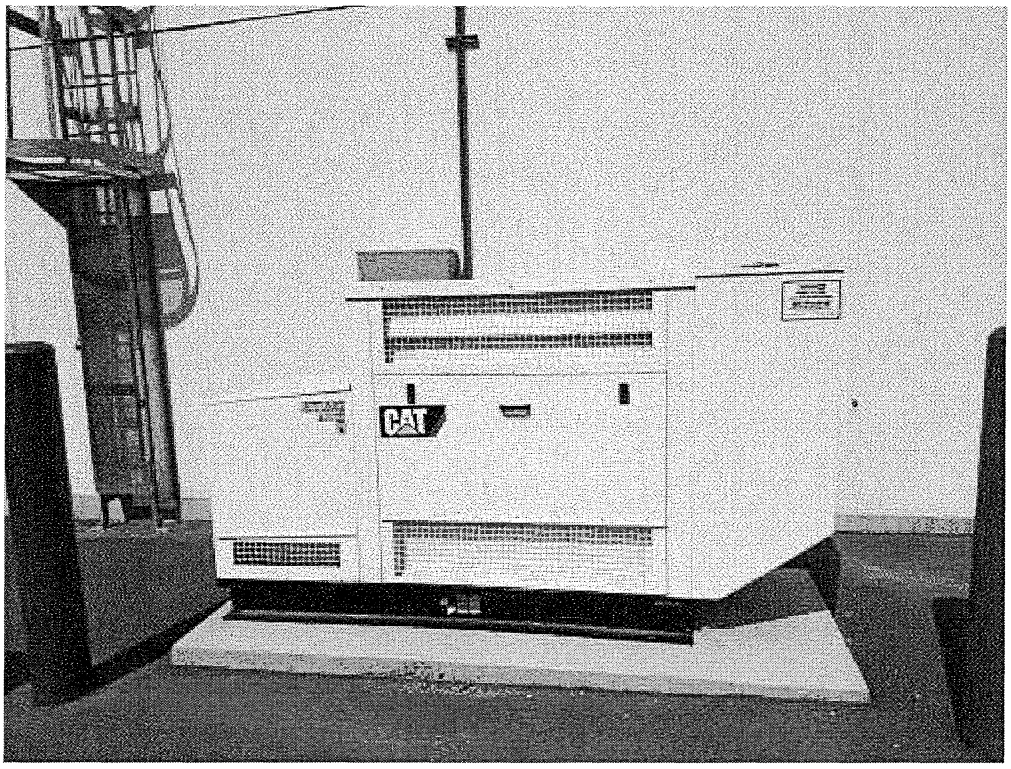


Image 8(Small new generator) : Small new natural gas fired emergency generator.

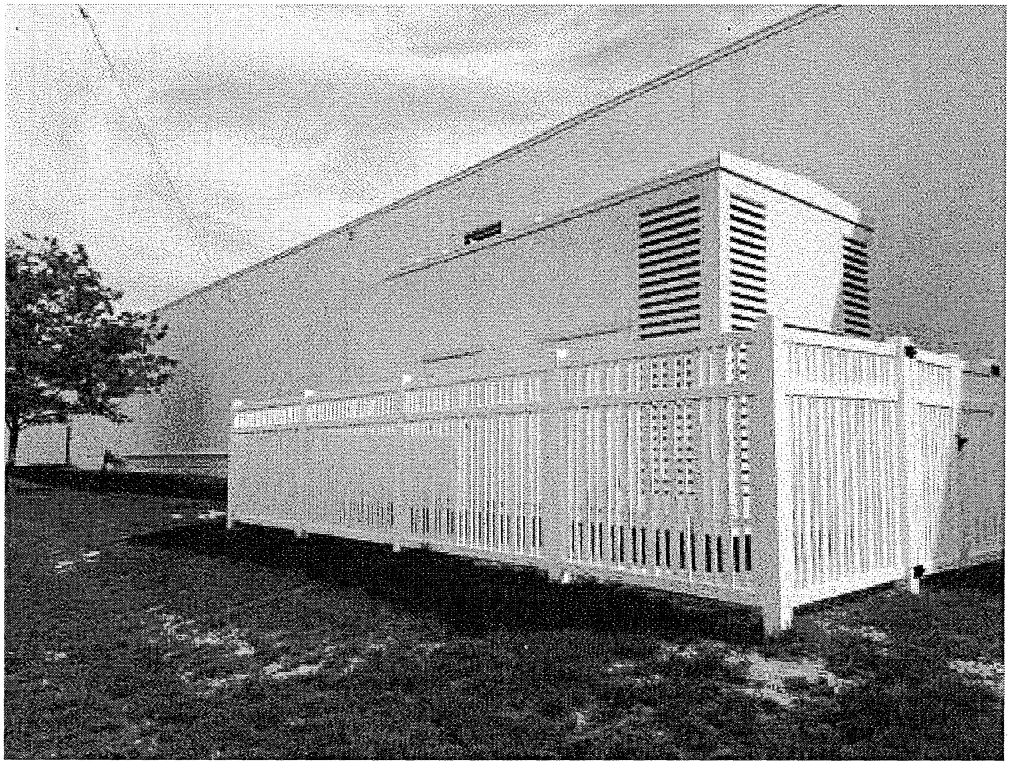
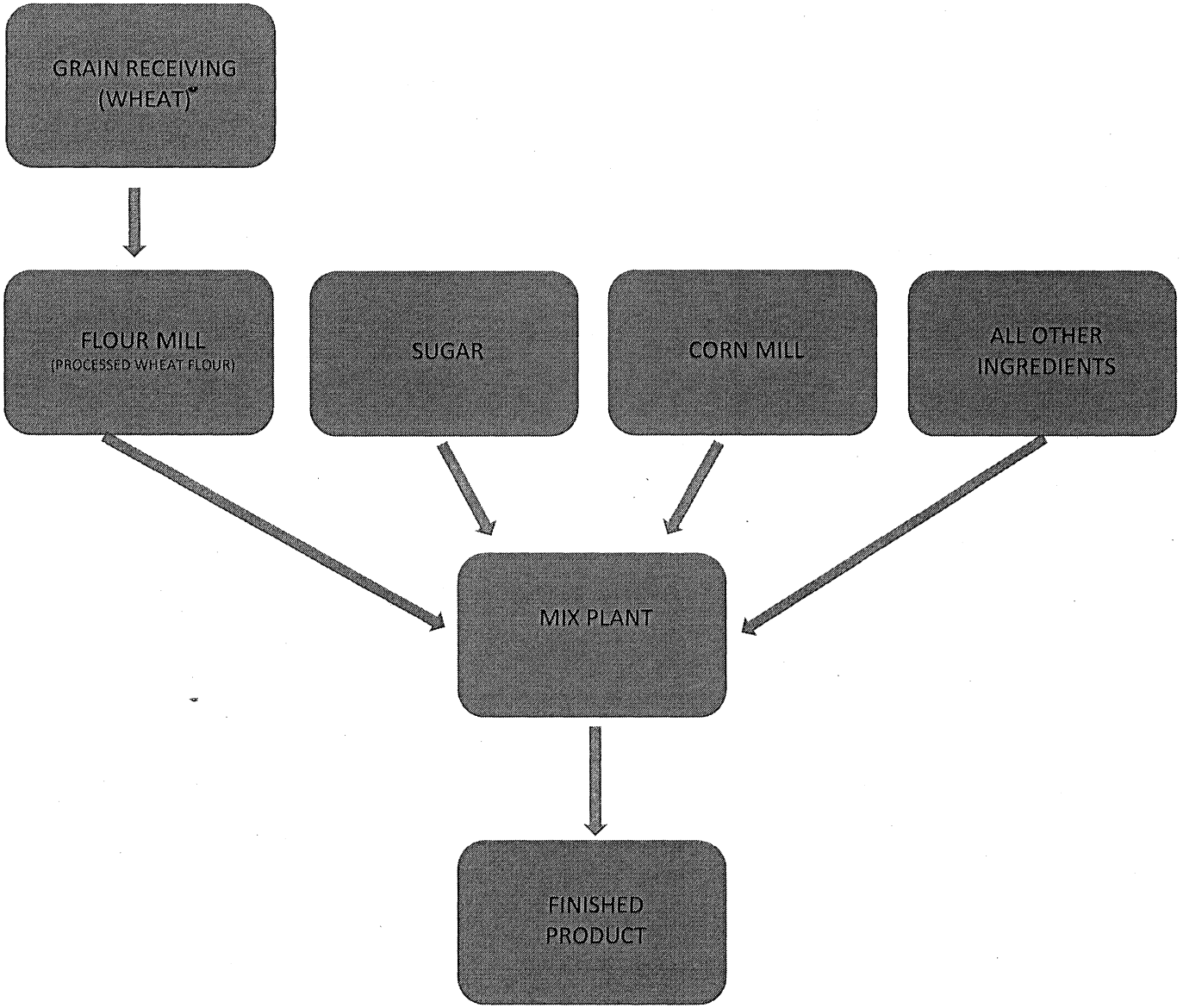


Image 9(Large generator) : Large new natural gas fired emergency generator.

NAME M. Kovalchuk DATE 9/19/2017 SUPERVISOR

Chelsea Milling Flowchart



Attachment (1)