

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

N793140424

FACILITY: LANSING ASPHALT TERMINAL CO		SRN / ID: N7931
LOCATION: 3900 SOUTH CREYTS RD, LANSING		DISTRICT: Lansing
CITY: LANSING		COUNTY: EATON
CONTACT: Kevin Novak , Terminal Manager		ACTIVITY DATE: 06/09/2017
STAFF: Michelle Luplow	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MINOR
SUBJECT: Scheduled, unannounced inspection to determine compliance with PTI 381-07B		
RESOLVED COMPLAINTS:		

Inspected by: Michelle Luplow

Personnel Present: Kevin Novak, Terminal Manager ([knovak@interstateasphalt.com](mailto:knovak@interstateasphalt.com))  
Kevin Gravitt, Terminal Loader

Other Personnel: Chuck Thomas, VP Safety & Special Projects ([cthomas@interstateasphalt.com](mailto:cthomas@interstateasphalt.com))

**Purpose:**

Conduct an unannounced, scheduled compliance inspection by determining compliance with Lansing Asphalt Terminal Company's (LATCO) Permit to Install (PTI) No. 381-07B for asphalt cement storage and transfer. While asphalt odor complaints have not been received in FY17, this inspection was conducted predominantly because it is part of a collective source of asphalt odor emissions with neighboring Rieth Riley Asphalt Company, which have both been a source of asphalt odor complaints in the past.

**Facility Background/Regulatory Overview:**

LATCO, a liquid asphalt storage tank farm, is located approximately ½ mile west of small neighborhoods along Old Lansing Road. They sell liquid AC to Rieth Riley and other asphalt companies.

LATCO operating hours are from 7 a.m. – 3 p.m., K. Novak said, with a security shift from 3 p.m. – 11 p.m. He said they operate year-round.

K. Novak said that all the asphalt cement tanks are empty by the time winter comes. He said that during the winter they will load more product into the tanks so that there is product ready to be shipped out during the summer months, i.e. there are no loadouts during the winter. He said during the winter these tanks are not kept up to temperature as they would be during the summer; the tanks/tank lines are kept between 250°-270°F, just warm enough to keep the temperature of the lines ready for transferring product into the tanks.

K. Novak said they have three different grades of liquid asphalt that they store and transfer: 58-28 and 64-22, which he said have been the only products they've carried since they began operating, and 64-28, which they started transporting into their facility in January 2017; however, based on the LATCO Morning Reports, there is another grade documented: 58-34, for a total of 4 grades of liquid asphalt. K. Novak explained that when they clean out the tanks to introduce a new material, they suck the original product out of the tank, which is pumped to another storage tank, until there is only residual product left. The tank is then filled with the new product.

There are 2 natural gas-fired boilers rated at 5.64 MMBtu/hr that are used to heat oil which in turn heats the asphalt cement tanks. There is another natural gas-fired boiler that LATCO installed in May 2016 rated at 3.2 MM Btu/hr that LATCO wants to use to heat the railcar transfer rack when it is installed. These 3 boilers are exempt from a PTI per Rule 282(b)(i).

PTI 381-07 was issued for LATCO's facility process equipment and included the installation of a rail transfer rack. PTI 381-07 was issued in December 2007, but was later voided by LATCO, who chose to operate all equipment under Rule 290. In 2012 district staff decided that Rule 290 would not be appropriate for this facility and its emissions and therefore PTI 381-07A was issued in 2013. Per Rule 201(4), a permit is void if delays in construction or interruption of construction lasts for periods longer than 18 months. During the 2016 inspection, the rail transfer rack had still not been installed, and therefore LATCO obtained PTI 381-07B to reissue the voided portion of the PTI 381-07A for the rail transfer rack. In late March/early April 2017 K. Novak said construction began on the rail transfer rack and he said that construction would likely be completed in July 2017.

PTI 381-07A was also issued in response to violations issued September and December 2012. Monitoring/Recordkeeping conditions were constructed in an attempt to regulate tank conditions that reduce future odor complaints in the area.

**Inspection:**

This was an unannounced, scheduled compliance inspection. At approximately 8:45 a.m. on June 9, 2017, I was met at LATCO's gate by Kevin Gravitt, who waited at the gate with me for Kevin Novak, Terminal Manager, in order to allow me access into the facility. I explained to Kevin why I was there, and explained what I would be looking for, and provided him with the January 2017 Permit to Install Exemption handbook. At the 2016 inspection I provided him with a Boiler MACT outreach brochure.

I had conducted an odor survey prior to entering the site for inspection. During the odor survey, the odor levels ranged from 2-3. See separate activity report for details.

Upon leaving the site, level 3 odors were detected throughout the plant yard, but no odors were detected on Creyts Rd or Millett Highway when I left the site. Winds were calm during this time. There was no loading or unloading of trucks during the inspection.

Table 1. Equipment list

<u>EU</u>	<u>Emission Unit description</u>	<u>PTI/Exemption</u>	<u>Status</u>
<u>EUTANK1</u>	2.8 MM gallon storage tank	381-07B	Compliance
<u>EUTANK2</u>	2.8 MM gal storage tank	381-07B	Compliance
<u>EUTANK3</u>	2.8 MM gal storage tank	381-07B	Compliance
<u>EUTANK4</u>	2.8 MM gal storage tank	381-07B	Compliance
<u>EUTANK5</u>	930,000 gal storage tank	381-07B	Compliance
<u>EUTruckTransfer</u>	truck transfer rack for transfers between facility and trucks  Top/splash loading  385 gal/min capacity	381-07B	Compliance
<u>EURailTransfer</u>	Transfer rack between facility and railcars  Top/splash loading  385 gal/min capacity	381-07B	Compliance
<u>Boiler</u>	5.6 MMBtu/hr natural gas-fired boiler used to heat thermal oil for asphalt cement tank heating	Rule 282(b)(i), installed May 2016	Compliance
<u>Boiler</u>	5.6 MMBtu/hr natural gas-fired boiler used to heat thermal oil for asphalt cement tank heating	Rule 282(b)(i)	Compliance
<u>Boiler</u>	3.2 MMBtu/hr natural gas-fired boiler used to heat railcars/rail transfer rack.	Rule 282(b)(i)	Installed May 2016.  Compliance

**FGFACILITY**

FGFACILITY covers all equipment listed in Table 1.

Emission Limits & Monitoring/Recordkeeping

LATCO is required to calculate the VOC emission rate on a monthly and 12-month rolling basis in order to determine compliance with their VOC emission limit of 5.0 tons per 12-month rolling year. LATCO uses the EPA FIRE 6.24 program to calculate their VOC emissions. I will provide follow-up to this once LATCO can demonstrate either via excel spreadsheet calculations or a link to the program itself, to verify emissions are being appropriately calculated.

K. Novak provided me with the monthly and 12-month rolling VOC outputs. VOC emissions from June 2016 – May 2017 was 0.28 tons. Because FGFACILITY encompasses all emissions-producing equipment, the emissions from burning natural gas from the 3 boilers should also be included in the VOC monthly and 12-month rolling emissions. VOC's from burning natural gas are likely negligible and would not contribute enough VOCs for LATCO to be out of compliance with the 5.0 tons limit, but I will inform them that VOCs from the combustion of natural gas from the boilers shall be included in these calculations moving forward.

Material Limits & Monitoring/Recordkeeping

The total amount of asphalt cement transferred to and from the equipment is also required to be monitored and recorded on a calendar month basis to determine compliance with the 74,400 tons/month limit for total asphalt cement transferred. K. Novak said that LATCO calculates the total gallon throughput (loading+unloading) by using the gauges installed inside the tanks. The gallons throughput is then converted to tonnage in their tank logs. Between June 2016 and May 2017, the month with the highest tonnage of loading + unloading was 14,368.2 tons in May 2017.

Rule 901 Monitoring/Recordkeeping

The temperature of the asphalt cement in each storage tank is required to be monitored and recorded at least once per day. I requested the daily temperature records for the month of May 2017, which K. Novak provided via email. Storage tank temperatures shall not exceed 370°F, but if they do, LATCO is required to take actions to quickly and safely reduce the temperature of the asphalt cement stored in that tank.

There are currently 5 storage tanks located onsite. The "LATCO Morning Report" contains the temperature of each tank at the beginning of each day. For the month of May 2017, there are days where any of the tanks are kept at temperatures greater than 300F. I also noted after review of these records, that each tank, generally speaking, is maintained at a constant temperature.

LATCO is also required to monitor and record on a daily basis, the following operations and weather data:

- The product grade and quantity in each tank containing asphalt cement
- Transfer activity, including the time transfer began and ended, the quantity of asphalt cement transferred, and the type of transfer (tank-to-truck, tank-to-railcar, truck-to-tank or railcar-to-tank).
- Local weather conditions, including the time of day associated with the data

Also included on the daily LATCO Morning Report is the weather (temperature, wind speed, conditions); the grade of product stored in each tank; the quantity in each tank (by gauge level and by tons); and the load summary per tank (loads in and loads out). To meet the requirements listed above, LATCO also has transfer activity records (attached) that include tank to tank transfer and truck loading/unloading which includes start and end times for transfers and truck loading/unloading. I will remind K. Novak that the railcar loading and unloading will also have to be accounted for on this sheet. Type of transfer and start and end times of transfer and quantities transferred are helpful as air displacement within and between tanks could contribute to odors escaping from the tanks' gooseneck vents, resulting in odor. An example of the May 1, 2017 LATCO Morning Report and tank-to-tank transfer start and end times is attached.

LATCO is required to keep a log of all odor complaints that either they have received directly or that are communicated to them by others, such as the AQD. K. Novak and K. Gravit said they have received no complaints since the last inspection in August 2016. This is parallel to the AQD complaints reported: AQD has not received any odor complaints from this area between August 2016 and May 2017.

**Compliance Statement:** LATCO is in compliance with PTI 381-07B at this time.

NAME Miriam Lopez

DATE 6/28/17

SUPERVISOR B.M.