

Minutes:
Neighborhood Advisory Committee
Jan. 25, 2013

NAC members present: NWDA: Bob Amundson, Sharon Genasci; NCA: Mary Peveto, Tom Giese; NEDC: Aubrey Baldwin

Not present: Jorjan Parker

ESCO Representatives: Jay Fagan and Travis Quarles

Other Attendees: Kelley Egre, Jonathan Nelson, Shannon Huggins and John Krallman

The meeting was called to order at 9:11 a.m. by the Chair, Aubrey Baldwin.

Mary Peveto asked that John Krallman be seated at the table with the NAC. She explained that he was very knowledgeable about the inspections because he is an engineer and therefore would best represent NCA, and he also had experience working on the development of the GNA. The NAC agreed, and Krallman joined the NAC at the table.

Agenda item 1 – Introductions

Aubrey Baldwin opened the meeting explaining that with Carter Webb's retirement from ESCO and shifting responsibilities of ESCO engineer Fran Erickson, ESCO has two new representatives, Jay Fagan and Travis Quarles. She asked that both introduce themselves to the group.

Travis Quarles is a chemical engineer graduate from Oregon State University who came to ESCO two years ago after several years of environmental compliance work in Washington. He works with Erickson and handles air permit issues for the Main Plant and Plant 3, among other responsibilities.

Jay Fagan is the site manager for Plant 3 and has been with ESCO for 15 years, managing several sites throughout the company. He has been in his current role for two years and works closely with Quarles.

Baldwin asked if Fagan has worked in Portland's Main Plant. Fagan responded that he's never worked in that plant, but that all of ESCO's plant managers work closely together and that he has a working knowledge of the main plant. Mary Peveto asked who Fagan's boss is. Fagan said his boss is Allan Wedderburn, General Manager for Foundry Operations.

Kelley Egre explained that Wedderburn oversees both plants in Portland. He would normally be ESCO's representative on the NAC board, but his schedule does not permit his participation.

The board members made formal introductions to Fagan and Quarles.

Agenda item 2 - Review of communications between ESCO and the NAC since last meeting:

Baldwin noted there were three communication topics.

1. A request by ESCO for the NAC to review a work plan and proposed contractor ESCO intends to hire to inspect the substitution of low phenol binders to be used in the production process at Plant 3. Discussion on this topic was delayed to later in the meeting.
2. Communications regarding the inspections for projects 2 and 9 on Attachment A of the Good Neighbor Agreement (GNA). Both projects were completed since the last NAC meeting.
3. The confusion about who is able to attend inspection visits versus annual tours of ESCO.

Baldwin explained that there is confusion about who is able to attend inspections and the annual tour. The inspection that Baldwin and John Krallman witnessed was to confirm that ESCO completed work required by the GNA.

Baldwin and Krallman reported that they visited ESCO on January 17, 2013 to inspect project 9 on Attachment A, which was to improve procedures for how employees operate arc furnaces while ensuring that the dust collectors function to the highest ability. As per the project, ESCO was asked to improve procedures. ESCO's consultant found that sometimes the controls weren't set correctly. ESCO developed new operating procedures, posted those procedures and made it clearer to employees how to perform their duties. Since the NAC was inspecting project 9, it was decided that it would also inspect project 2.

Sharon Genasci said the real confirmation should be monitoring so the NAC could see what's happening at ESCO. Genasci believes without the monitoring the GNA is inadequate. She said visiting the plant isn't confirmation for neighbors.

Bob Amundson noted that Project 2 has been completed with the dust collected and weighed. He said it would be helpful to know what type of production occurred during the noted time intervals to get an idea of the efficiency of the dust collection systems. He said that information would be like knowing how many gallons per mile you get in your car. If the number drops, you know the engine isn't working efficiently. He asked if there is a way to look at the efficiency of the dust collection system by giving the amount collected some kind of production relevance, provided it does not present an administrative burden on ESCO. Fagan said ESCO can look to see if there is a relevant metric. He said ESCO will report back to the NAC on this issue.

Genasci said she recalled a discussion about this issue where it was mentioned that the dust collectors would be one way to cut back on manganese emissions. She said that's

what the NAC really wants to know. Fagan reiterated that ESCO can try to give relevance to the dust collection figures, but emphasized that there is no reference in Attachment A to manganese reduction.

Genasci contended that Carter Webb promised her at a meeting that manganese emissions could be reduced with the dust collectors.

Travis Quarles said that the Attachment A project update, items 2 and 9, were given to Baldwin and Krallman during the recent inspection and are provided for the NAC members. The update said that for several months the dust collection boxes were weighed and on average 500 to 600 pounds of dust was collected each month. He asked if those figures provided the perspective being asked by the NAC members.

Amundson said that without knowing the production level, knowing the amount of dust collected isn't very useful. Krallman said that with project 9 ESCO did change the method of measurement and that the information is getting closer to the target figures. ESCO is performing less dump backs and that reduces dust. Baldwin corrected Krallman, stating that dump back was not associated with project 9, and that his comment was unrelated to the completion of project 9.

Peveto asked that the discussion return to the original issue of who can attend inspection tours and the general tour. She wanted to clarify if Krallman had been properly introduced into this process. She said his understanding of the issues demonstrates why she wants him to be included. Peveto requested that Krallman be the representative for the Neighbors for Clean Air during all compliance inspections.

Baldwin said there are two processes. The first is who can go on the different tours and the second is who can be a representative of the NAC member. A NAC member can appoint a representative as long as the NAC board and ESCO have been given 10-day notice prior to a compliance inspection, up to three total representatives. Only NAC members or their representatives can attend inspection tours. The general public can attend the annual public tour of ESCO.

Genasci said she wants Bob Holmstrom to represent the Northwest District Association on such inspections. Baldwin clarified that the NWDA is allowed three alternates, NCA is allowed two alternates and the NEDC is allowed one alternate.

Baldwin said during the tour she and Krallman saw the baghouse at lower arc finishing and ducting at lower arc finishing, where the dust was taken out and weighed.

Agenda item 3 - Review of ESCO Air Permit communications with DEQ since the last meeting

Fagan said there were seven communications that Quarles would individually cover. Quarles said five of the communications were administrative, one was an inspection report and one was a deviation report from January.

Quarles said the first letter was dated October 16, 2012 and is from George Davis, of DEQ, to ESCO approving the installation of two additional sand bins in the Main Plant upper core room. This letter gives ESCO approval to move forward with construction of the two new bins.

Genasci asked why the letter states emissions would be the same or reduced. She asked if this means production is increasing. Quarles said production is not increasing. The production process is currently done manually and with the installation of the new bins, the process will be improved for employees.

The next letter is dated October 22, 2012 and is from Bryan Krytenberg, an environmental process engineer at ESCO, to George Davis notifying DEQ that ESCO completed upgrades to its Fuller dust collector.

The next letter is dated October 29, 2012. ESCO received an air quality inspection report from DEQ that summarizes the inspection of the Main Plant and Plant 3 on Sept. 11 and 12, 2012. Quarles said the report notes no non-compliance issues were found and provides the number of complaints received year to date. (The entire report is posted to the NAC website)

Genasci asked if those complaints were received through ESCO or the NWDA website through DEQ. Quarles said the complaints came to ESCO. Kelley Egge clarified that most of those complaints came through DEQ. Quarles agreed with Egge's comment and said he believed it also included complaints from the NWDA through DEQ.

Krallman noted he didn't see the letter from the inspection in the documents supplied by ESCO. Baldwin asked that the NAC receive an email when the report is posted.

Quarles continued with a letter dated Oct. 29, 2012 from George Davis to Krytenberg regarding the bag leak detection probes. The air quality permit requires DEQ approve the equipment to be used in the bag leak detection system. DEQ granted that approval.

Genasci asked how the system notifies ESCO of a leak. Quarles said there will be alarms, which are being developed. Genasci asked if a bag leak detection alarm notified ESCO of an upset that occurred in January, of which the NAC was notified. Quarles said the detection system was not in place at the time of that upset. He said the detection system should be installed by the end of 2013. Baldwin pointed out that the permit condition and attachment is project 7, Attachment A of the GNA.

Quarles noted that several conditions in the permit regarding bag leak detection are above and beyond the requirements in the GNA. Baldwin clarified that ESCO is on two different compliance tracks – Attachment A of the GNA and the DEQ permitting process. Quarles confirmed Baldwin's observation. Peveto asked if that is standard. Quarles asked if Peveto was referring to DEQ approval. Peveto said she was.

Quarles said it's his understanding that the bag leak detection probes are required to meet certain levels of detection as set by the Environmental Protection Agency (EPA). The company that makes the probes provides the verification that the equipment meets the EPA standard.

Krallman asked if the bag leak detection system is a requirement in the state permit. Quarles responded that using the bag leak detection system for compliance assurance is not required under the state permit. He clarified that the NESHAP Subpart 5z, which is incorporated in the permit, has requirements if bag leak detection is used for compliance purposes.

Amundson understood that in previous title V permits the bag leak detectors were required as well as pressure transducers. Quarles said bag leak detectors will be present and used in the Main Plant and Plant 3. Pressure transducers are a completely separate method of monitoring dust collectors that are already in place at both sites. The bag leak detectors will provide an early notification if the bag house isn't working properly.

Amundson said the previous permit had a "get out of jail" clause that said if the equipment is in compliance 90 percent of the time then you don't have to report the 10 percent of the time that it doesn't work. He asked if this gap had been covered in the new permit. Quarles clarified that the permit still retains the 90 percent, 10 percent language.

Amundson asked again if ESCO is required to report the 10 percent non-compliance periods. Quarles said ESCO is required to take corrective action when a bag house is out of the standard operating range. He said the issue is covered in ESCO's operations plan and clarified that the company can't turn a blind eye on the issue. He added that the bag house operation is constantly being monitored and that the monitoring is not necessarily just a once a day occurrence.

Amundson asked if ESCO is obligated, by the permit, to correct the situation when there is a pressure drop out of range. Quarles confirmed ESCO is required to make that type of correction.

Genasci said it's important to get clarification on this issue because it was the NAC that pushed for the detection units. She said the group was told that every time the baghouse failed there would be a report to DEQ. Then they learn that 10 percent isn't reported. She said the NAC doesn't know what's really going on at ESCO. She complimented ESCO for providing notification of upsets at the plant. She asked if every failure or upset is reported to DEQ. Baldwin noted that is not a monitoring requirement in Attachment A.

Genasci asked again if ESCO is required to report to DEQ every time there is an upset or failure. Quarles said ESCO is required to notify DEQ in certain situations and not in other situations. Genasci asked when ESCO does have to report.

Quarles explained that sometimes when the baghouse isn't in the normal range the system might just need to start a clean cycle and that doesn't constitute an upset. He said the devices are self-correcting and it's not unusual to go out of range and then the clean cycle brings it back in range. Krallman said the corrective action Quarles just described doesn't necessarily trigger a deviation report. Quarles confirmed Krallman's statement.

Quarles moved on to the next letter, dated December 11, 2012, which is a completion letter saying ESCO installed the aforementioned sand bins. The next letter is dated December 27, 2012, and is from Quarles to George Davis stating ESCO has satisfied permit conditions 57.d, which is the implementation of new procedures for capturing emissions from the arc furnaces in the Main Plant and Plant 3 and is related to Attachment A, project 9. Krallman asked if ESCO submitted the new procedures to DEQ. Quarles said ESCO had not submitted those procedures, but would do so if asked.

Quarles moved on to the final letter dated January 22, 2013 and sent from Erickson to George Davis. The formal deviation report addresses the deviation that the NAC had already been notified about. Giese asked if the report is on the NAC website. Egge said it was expected to be posted by the end of the day. Genasci said the report was on the NWDA website and thanked ESCO for sending her the document.

Krallman said the language in the initial report gave no indication of excess emissions that were noticed. He asked if there was any fugitive opacity. Quarles said that was correct, the report states there were no excess emissions noticed or complaints received for the report period. He said corrective action has been taken to prevent a repeat scenario.

Genasci agreed with Krallman that looking for emission doesn't seem like an adequate response. She said the situation should have been monitored to determine if there was a serious problem.

Baldwin asked if the report indicates the production level or any other activity at the time of the incident. Quarles said the dust collector covers portions of the production and cooling process in the doghouse at the Main Plant. He said the dust collector wasn't running and there is no way to quantify the amount of fugitive emissions or if there were any at all.

Krallman asked if there is any way to determine what is normally being captured at the time of the incident. Quarles said he wasn't sure. Krallman said he understands that the permit requires only a visible check for emissions, but that, to Genasci's point, just because you can't see anything doesn't mean there were no emissions. He said the neighborhood would benefit from understanding what was happening at the time of the incident.

Fagan said ESCO will try to come up with an estimation of emissions that are normally collected at the same time period and point in the production process. Genasci said determining those figures would demonstrate ESCO is paying attention to emissions.

Baldwin asked what it means to correct the settings, as indicated in the report. Quarles said that when controls of the Griffin dust collector were shut off for routine maintenance, the operational settings were erased. He said those settings were reprogrammed and additional countermeasures are being taken to ensure that when the system is shut off, the operational settings are automatically reloaded when power is restored.

Agenda item 4, questions and updates for the NAC from ESCO

Fagan said there were two topics to be added to the agenda and asked that the group revisit projects 2 and 9 in Attachment A of the GNA. He asked for confirmation from the NAC that they accept completion of those two projects.

Baldwin asked that ESCO provide a response to the NAC regarding the company's ability to provide a per-unit metric of dust collected as requested by Amundson earlier in the meeting. NAC confirmation of project 2 awaits this response.

Fagan said that requirement isn't part of the GNA, but ESCO would determine whether it's able to determine those metrics. Baldwin said the NAC won't confirm completion of the project until it receives a response from ESCO. The NAC did confirm completion of project 9 in Attachment A of the GNA.

Amundson asked if ESCO will continue to weigh the dust collected in the air arc cutting area of the Lower Finishing area in the Main Plant. Quarles said ESCO has no plans to continue collecting and weighing dust, but that the issue can be discussed. Amundson said that he understood if it wasn't feasible to continue collecting and weighing dust, but noted it would be a good data point moving forward.

Genasci wanted to know how to verify the promise she contends Carter Webb made to her about reducing manganese levels. Baldwin said that if that issue isn't covered in the GNA, it's unenforceable. She said she recalled the conversation Genasci referenced and remembered being told there is no way to separate out the manganese component from overall metals collected in the dust. She reiterated that if any such comment was not in writing and part of the GNA then it's not binding on ESCO.

Report on complaint and trending log

Fagan provided the trend report for the third quarter of 2012.

- Seventy-five complaints were entered into Ethicspoint for the third quarter; all were odor-related
- Six of those complaints were potentially also related to visible emissions.

- Forty-seven of the 75 complaints were from four individuals.
- Nine complaints were made during times at which no recent plant-related activities had been performed. Consequently, it is unlikely that ESCO was the source of the odor.
- Based on wind direction and production schedules odor described in 66 of the 75 complaints may have come from ESCO.

Krallman asked if any of the odor complaints were eliminated by wind. Fagan confirmed that none were. He then provided the trends for the fourth quarter of 2012.

- Six complaints were entered into Ethicspoint for the fourth quarter; all were odor-related.
- One of those complaints was potentially also related to visible emissions.
- One complaint was confidential.
- Based on wind direction and production schedules, odor described in those six complaints may have come from ESCO.

Krallman asked for clarification about the difference between an anonymous and confidential complaint. Fagan said the person filing the complaint is able to choose the identifier; it's not done by ESCO. Shannon Huggins said for example the person could have provided a name, but asked to be confidential.

Genasci wanted to know what corrective action ESCO took in response to the complaints. Fagan said each plant puts a two-hour window around a complaint to determine if there was any activity that could have contributed to the complaint.

Peveto asked if ESCO was getting the kind of quality information needed to make that kind of determination. Fagan said Quarles deals more directly with this issue, but in general there are gaps in information provided to make a clear determination about ESCO potentially being the source of the complaint.

Peveto wanted to know what is consistently missing from the complaints. Quarles said it's the time and location of the complaint. Genasci said the time is almost always contained in the complaint form on the NWDA website. She suspects the information is deleted when it's passed to DEQ because the two complaint forms aren't compatible. Fagan noted there is a delay in DEQ reporting complaints to ESCO.

(Peveto began flipping through the complaint log maintained by ESCO and randomly selected complaints to check for times being listed. Her random search found times often listed, though in subsequent review, noted they were all 12:00.) Peveto said she didn't understand how time could be the missing element for ESCO since several of the complaints contained that information. Quarles said ESCO suspects the time listed on the DEQ setting is actually a default setting since the time listed is often 12 a.m. ESCO has asked DEQ to correct the setting.

Egre said this issue has been raised before and one solution is for the NWDA to send their complaints directly to ESCO. ESCO would then log the complaint and forward to DEQ. She said ESCO needs assurances that the NWDA doesn't also send the reports to DEQ.

Genasci agreed to the solution offered by ESCO and said NWDA reports would not be sent to ESCO rather than DEQ.

Attachment A, project 5

Fagan said as mentioned earlier in the meeting that project 5, Attachment A of the GNA describes the project for Plant 3 to find a substitute low phenol binder system for the one currently in use. The GNA states the effectiveness of reducing phenol emissions will be confirmed through a source test by an approved contractor that is agreed upon with the NAC. Source tests for phenol ESCO is in the process of hiring the contractor and anticipates this will occur prior to the next NAC meeting. ESCO is asking the NAC to approve the work plan and contractor prior to the next meeting.

Genasci recommended ESCO hire Cooper Environmental.

Amundson wanted to know if ESCO has an estimate for phenol emissions that come from the mold pouring, shake out and cooling process. Fagan wasn't sure if ESCO has that information. Amundson said he's concerned that the testing might occur at an area in the process that is easier to monitor, thereby not getting an accurate reading. Fagan said it would be to ESCO's benefit to test in the areas mentioned by Amundson.

Krallman wanted clarification as to when the testing would occur and is there pre-testing figures to compare to the lower phenol binder. Quarles said ESCO has testing from the previous phenol binder. Genasci asked if ESCO has found the substitute binder. Quarles said several have been trialed.

Baldwin asked if the NAC board would agree to an email vote and approval on the plan and contractor prior to its next meeting. The board unanimously approved the request to vote via email on the work plan and contractor approval.

The NAC and ESCO representatives had a brief conversation about how to handle administrative changes to the GNA. The discussion centered on how often changes should be made and whether a vote was needed. Baldwin said that since these are administrative changes each board member can print out the last page of the GNA and sign the document. She said there is no deadline. She said moving forward approval of such changes could be handled on an annual basis.

Fagan said the next issue is clarity ESCO is seeking regarding 4.5 of the GNA, which deals with subcommittees and the involvement of such entities with ESCO. Fagan said there is some uncertainty as to how a subcommittee would work with ESCO.

Baldwin read the definition of a subcommittee from the GNA, reiterating that subcommittees have the authority of the NAC. Huggins wondered how a subcommittee might be involved with ESCO's development of an emergency response plan.

Peveto said ideally both entities would work in a cooperative relationship. In the emergency response plan example, Peveto hopes ESCO would take the concerns of community members and put that into its plan.

Discussion followed about how to best engage with the community. Egre said the concern for ESCO is, for example, if the NAC had 10 subcommittees holding 10 workshops. She said that might be difficult for ESCO to support. Baldwin said cooperation means more than the NAC telling ESCO what to do. She said it could be on an ad hoc basis.

Peveto, noting the late time in the morning, asked that the monitoring at Chapman Elementary School issue on the agenda be tabled. Baldwin said that is a form of community monitoring obligation and not stated as a NAC work plan item.

Baldwin adjourned the meeting adjourned at 11:02 a.m.