

Neighborhood Advisory Committee

July 31, 2013

NAC Members Present: NEDC: Aubrey Baldwin; NWDA: Sharon Genasci; NCA: Tom Giese and John Krallman.

Not Present: NWDA: Jorjan Parker and Bob Amundson; NCA: Mary Peveto.

ESCO Representatives: Travis Quarles and Jay Fagan

Other Attendees: Kelley Egge, Jonathan Nelson, Shannon Huggins,

Meeting called to order at 9:04 a.m.

1. Welcome and Introduction of NAC Members, ESCO Representatives

2. Status report on Chapman School

John Krallman said it is taking longer than expected for Global Community Monitor to draft a plan for monitoring particulate matter and metals at Chapman Elementary School. The company has provided a Monitoring Plan from a project in Delaware. A similar plan will be modified for the NAC's needs. The draft plan will be sent via email once it's prepared and Krallman will share the Delaware plan with the NAC if he gets permission. Training is now scheduled for late September and monitoring beginning in October.

The delay will allow the NAC time to coordinate with Chapman and DEQ officials. Krallman said there needs to be a discussion about security for the monitors, which will be fairly large and easily visible. He sees the monitoring as an opportunity to create placards to explain the monitoring and the Good Neighbor Agreement to neighbors.

Jay Fagan said ESCO supports the plan and reminded the NAC that ESCO needs a 45-day notice for reimbursement of expenses. Krallman acknowledged the requirement and said the reimbursement schedule will be built into the invoices.

3. Report on Annual Tour

Fagan said the first public tour was held April 30 with six neighbors in attendance, but no NAC members. Krallman, who was scheduled to attend on behalf of the NAC, was not able to make the tour.

Fagan said the tour included an overview of product design, the ESCO business system of Quality, Value & Speed, the product test lab, and customer service initiatives. The group toured Plants 1, 2 and 3. Attendees were shown the completed emission reduction projects along the way. At both the Main Plant and Plant 3, neighbors also

saw how the dump back process has been significantly reduced. ESCO received positive feedback from the attendees and is looking forward to next year's tour.

Shannon Huggins, ESCO's Public Affairs Manager, confirmed for Sharon Genasci that one NWDA member was in attendance as well as Allan Classen, editor of the Northwest Examiner. According to Huggins, Classen said the tour, which took almost three hours, was a bit too long. Huggins also noted that the tours were well received by neighbors and hopes that despite the amount of work such tours involve, ESCO will be able to offer more than one a year.

Krallman suggested using multiple tours a year, focusing on only one plant or manufacturing process for each tour.

Aubrey Baldwin said someone from the NAC would be at next year's tour.

4. Subcommittee on Emergency Response Plan

Baldwin said the NAC wants to work with ESCO to develop an emergency response plan. This topic was initially discussed at the Oct. 19, 2012, meeting when a Multnomah County representative presented the county's reverse 911 system. ESCO's Main Plant has an emergency response plan in place and the NAC needs to appoint a small group to review the plan and offer feedback in an effort to fulfill the emergency response-planning portion of the GNA.

Baldwin said the primary concern during the GNA negotiations was the proximity of some residents to ESCO and how to ensure the health and safety of those residents. She envisions the subcommittee taking on a fact finding role to review ESCO's emergency management plan and determine if anything else is needed.

Genasci said two years ago the plant was shut down for about a week because of a failure in the baghouse and wanted to know how that would be communicated today.

ESCO communicated this shutdown within 24 hours and will do so in the future for any baghouse failures per the GNA agreement. Fagan said ESCO is developing a more comprehensive response plan and that plan would be provided to the subcommittee for their input.

Travis Quarles added that ESCO's emergency preparedness and response plan is being reviewed and upgraded. He said the NAC and subcommittee's input would be welcomed to make sure nothing was missed and that ESCO is not looking for a separate plan, but a comprehensive plan that includes neighborhood input.

Krallman believes the plan should include a notification process and hopes that process includes communication following an incident.

Genasci expressed concern that ESCO would continue operating if a pollution control failed. Quarles responded that ESCO's permit from DEQ requires a plan with respect to the baghouses and other pollution controls and spells out how ESCO would operate if there is a problem. He said the plan generally allows ESCO to operate for up to an hour after a breakdown or malfunction occurs. If the problem is not corrected within that hour, the affected piece of equipment is turned off. If a long-term fix is required, DEQ allows conditions for modified control. Quarles said the plan allows for completion of certain functions like finishing a pour, since stopping a process with molten metal may result in significant damage and emissions.

Krallman, Genasci and Quarles talked about a DEQ rule that allows ESCO to continue operations for a short period of time when problems occur with the baghouse. Quarles clarified that the discussion was dealing with two separate issues.

First, he said a baghouse breakdown requires notification to DEQ within one hour unless repaired or shutdown within that hour. Also, a shutdown of operations is required within 48 hours if the baghouse cannot be repaired, unless alternate procedures are approved by DEQ. Second, a drop in the baghouse emission capture rate is a separate issue. He said if the amount of time a dust collector operates in the corrective action range exceeds 10 percent, a Quality Improvement Plan must be implemented. During this time operations are allowed to continue while repairs are made or the machine is recalibrated.

Kelley Egre, ESCO's Director of Corporate Communications, also added that prior to the GNA ESCO had implemented a process and policy that provides neighborhood notification any time an incident occurs in which there is an increase in emissions beyond what is allowed by our permit. The notification to the NAC must occur within 24 hours of the incident. Regardless, ESCO supports subscribing to the county's reverse 911 to elevate communications to neighbors.

Baldwin tabled appointments to the subcommittee until candidates could be identified and a nomination process completed.

5. Update on Attachment A Projects - ESCO

Quarles referred the committee to Attachment A, Project 10, which is the installation of a coarse fraction separator to improve collection and reduce wear on the baghouse at Plant 3. The thermal sand reclaimer cyclone separator removes larger particles before they enter the baghouse. ESCO previously notified DEQ and the NAC about the need for a replacement cyclone. ESCO has installed another cyclone with an improved ceramic tile liner. This should last significantly longer than the previous temporary fix. ESCO will monitor the updated separator and allow the NAC to inspect the project once it's confirmed to be working properly.

Quarles also provided an update for Project 5, a binder substitution for Plant 3. ESCO notified DEQ that the company is now using a lower phenol binder. Tests of the binder

will be held Aug. 19-21, 2013. NAC members may observe the testing. Samples will be analyzed for phenol and compared with previous emissions. The results will be shared with the NAC once available. The NAC will notify ESCO who will observe the testing.

6. Review ESCO and DEQ communications since last meeting - ESCO Corporation

Quarles said there were five communications since the last meeting:

1. A letter notifying DEQ that an existing, out-of-service dust collector will be placed back into service for Building 4 fabrication welding. The dust collector was previously used for a process that no longer occurs and has been out of service for years.
2. A letter from DEQ approving the construction of the dust collector mentioned in communication #1.
3. A deviation report from ESCO to DEQ stating that ESCO did not notify DEQ that the AOD Lime Silo was vented to the AOD dust collector in October 2012. Also attached to the report is a notice of construction application and drawings of the project, which were required to be submitted prior to the connection to the dust collector.
4. A letter to DEQ notifying them of the substitution of the lower phenol binder at Plant 3.

Genasci asked how ESCO feels about the binder.

Quarles said from a production standpoint the binder works well, but for odor emissions it's unclear if the new binder is a noticeable improvement.

5. A deviation report to DEQ stating that the Griffin dust collector was not operating while a heat was poured in the Doghouse on July 2, 2013. In the incident, an on/off switch was inadvertently left in the off position. The indicator light also wasn't working.

Quarles said the baghouse is generally turned off when there is no production occurring, such as nights and weekends. Fagan said the on/off switch has been moved to a more visible location and several indicators are now in place or being installed to notify employees when the baghouse is not operating, including a system that verbally alerts employees if the baghouse is not operating, a heat sensor that alerts employees if the baghouse is off when molten metal is brought to the pouring floor, and green and red lights that indicate whether the system is on or off. Quarles said some of the new sensors were being researched since the last Griffin incident and that it takes time to get everything installed.

Genasci asked whether these similar controls were going to be implemented elsewhere to prevent incidents like this in other areas. Quarles explained that the Doghouse is unique and other dust collectors are interlocked with the process, which is not possible in the Doghouse due to its complexities.

The board then reviewed the second quarter trend reports for odors or visible emissions. Krallman said it looks like the number of complaints during specific processes time matches with complaints. Quarles said some complaints could have come from the Main Plant or Plant 3. Fagan said it's unlikely that we're pouring in multiple areas at the Main Plant at the same time.

Genasci said it doesn't appear that the number of complaints is diminishing despite emission reduction efforts and wanted to know if lower phenol binders are also being used in the Main Plant. Quarles said ESCO is looking into alternative binders for chain castings, which is done at the Main Plant. Baldwin clarified that those are two different projects, according to the GNA. The Plant 3 project deadline is March 2015.

The NAC suggested that ESCO include all odor complaints recorded between committee meetings rather than just those logged for the quarter. ESCO agreed to this request.

7. Discussion of signs found in the neighborhood and NAC response, pursuant to Paragraph 6.1 of the GNA - Chair

Baldwin said the NAC received an email from ESCO regarding signs that were misleading and posted in the neighborhood. The NAC notified ESCO that it had no knowledge of who posted the signs and, like ESCO, is concerned that some neighbors are unaware of the GNA, the NAC and the work being done with ESCO. Baldwin said the incident is the starting point for a discussion about how the NAC might do a better job of communicating its presence and the progress ESCO is making toward its GNA commitments.

Krallman echoed Baldwin's comments and noted that early in the negotiations with ESCO the NAC decided to focus on reduction of toxic emissions rather than odor. He said that point needs to be made clear to neighbors.

8. Public comment

None received

The meeting was adjourned at 10:19 a.m.