March 26, 2007

Re: Director's Final Findings & Orders
Esco Turbine Technologies-Cleveland, Inc.
US EPA ID No.: OHD 098 912 934

Mr. Brian S. Hoover, President
Esco Turbine Technologies – Cleveland, Inc.
34000 Lakeland Blvd.
Eastlake, Ohio 44095

Dear Mr. Hoover:

Here are the Director’s Final Findings and Orders (Orders) issued to Esco Turbine Technologies-Cleveland, Inc. on March 26, 2007. These Orders are effective today.

I have also enclosed invoices for the penalty payments as required by Order No. 1.a. and 1.b. Please remember that your payments are due no later than April 25, 2007.

If you have any questions concerning compliance with these Orders, do not hesitate to contact Kurt Princic, at (330) 963-1200.

Sincerely,

Pamela S. Allen, Manager
Regulatory and Information Services
Division of Hazardous Waste Management

Attachments

c: Michael A. Savage, Chief, DHWM CO
Harry Sarvis, Mgr., CAS, DHWM CO
Todd Anderson, Legal
Heidi Greismer, PIC
Kurt Princic, Mgr., DHWM, NEDO

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Kloteski, Director

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In the Matter of:

Esco Turbine Technologies-Cleveland, Inc.  
34000 Lakeland Blvd.  
Eastlake, Ohio 44095

Respondent

Director's Final Findings and Orders

PREAMBLE

It is agreed by the parties hereto as follows:

I. JURISDICTION

These Director's Final Findings and Orders (Orders) are issued to Esco Turbine Technologies-Cleveland, Inc. (Respondent) pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under Ohio Revised Code (ORC) §§ 3734.13 and 3745.01.

II. PARTIES BOUND

These Orders shall apply to and be binding upon Respondent and successors in interest liable under Ohio law. No change in ownership of the Respondent or of the Facility shall in any way alter Respondent's obligations under these Orders.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Orders shall have the same meaning as defined in ORC Chapter 3734. and the rules promulgated thereunder.

IV. FINDINGS

The Director of Ohio EPA has determined the following findings:

1. Respondent owns and operates a casting facility that manufactures blades and vanes for jet and industrial gas engines at 34000 Lakeland Blvd., in Eastlake, Lake County (Facility). Respondent is an Ohio corporation,
licensed to do business on September 21, 1979.

2. Respondent is a "person" as defined in ORC § 3734.01(G) and Ohio Administrative Code (OAC) rule 3745-50-10(A).

3. Respondent notified Ohio EPA of its hazardous waste activities and was issued generator identification number OHDO98912934.

4. At the Facility, Respondent generates "hazardous waste" as that term is defined by ORC § 3734.01(J) and OAC rules 3745-50-10(A) and 3745-51-03. Respondent is a large quantity generator of hazardous waste. The hazardous wastes generated by Respondent at the Facility include spent hydrochloric acid (D002, D006, D007, D009), spent trichloroethylene (F001, F002) and spent parts washer solvent (D001, D018, D039, D040).

5. On August 28, August 29, September 7 and 8, 2006, Ohio EPA conducted compliance evaluation inspections at the Facility. As a result of these inspections, Ohio EPA determined that Respondent had, inter alia:

a. Stored hazardous waste without a permit for greater than 90 days, in violation of ORC § 3734.02 (E) and (F).

b. Failed to evaluate waste to determine if the waste was hazardous waste, in violation of OAC rule 3745-52-11;

c. Failed to identify all hazardous waste that was generated and shipped off-site on the Annual Hazardous Waste Report, in violation of OAC rule 3745-52-41(A)(5);

d. Failed to file an exception report for two shipments of hazardous waste for which Respondent did not receive a copy of each manifest with the handwritten signature of the owner or operator of the designated facility within 45 days of the date the waste was accepted by the initial transporter, in violation of OAC rule 3745-52-42(A)(2);

e. Failed to have a complete personnel training program, in violation of OAC rule 3745-65-16;

f. Failed to conduct inspections of emergency equipment and failed to include personnel protective equipment as part of the spill control equipment for the outdoor hazardous waste accumulation area, in violation of OAC rules 3745-65-33 and 3745-65-32(C);
g. Failed to conduct inspections of container accumulation areas, in violation of OAC rule 3745-66-74;

h. Failed to have an adequate hazardous waste contingency plan for the Facility and failed to provide all emergency services with a copy of the contingency plan, in violation of OAC rules 3745-65-52(D) and (E) and 3745-65-53(B);

i. Failed to comply with land disposal restriction (LDR) requirements, in violation of OAC rule 3745-270-07;

j. Failed to label four containers of used oil, in violation of OAC rule 3745-279-22(C). This violation was abated during the inspection; and

k. Failed to properly label/mark and manifest two containers of potassium hydroxide hazardous waste and failed to properly manifest ten shipments of hazardous waste spent parts washer solvent, in violation of OAC rules 3745-52-20, 3745-52-31 and 3745-52-32.

6. By letter dated September 13, 2006, Ohio EPA notified Respondent of the violations referenced in Finding No. 5. of these Orders. In this letter, Ohio also notified Respondent that due to the unlawful storage of hazardous waste, Respondent was subject to all applicable general facility standards found in OAC chapters 3745-54 and 3745-55.


8. On November 21, 2006, Ohio EPA conducted a follow-up inspection at the Facility.

9. By letter dated December 20, 2006, Ohio EPA notified Respondent that Respondent had abated the violations referenced in Finding Nos. 5.b., 5.d. and 5.g. of these Orders.


11. By letter dated January 29, 2007, Ohio EPA notified Respondent that Respondent had abated the violations referenced in Finding No. 5.f. of these Orders.

13. By letter dated February 22, 2007, Ohio EPA notified Respondent that Respondent had abated the violations referenced in Finding Nos. 5.c., 5.e., 5.h., 5.i. and 5.k. of these Orders.

14. Because Ohio EPA did not observe any releases of hazardous waste at the time of the inspections referenced in Finding Nos. 5. and 8. of these Orders, the Director has determined that closure of the unpermitted storage area is not required at this time. Therefore, no further action is required at this time to abate the violation referenced in Finding No. 5.a. of these Orders.

V. ORDERS

Respondent shall achieve compliance with Chapter 3734. of the ORC and the regulations promulgated thereunder according to the following compliance schedule:

1. Respondent shall pay Ohio EPA the amount of $20,240.00 in settlement of Ohio EPA’s claims for civil penalties, which may be assessed pursuant to ORC Chapter 3734., in accordance with the following provisions:

   a. Within 30 days after the effective date of these Orders, Respondent shall pay Ohio EPA the amount of $16,240.00 in settlement of Ohio EPA’s claims for civil penalties which will be deposited into the hazardous waste cleanup fund established pursuant to ORC § 3734.28. Payment shall be made by an official check made payable to "Treasurer, State of Ohio" for $16,240.00. The official check shall be submitted to Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check shall be submitted in accordance with Section X. of these Orders.

   b. In lieu of paying the remaining $4,000.00 of civil penalty to Ohio EPA, Respondent shall fund a supplemental environmental project (SEP) by making a contribution in the amount of $4,000.00 to the Ohio EPA Clean Diesel School Bus Program (Fund 5CD). Respondent shall make the payment within 30 days after the effective date of these Orders by tendering an official check made payable to "Treasurer, State of Ohio" for $4,000.00. The official check shall be submitted to Brenda Case, or her successor, Ohio EPA, Office of Fiscal Administration, Department L-2711, Columbus, Ohio 43260-2711, together with a letter identifying Respondent. A copy of this check
shall be submitted in accordance with Section X. of these Orders, and an additional copy of this check shall be sent to James A. Orlemann, Assistant Chief, SIP Development and Enforcement, or his successor, Ohio EPA, Division of Air Pollution Control, P.O. Box 1049, Columbus, Ohio 43216-1049.

c. Should Respondent fail to fund the SEP within the required time frame established in Order No. 1.b. of these Orders, Respondent shall pay to Ohio EPA within 7 days of failing to comply with Order No. 1.b. the amount of $4,000.00 in accordance with the procedures in Order No. 1.a.

VI. TERMINATION

Respondent’s obligations under these Orders shall terminate upon Ohio EPA’s receipt of the official check(s) required by Section V. of these Orders.

VII. OTHER CLAIMS

Nothing in these Orders shall constitute or be construed as a release from any claim, cause of action or demand in law or equity against any person, firm, partnership or corporation, not a party to these Orders, for any liability arising from, or related to, the operation of Respondent’s Facility.

VIII. OTHER APPLICABLE LAWS

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Respondent.

IX. MODIFICATIONS

These Orders may be modified by agreement of the parties hereto. Modifications shall be in writing and shall be effective on the date entered in the journal of the Director of Ohio EPA.

X. NOTICE

All documents required to be submitted by Respondent pursuant to these Orders shall be addressed to:
Ohio Environmental Protection Agency
Northeast District Office
Division of Hazardous Waste Management
2110 East Aurora Road
Twinsburg, Ohio 44087
Attn: DHWM Manager

and Ohio EPA Central Office at the following address:

For mailings, use the post office box number:

Chris Korleski, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
P.O. Box 1049
Columbus, Ohio 43216-1049
Attn: Manager, Compliance Assurance Section

For deliveries to the building:

Chris Korleski, Director
Ohio Environmental Protection Agency
Lazarus Government Center
Division of Hazardous Waste Management
50 West Town Street, Suite 700
Columbus, Ohio 43215
Attn: Manager, Compliance Assurance Section

or to such persons and addresses as may hereafter be otherwise specified in writing by Ohio EPA.

XI. RESERVATION OF RIGHTS

Ohio EPA reserves its rights to exercise its lawful authority to require Respondent to perform closure as well as corrective action at the Facility at some time in the future, pursuant to ORC Chapter 3734. or any other applicable law. Respondent reserves its rights to raise any administrative, legal or equitable claim or defense with respect to any final action of the Director regarding such closure or corrective action. Ohio EPA and Respondent each reserve all other rights, privileges and causes of action, except as specifically waived in Section XII. of these Orders.
XII. WAIVER

In order to resolve disputed claims, without admission of fact, violation or liability, Respondent consents to the issuance of these Orders and agrees to comply with these Orders. Except for the rights to seek closure of hazardous waste units and corrective action at the Facility, which rights Ohio EPA does not waive, compliance with these Orders shall be a full accord and satisfaction for Respondent's liability for the violations specifically cited herein.

Respondent hereby waives the right to appeal the issuance, terms and conditions, and service of these Orders, and Respondent hereby waives any and all rights Respondent may have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Respondent agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Respondent retains the right to intervene and participate in such appeal. In such an event, Respondent shall continue to comply with these Orders notwithstanding such appeal and intervention unless these Orders are stayed, vacated or modified.

XIII. EFFECTIVE DATE

The effective date of these Orders is the date these Orders are entered into the Ohio EPA Director's journal.

XIV. SIGNATORY AUTHORITY

Each undersigned representative of a party to these Orders certifies that he or she is fully authorized to enter into these Orders and to legally bind such party to these Orders.

IT IS SO ORDERED AND AGREED:

Ohio Environmental Protection Agency

[Signature]

Chris Korleski
Director

MAR 26 2007

Date
IT IS SO AGREED:

Esco Turbine Technologies-Cleveland, Inc.

[Signature]

[Printed or Typed Name]

Title

[Date]