



STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
LANSING



JENNIFER M. GRANHOLM  
GOVERNOR

STEVEN E. CHESTER  
DIRECTOR

March 1, 2007

The Honorable Jennifer M. Granholm  
Governor of Michigan  
P.O. Box 30013  
Lansing, Michigan 48909

Dear Governor Granholm:

SUBJECT: Air Quality Division Annual Report - Fiscal Year 2006

The enclosed annual report is required by Section 5522 of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451), from each state department that receives appropriated emission control funds. Section 5522(9) of Act 451 requires:

By March 1 annually, the department shall prepare and submit to the governor, the legislature, the chairpersons of the standing committees of the senate and house of representatives with primary responsibility for environmental protection issues related to air quality, and the chairpersons of the subcommittees of the senate and house appropriations committees with primary responsibility for appropriations to the department.

The material is organized as directed by Section 5522(9 and 10).

We hope you find this information useful. This year in the interest of complying with your directives to reduce expenses, the Air Quality Division (AQD) is sending this report by electronic mail. If you have any questions regarding the AQD annual report, please contact me.

Sincerely,

Steven E. Chester  
Director  
517-373-7917

Enclosure

cc/enc: Members of the Senate Natural Resources and Environmental Affairs Committee  
Members of the Senate Appropriations Subcommittee on Environmental Quality  
Members of the House Great Lakes and Environment Committee  
Members of the House Tourism, Outdoor Recreation and Natural Resources Committee  
Members of the House Appropriations Subcommittee on Environmental Quality  
Ms. Teresa Bingman, Governor's Office  
Clerk of the House  
Secretary of the Senate  
Mr. Gary S. Olson, Senate Fiscal Agency  
Mr. Mitchell E. Bean, House Fiscal Agency

**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY (DEQ)  
AIR QUALITY DIVISION (AQD) ANNUAL REPORT - FISCAL YEAR 2006 (FY06)**

This year-end report is required from every state department to which emissions control funds are appropriated. The information is organized as directed by Section 5522 (9) of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451).

A) A total of 158 full-time equated (FTE) positions performed enforcement, compliance, and permitting activities. From that total, 102 FTE positions (approximately 65 percent) performed these activities in the Title V Program as defined in Section 5501 of Act 451. Additionally, approximately 10 additional FTE positions performed Title V support activities. The other 56 FTE positions (approximately 35 percent) performed enforcement, compliance, and permitting activities in the non-Title V Program.

**B) Permits to Install:**

i. There were 562 permit to install applications received in FY06.

ii.

Permits to Install - Final Actions	Total Number
Final action taken on applications and permits.	1367
Applications approved.	517
Applications denied.	8
Applications and permits voided. (55 of which were due to issuance of ROPs.)	842

iii.

Approved Permits to Install	Total Number
Number required to complete public participation before final action.	25
Number <i>not</i> required to complete public participation before final action.	492

iv. The average number of final permit actions per reviewer (FTE) is 29.

	Permits to Install	Percentage	Total Number
v.	Applications reviewed for administrative completeness within 10 days of receipt by the DEQ.	99.3%	558
vi.	Applications reviewed for technical completeness within 30 days of receipt by the DEQ.	94.1%	529
vii.	Applications submitted to the DEQ that were administratively complete as received.	87.9%	494
viii.	Applications for which a final approval was taken within 60 days of receipt of a technically complete application for those not required to complete public participation or within 120 days if public participation was required.	92.3%	477

**C) Renewable Operating Permit (ROP) Program:**

- i. A total of 66 ROP applications were received in FY06.
- ii.

ROP - Final Actions	Total Number
Final action taken on ROP applications.	64
Applications approved.	53
Applications denied.	0
Applications voided (withdrawn by the applicant).	11

ROP	Percentage	Total Number
iii. Permit applications initially processed within the required time.	88%	8
iv. Permit renewals processed within the required time.	58%	45
Permit modifications processed within the required time.	35%	82
v. Permit applications re-opened by the DEQ.	0	0
vi. General permits issued by the DEQ.	0	0

D) There were 525 letters of violation (LOV) sent during FY06.

E) Penalty money collected from all consent order and judgments was \$1,692,128.86.

F) Enforcement actions that included payment of penalty:

Company Name	Corrective Actions
Jesse's Cleaning	Consent Order, AQD No.20-2005
Rawabi Group	Consent Order, AQD No. 21-2005
Sturgis Foundry	Consent Order, AQD No. 33-2005
Comprehensive Environmental Solutions	Consent Order, AQD No. 35-2005
Advanced Plating and Finishing	Consent Order, AQD No. 36-2005
Glover Meeks Cleaners	Consent Order, AQD No. 37-2005
Shear Force LLC	Consent Order, AQD No. 38-2005
ProTech Cleaners	Consent Order, AQD No. 39-2005
Marathon Petroleum	Administrative Fine Order No. 40-2005
General Motors Corp. Metal Fab.	Consent Order, AQD No. 41-2005
Wyoming Enterprises	Consent Order, AQD No. 42-2005
Hoffman Die Cast Corp.	Consent Order, AQD No. 43-2005
Teck Cleaners	Consent Order, AQD No. 44-2005
Michigan Dept. of Community Health	Consent Order, AQD No. 45-2005
Muskegon County Dept. of Public Works	Consent Order, AQD No. 1-2006
C&C Landfill	Consent Order, AQD No. 2-2006
Ajax Metal Processing	Consent Order, AQD No. 3-2006
Fagerdala USA Marysville	Consent Order, AQD No. 4-2006
Wiegand Crushing, Inc.	Consent Order, AQD No. 5-2006
Severstal North America	Consent Order, AQD No. 6-2006
International Surfacing Consultants	Consent Order, AQD No. 7-2006
Technisand (Fairmount Minerals)	Consent Order, AQD No. 8-2006
Eaton Proving Grounds	Consent Order, AQD No. 9-2006
Vast-Sumitec	Consent Order, AQD No. 10-2006

<b>Company Name (continued)</b>	<b>Corrective Actions (continued)</b>
Barber Creek Sand & Gravel	Consent Order, AQD No. 11-2006
The Griffon	Consent Order, AQD No. 12-2006
Detroit Diesel Corp.	Consent Order, AQD No. 13-2006
Lafata Enterprises	Consent Order, AQD No. 14-2006
Hi-Tech Coatings	Consent Order, AQD No. 15-2006
AWTEC, AW Transmission	Consent Order, AQD No. 16-2006
City of Detroit, Water & Sewerage	Consent Order, AQD No. 17-2006
3100 Woodward LLC	Consent Order, AQD No. 18-2006
Clean Air Works, Inc.	Consent Order, AQD No. 21-2006
Environmental Professionals, Inc.	Consent Order, AQD No. 22-2006
Ford Motor Co., Woodhaven	Consent Order, AQD No. 23-2006
Hayes Washed Sand & Gravel	Consent Order, AQD No. 24-2006
St. Mary's Cement	Consent Order, AQD No. 25-2006
Gilberts Trucking	Consent Order, AQD No. 26-2006
Allied Environmental	Consent Order, AQD No. 27-2006
EES Coke Battery LLC	Consent Order, AQD No. 28-2006
Lacks Enterprises	Consent Order, AQD No. 29-2006
Magna Donnelly Corp.	Administrative Fine Order, AQD No. 30-2006
Morgan Olsen Corp.	Consent Order, AQD No. 32-2006
Ahonen Lumber Company	Consent Judgment No. 06-199-CE
Diamond Chrome Plating, Inc.	Consent Judgment No. 03-1862-CE
J&M Plating, Inc.	Consent Judgment No. 06-1147-CE

- G) The total number of inspections was 1400. The number of inspections done for ROP sources was 271. The number of inspections of non-ROP sources was 1129.
- H) A total of 2124 complaints were received during FY06. All complaints were logged, prioritized, evaluated, and resolved according to the DEQ's AQD procedures. A complaint is considered resolved if the problem has been abated, an LOV requesting a compliance program has been sent, the district staff was not able to verify the problem, or the complaint was not under the AQD's jurisdiction and a referral was made to the appropriate agency. An on-site inspection was conducted for approximately 61 percent of the complaints. A telephone call or letter followed up the other complaints.
- I) The following represents the number of contested case hearings and civil actions initiated and completed, and the number of voluntary consent orders, administrative penalty orders, and emergency orders entered or issued for Title V sources:

<b>Enforcement</b>	<b>Total Number</b>
Hearings	2
Civil Actions	1
Consent Orders	20
Administrative Orders	1
Emergency Orders	0

- J) Revenue in the fund at the end of the fiscal year was \$2,857,000.

The following information is required by Section 5522 of Act 451.

**AQD EXPENDITURES BY FUND AND PROGRAM FUNCTION:**

<b>Program Function</b>	<b>General Fund</b>	<b>EPA Grants</b>	<b>Air Fees</b>	<b>Total</b>
Permit Section	287,791 (4.4%)	116,736 (2.4%)	2,733,206 (24.9%)	3,137,733 (14%)
Enforcement Unit	320,534 (4.9%)	14,009 (0.3%)	799,799 (7.3%)	1,134,342 (5.1%)
Field Operations Section	2,692,116 (41.5%)	1,365,798 (28.0%)	6,471,115 (59.0%)	10,529,029 (47.1%)
Air Quality Evaluation Section	2,215,687 (34.1%)	3,114,014 (63.8%)	283,087 (2.6%)	5,612,788 (25.1%)
Administration Section	973,079 (15.0%)	271,148 (5.6%)	687,939 (6.3%)	1,932,166 (8.7%)
<b>Total AQD Expenditures (4 quarters)</b>	<b>6,489,207 (100%)</b>	<b>4,881,705 (100%)</b>	<b>10,975,146 (100%)</b>	<b>22,346,058 (100%)</b>
<b>Revenues Allotted (4 quarters)*</b>	<b>6,489,300</b>	<b>5,033,224</b>	<b>11,060,300</b>	<b>22,582,824</b>

\* The revenue allotment identified above represents a hundred percent of the estimated revenue to be collected from each funding source in FY06. The EPA grants expenditures do not include indirect costs.

Note additional Non-Air Quality fee expenditures were as follows: Environmental Science and Services Division \$602,980; DEQ and Civil Service Indirect \$943,426; Michigan Economic Development Corporation, Small Business Ombudsman \$51,727; and Department of Information Technology \$498,900.