



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



C. HEIDI GREETHER
DIRECTOR

VIA E-MAIL

TO: Governor Rick Snyder
Members of the Michigan Legislature

FROM: C. Heidi Grether, Director *Maggie Pallone* **Acting**

DATE: March 22, 2017

SUBJECT: Air Quality Division Annual Program Report – Fiscal Year 2016

In accordance with Section 5522(8) of Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, attached is the Department of Environmental Quality's (DEQ) Air Quality Division (AQD) Annual Program Report for fiscal year 2016.

If you need further information, please contact Michael Jackson, Section Manager, Administration Section, AQD, at 517-284-6733; or you may contact me at 517-284-6700.

Attachment

cc/att: Ellen Jeffries, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
Al Pscholka, Director, State Budget Office
Dick Posthumus, Governor's Office
Darin Ackerman, Governor's Office
Angela Ayers, Governor's Office
Josh Sefton, Senate Fiscal Agency
Austin Scott, House Fiscal Agency
Jacques McNeely, State Budget Office
Jennifer Harrison, State Budget Office
Amy Epkey, Environment Deputy Director, DEQ
Maggie Pallone, External Relations Deputy Director, DEQ
Barb Schaibly, Administration Deputy Director, DEQ
Sarah M. Howes, Legislative Liaison, DEQ
Lynn Fiedler, DEQ
Michael Jackson, DEQ

**MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION ANNUAL PROGRAM REPORT - FISCAL YEAR 2016**

This year-end report from the Department of Environmental Quality (DEQ), Air Quality Division (AQD), is required to detail Emissions Control Fund appropriations. The information is organized as directed by Section 5522(8) 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 116.9 full-time equated positions performed enforcement, compliance, and permitting activities. From that total, 62.0 full-time equated positions performed these activities in the Title V Program as defined in Section 5501 of Act 451. The other 54.9 full-time equated positions performed enforcement, compliance, and permitting activities in the non-Title V Program.

B) Permits to Install:

i. There were 459 permit-to-install (PTI) applications received in fiscal year (FY) 2016.

ii.

Permits to Install - Final Actions	Total Number
Final action taken on applications and permits.	588
Applications approved.	369
Applications denied.	3
Applications and permits voided (57 of which were due to issuance of Renewable Operating Permits).	230

iii.

Approved Permits to Install	Total Number
Number required to complete public participation before final action.	14
Number not required to complete public participation before final action.	355

iv. The average number of final permit actions per reviewer (full-time equated) is 31.

Permits to Install		Percentage	Total Number
v.	Applications reviewed for administrative completeness within 10 days of receipt by the DEQ.	95	350
vi.	Applications reviewed for technical completeness within 30 days of receipt by the DEQ.	100	369
vii.	Applications submitted to the DEQ that were administratively complete as received.	94	347
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.	84	309

C) Renewable Operating Permit (ROP) Program:

- i. A total of 58 ROP applications were received in FY 2016.
- ii. The AQD received 103 new requests for ROP modifications in FY 2016.

ROP - Final Actions	Total Number
Final action taken on ROP applications.	63
Applications approved.	58
Applications denied.	0
Applications voided (withdrawn by the applicant).	5

ROP		Percentage	Total Number
iii.	Permit applications initially processed within the required time.	100	2
iv.	Permit renewals processed within the required time.	82	46
	Permit modifications processed within the required time.	28*	20
v.	Permit applications reopened by the DEQ.	n/a	21
vi.	General permits issued by the DEQ.	n/a	n/a

*NOTE: An ROP modification application is made once a subject facility has obtained a Permit to Install and has commenced operations. The intent of the ROP modification is to incorporate the new requirements from the Permit to Install into the ROP. The ROP is renewed every five years. If a modification is submitted within 18 months of the renewal date, the modification will be held and the change requested in the modification will be made in the renewal process. While the renewal is pending or until the changes have been incorporated into the ROP, a facility continues to operate under the conditions of the Permit to Install. This process does not affect the ability to operate nor the AQD's ability to ensure compliance. The AQD started processing modifications in February 2012. The AQD staff processed 100 modifications outside of an ROP renewal or voidance process. Out of 68 existing modification applications, 59 will be incorporated during the ROP renewal.

D) There were 546 (including Asbestos) Violation Notices sent during FY 2016.

E) Penalty money collected from all consent orders and judgments was \$1,820,113.

F) Enforcement actions that included payment of penalty:

Company Name	Corrective Actions
Nylok, LLC	Consent Order AQD No. 28-2015
CDC Marysville, LLC	Consent Order AQD No. 30-2015
Alloy Resource Corporation	Consent Order AQD No. 31-2015
Mod Interiors, Inc.	Consent Order AQD No. 32-2015
United States Steel Corporation	Consent Order AQD No. 33-2015
Braddock Demolition & Cleaning & Hauling, LLC	Consent Order AQD No. 34-2015
Ken Jackson Cleanup, Inc.	Consent Order AQD No. 35-2015
Lapeer Area Investments, LLC	Consent Order AQD No. 36-2015
Tuscola Energy, Inc.	Consent Order AQD No. 37-2015
Joy Construction & Leasing, Inc.	Consent Order AQD No. 38-2015
Compeau-Bros, Inc.	Consent Order AQD No. 39-2015

Company Name (cont.)	Corrective Actions
Toefco Engineered Coating Systems, Inc.	Consent Order AQD No. 40-2015
United States Steel Corporation	Consent Order AQD No. 1-2016
Eureka Development Group, Inc.	Consent Order AQD No. 2-2016
Rite Field Construction, LLC	Consent Order AQD No. 3-2016
Electro Chemical Finishing Co.	Consent Order AQD No. 4-2016
Evergreen Packaging, Inc.	Consent Order AQD No. 5-2016
Battle Creek VA Medical Center	Consent Order AQD No. 6-2016
Kirkland Products, LLC	Consent Order AQD No. 7-2016
Chippewa Correctional Facility	Consent Order AQD No. 8-2016
Ionia Correctional Facility	Consent Order AQD No. 9-2016
Jackson Complex	Consent Order AQD No. 10-2016
Kinross Correctional Facility	Consent Order AQD No. 11-2016
Marquette Branch Prison	Consent Order AQD No. 12-2016
Muskegon Complex	Consent Order AQD No. 13-2016
Women's Huron Valley Correctional Facility	Consent Order AQD No. 14-2016
Plasan Carbon Composites	Consent Order AQD No. 15-2016
JVIS Manufacturing, LLC	Consent Order AQD No. 16-2016
Fort Street Merger, LLC	Consent Order AQD No. 17-2016
Fogelsonger Vault Co.	Administrative Fine Order AQD No. 18-2016
Riverview Energy Systems	Consent Order AQD No. 19-2016
Great Lakes Trailer Washout, LLC	Consent Order AQD No. 20-2016
Trust Thermal Abatement, Inc.	Consent Order AQD No. 21-2016
Grede, LLC – Iron Mountain	Consent Order AQD No. 23-2016
Detroit Thermal, LLC	Consent Order AQD No. 24-2016
Hutchinson Antivibration Systems, Inc.	Consent Order AQD No. 25-2016
Berrien County Treasurer	Consent Order AQD No. 26-2016
Elm Plating Company	Consent Order AQD No. 27-2016
Empire Cleaners, Inc.	Administrative Fine Order AQD No. 28-2016
The Allenwest Group, LLC	Consent Order AQD No. 29-2016
D&S Contractors, Inc.	Consent Order AQD No. 30-2016
Vacuum Orna Metal Company, Inc.	Consent Order AQD No. 31-2016
Woodhaven Enterprises, Inc.	Consent Order AQD No. 34-2016
Rite Field Construction, LLC	Administrative Fine Order AQD No. 36-2016
State Crushing, Inc.	Consent Order AQD No. 37-2016
State Crushing, Inc.	Consent Order AQD No. 38-2016
Guardian Industries, Inc.	Administrative Fine Order AQD No. 39-2016
Clancy Excavating Co.	Civil Action No. 16-407-CE
North American Excavating & Trucking Co., Inc. d/b/a Roseville Crushed Concrete	Civil Action No. 15-676-CE

- G) The total number of inspections was 1,326. The number of inspections done for ROP sources was 265. The number of inspections of non-ROP sources was 1,061.
- H) A total of 2,487 complaints were received during FY 2016. All complaints were logged, prioritized, evaluated, and resolved according to the AQD's procedures. A complaint is considered resolved if the problem has been abated, a Violation Notice 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 75 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:

Enforcement	Total Number
Hearings	0
Civil Actions	2
Consent Orders	43
Administrative Orders	4
Emergency Orders	0

- J) Revenue in the fund at the end of FY 2016 was \$2,274,825.

The information below and on the following page is required by Section 5522(9) of Act 451:

AQD EXPENDITURES BY FUND AND PROGRAM FUNCTION:

Program Function	General and Other Funds Total	EPA Grants	Air Fees	Total
Permit Section	1,969,590	234,348	172,198	2,376,136
Enforcement Unit	239,800	36,398	466,549	742,747
Field Operations	3,762,971	1,294,205	6,358,134	11,415,310
Air Quality Evaluation Section	2,630,898	4,909,760	159,653	7,700,311
Administration	949,439	420,632	916,346	2,286,417
Total AQD Expenditures	9,552,698	6,895,343	8,072,880	24,520,921
Revenues Appropriated	9,614,600	7,211,700	9,831,400	26,657,700

NOTE: Air Emissions Fund expenditures of \$132,669 from the DEQ, Office of Environmental Assistance, are not included in the above totals.

**ADDITIONAL DETAILS FOR
GENERAL AND OTHER FUNDS**

Program Function	General Fund	Refined Petroleum Fund	Dry Cleaning License Fees	Oil & Gas	Environmental Pollution Prevention Subfund	Total
Permit Section	477,072	208,996	3,111	12,375	1,268,036	1,969,590
Enforcement Unit	48,447	191,353				239,800
Field Operations	1,714,406	1,811,757	148,282	36,351	52,175	3,762,971
Air Quality Evaluation Section	1,814,188	771,125		45,585		2,630,898
Administration	276,587	606,669	15,468	40,078	10,637	949,439
Total AQD Expenditures	4,330,700	3,589,900	166,861	134,389	1,330,848	9,552,698
Revenues Appropriated	4,330,700	3,589,900	222,400	134,600	1,337,000	9,614,600