

DEPARTMENT OF ENVIRONMENTAL QUALITY  
AIR QUALITY DIVISION  
ACTIVITY REPORT: Scheduled Inspection

N214734990

FACILITY: KERKAU MFG		SRN / ID: N2147
LOCATION: 910 TRUMAN PKY, BAY CITY		DISTRICT: Saginaw Bay
CITY: BAY CITY		COUNTY: BAY
CONTACT: Bryan Schindler, Plant manger		ACTIVITY DATE: 06/14/2016
STAFF: Gina McCann	COMPLIANCE STATUS: Non Compliance	SOURCE CLASS: MINOR
SUBJECT: Compliance inspection of PTI #137-96 and 400-89.		
RESOLVED COMPLAINTS:		

I (glm) performed a targeted inspection of Kerkau Manufacturing on June 14, 2016. I arrived onsite at 11:00 a.m. and met with Mr. Bryan Schindler, Plant Manager.

### Description

According to the company's website, the facility was established in 1951 and purchased by the Baldauf family in 1983. At the time, the business consisted of a 125,000 sq. ft. production facility and 125 employees. During the early years, Kerkau was primarily a production machine shop, doing high volume jobs for the automotive and petrochemical industries. Forgings and castings were supplied from the customer and the finish machining performed by Kerkau.

As Kerkau began to grow, the company started purchasing A105 carbon steel raw forgings and began machining, marketing and selling the highest quality pipe flanges in the market under the Kerkau name. In the early 90's, after expanding the A105 product line to include up to 42" NPS, Kerkau then added stainless 304/L and 316/L to the grades of material offered. With the Kerkau brand becoming more popular in the industry, in 2004, Kerkau began offering Long Weld Neck flange and was able to expand and build a 80,000 sq. ft sales office and finished goods warehouse on Mackinaw Road in the Valley Center Technology Park. In 2012, Kerkau again expanded the product line to include A350 LF2 low temperature carbon steel or the ford blue coating for projects in inclement weather such as Alaska.

The facility still manufactures the same pieces, but business has declined due to the decline in oil and gas sector. The currently operate two shifts and run the coating line during only one shift, five days a week. There are currently 120 employees between all three locations.

### PTI 400-89

According to an email dated 8/26/1996, this equipment was listed on the application for Permit to Install (PTI) #137-96. Kerkau listed this permit as covering the booths that were modified as the line in PTI 137-96. During the tour of the facility I did not see any booths that would be covered under this permit. The equipment no longer exists as stated in this permit. I sent an email to Mr. Schindler on 6/16/2016 requesting to void PTI 400-89.

### PTI 137-96: Non-Compliant

The equipment covered in this permit is an automated coating line. The facility machines carbon steel raw forgings and machines into pipe flanges. The flanges are then washed in hot water to remove the cutting fluid and placed on racks that feed into the coating line. Two operators man the line, one on the ingress and one on the egress end. The operator on the egress end inspects the parts for proper coating and will touch up spots with a HPLV spray gun.

Mr. Joe Benson, egress coating line operator, changes filters on the line daily and sometimes more often depending on the days volume of parts. Sherwin Williams supplies the filters. Mr. Schindler and I viewed the exhaust from the second story loft. Exhaust and handling system appeared to be properly maintained and in good working order.

After the tour of the facility, Mr. Schindler and I met with Mr. Cal Koerber, Purchasing Manager. Mr.

Koerber estimated the facility uses approximately 200 gallons of material a month. The facility is not currently tracking records required by the permit. I estimated the usage at 200 gallons per month multiplied by the VOC content of 5.28 lb/gal, per the MSDS, in the coatings used and the facility emits approximately 1,056 pounds per month or 6.34 tons per year. Permitted VOC limits are 2000 pounds per month and 9.9 tons per year. The facility is currently working on gathering 2015 thru current usage records to submit.

Special condition #14 of the PTI limits the VOC content of any coating used in the process to below 5.4 pounds per gallon of coating (minus water) as applied. The facility provided MSDS for coatings, see attached.

The facility uses Natphta150/SW as a cleaning solvent. The solvent is ran through the coating equipment and reclaimed. Special condition #17C. requires the gallons of cleanup or purge solvents used to be recorded. In a phone conversation, 6/16/2016, I explained to determine the gallons lost during this process to calculate the VOCs emitted.

I left the site at 12:30 p.m.

Since the facility was not able to produce the appropriate records required by PTI 137-96 a violation notice will be issued for non-compliance.

NAME *Wina L. McCann* DATE *6/16/2016* SUPERVISOR *C. Hare*