UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, ILLINOIS 60604

DATE:	See Date of Section Chief Signature Below
SUBJECT:	CLEAN AIR ACT INSPECTION REPORT Reserve Marine Terminals, South Shore Recycling, Napuck Salvage of Waupaca, Regency Technologies at 11600 S. Burley Avenue, Chicago, IL
FROM:	David Sutlin, Environmental Engineer AECAB (MN/OH)
THRU:	Brian Dickens, Section Chief AECAB (MN/OH)
TO:	File

BASIC INFORMATION

Facility Name: Reserve Management Group

- Reserve Marine Terminals
- South Shore Recycling
- Napuck Salvage of Waupaca
- Regency Technologies

Facility Location: 11600 South Burley Avenue, Chicago, Illinois

Date of Inspection: August 9, 2021

EPA Inspector(s):

1. David Sutlin, Environmental Engineer
2. Karina Kuc, Environmental Engineer

Other Attendees:

1. Hal Tolin, RMG, Principal
2. Jim Kallas, RMG, Environmental Manager
3. Dennis Stropko, RMG, Corporate Health and Safety Manager

Contact Email Address: dennisstropko@reserve-group.com

Purpose of Inspection: To investigate emissions from torch cutting operations and compliance with rules related to visible emissions

Facility Type: Scrap Processing

Regulations Central to Inspection: Illinois SIP

Arrival Time: 9:30 AM
Departure Time: 2:15 PM

Inspection Type:
☒ Unannounced Inspection
☐ Announced Inspection

OPENING CONFERENCE

☒ Presented Credentials
☒ Stated authority and purpose of inspection
☒ Provided Small Business Resource Information Sheet
☒ Provided CBI warning to facility

The following information was obtained verbally from RMG staff unless otherwise noted.

Company Ownership: RMG is the parent company of the following subsidiaries which operate at 11600 S Burley: Reserve Marine Terminals, South Shore Recycling, Napuck Savage of Waupaca, LLC, and Regency Technologies.

Process Description:

Reserve Marine Terminals (RMT)
The facility purchases steel and iron scrap, which is stored and dismantled outdoors using hydraulic sheers, hydraulic impact hammers, and torch cutting. In addition, large cast iron scrap is dismantled by dropping a large, forged steel ball from a crane connected to a large magnet, onto the scrap. Torch cutting is used to dismantle cast and carbon steel, that cannot be dismantled by other methods. Oxy-fuel torch cutting is performed at stations using propane as the fuel source. Before torch cutting, facility staff remove hoses, wires, fluids and other waste materials from the scrap metal. Each of the ten stations can support up to two torch cutters. A water mist cannon is used to minimize particulate emissions from torch cutting.

South Shore Recycling (South Shore)
The facility accepts scrap appliances from contractors, retail, and individual recyclers. Minimal dismantling of scrap is performed, and torch cutting is used only as part of equipment maintenance.

Napuck Savage of Waupaca, LLC (Napuck)

Napuck recycles automotive parts to separate cast iron, aluminum and light iron. Automotive parts such as engines, rotors and drums are shipped to the facility and sorted by size. Outside, Napuck uses a cracker attachment to break the parts and separate the different metals. The facility occasionally utilizes torch cutting to separate aluminum from iron components when cracking is unsuccessful. Napuck has an uncontrolled, indoor shredder mainly for aluminum but also for some scrap they purchase from Regency. A misting cannon is utilized to control dust. A second, smaller shredder, controlled by a cyclone and baghouse, is used to further densify the aluminum scrap. An indoor propane-powered dryer is used to dry the aluminum.

Regency Technologies (Regency)
Regency recycles electronic scrap. They do not receive appliances from the public but rather from other businesses. When stores ship appliances without evacuating refrigerants, they notify Regency. All of Regency's operations take place indoors. They may use a torch to heat and loosen a bolt but do not perform any torch cutting. They use air tools to take apart appliances, then separate and sort the various components.

Staff Interview:

RMT
The facility operates a single shift, Monday-Friday, and a shorter shift with a limited crew on Saturdays. The facility has a torch cutting capacity of 10 torch cutters but currently employs four torch cutters, due to a labor shortage. These operators spend the entire shift either torch cutting or preparing the scrap for cutting by removing waste material. The facility does not torch-cut stainless steel or cast iron. In addition to the water cannon, other steps that RMT has taken to mitigate emissions from torch cutting include the construction of an 8-foot-tall wall east of the torch-cutting stations, performing torch cutting below adjacent scrap piles, and intentionally locating the cutting stations near the center of the facility.

South Shore
As of 2019, South Shore is exclusively using contracts in order to verify proper recovery of refrigerants from appliances. Its current policy is to reject appliances that arrive with cut refrigerant lines.

Regency
Scrap may be sold from Regency to Napuck for further processing.

TOUR INFORMATION

EPA Tour of the Facility: Yes

Data Collected and Observations:
At RMT, EPA observed and took a series of digital photos of two operators torch-cutting a steel pipe. The observation lasted approximately 15 minutes. Minor, intermittent visible emissions were observed.

At South Shore's indoor operations, EPA inspected the queue for appliances requiring refrigerant recovery and observed multiple appliances with cut refrigerant lines. Staff explained that the refrigerant recovery for these appliances was performed outside the building to allow peddlers to then dismantle the appliances and sell the component metals to South Shore separately.

Photos and/or Videos: were taken during the inspection.

CLOSING CONFERENCE

☒ Provided U.S. EPA point of contact to the facility

With regard to proper recovery of refrigerants, EPA emphasized the importance of the rules in preventing the improper cutting of refrigerant lines.

Requested documents:

- South Shore refrigerant recycling contracts
- RMT's torch make and model
- RMT's fugitive dust plan
- RMT's daily visible emission observation logs
- Torch cutting production records

DIGITAL SIGNATURES

Report Author: DAVID SUTLIN Digitally signed by DAVID SUTLIN Date: 2021.10.06 07:15:53 -05'00'

Section Chief: Brian Dickens Digitally signed by Brian Dickens Date: 2021.10.06 07:46:28 -05'00'

APPENDICES AND ATTACHMENTS

1. Digital Image Log

Facility Name: RMT
Facility Location: 11600 S Burley Ave, Chicago, IL 60617
Date of Inspection: August 9, 2021

APPENDIX A: DIGITAL IMAGE LOG

1. **Inspector Name:** Karina Kuc	2. **Archival Record Location:** *C:\Users\Dsutlin\OneDrive - Environmental Protection Agency (EPA)\Inspections\2021\RMG\Inspection\Inspection Photos*

Image Number	File Name	Date and Time (incl. time zone and DST)	Description of Image
1	IMG_0461.JPG	8/9/2021 12:23	South Shore: appliance in refrigerant recovery area
2	IMG_0462.JPG	8/9/2021 12:24	South Shore: appliance in refrigerant recovery area
3	IMG_0463.JPG	8/9/2021 12:29	South Shore: refrigerant recovery equipment
4	IMG_0469.JPG	8/9/2021 13:46	RMT: hydraulic impact hammer used to dismantle scrap
5	IMG_0470.JPG	8/9/2021 14:20	South Shore: sign with notification of refrigerant policy
6	IMG_0471.JPG	8/9/2021 14:20	South Shore: sign with notification of refrigerant policy
7	IMG_0472.JPG	8/9/2021 15:45	South Shore: close-up of sign with notification of refrigerant policy
8	MVI_0465.MOV	8/9/2021 8:00*	Water cannon operating during torch cutting
9	MVI_0466.MOV	8/9/2021 8:08*	Torch cutting operations
10	MVI_0467.MOV	8/9/2021 8:26*	Torch cutting operations
11	MVI_0468.MOV	8/9/2021 8:43*	Operation of forged steel ball drop used to dismantle large cast iron scrap
12	IMG_0352.JPG – IMG_0406.JPG	8/9/2021 13:18 – 13:31	Photos of torch cutting operations

Note: *the timestamps displayed on the movies are incorrect and should be five hours later.