



REGIONAL AIR POLLUTION CONTROL AGENCY

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October 16, 2007

Certified Mail

Kenneth and Belinda Hall

Unique Finishers

537 N. Elm Street

Troy, OH 45373

Dan and Sandy Hall

D&S Coating

543 ½ N. Elm Street

Troy, OH 45373

0855140558

Lynn Binkly

Binks Coating

543 ½ N. Elm Street

Troy, OH 45373

Lucille Hall

543 N. Elm Street

Troy, OH 45373

NOTICE OF VIOLATION

Summary:

On August 2, 2007, the Regional Air Pollution Control Agency (RAPCA), performed a compliance inspection at Unique Finishers, D&S Coating, and Binks Coating, located at 537 and 543 ½ N. Elm St, Troy, Ohio. During the inspection, it was determined that Unique Finishers, D&S Coating, and Binks Coating are operating as one facility, formerly known as L&C-Troy, Inc. The following violations were documented: (1) the facility failed to obtain a Permit to Install (PTI) for 6 miscellaneous metal spray paint booths that were on site, (2) the facility failed to obtain a Title V permit prior to becoming subject to the Title V permitting requirements, and (3) the facility has failed to comply with 40 CFR Part 63, Subpart M. Enforcement orders may be issued in the future to resolve the violations.

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Dear Lucille Hall:

On August 15, 2006, RAPCA issued a Notice of Violation (NOV) to Kenneth Hall, operator of L&C, Inc. (L&C-Piqua), located at 220 Fox Drive, Piqua, Ohio, for failure to obtain a Permit to Install (PTI) for 13 coating booths and for failure to obtain a Title V operating permit prior to becoming a major source of volatile organic compounds (VOC) and hazardous air pollutants (HAPs). To date, no formal written response to the NOV has been received by RAPCA. In January 2007, RAPCA determined that L&C-Piqua was no longer operating at 220 Fox Drive.

On July 31, 2007, while performing surveillance on 543 N. Elm Street, a property owned by Kenneth and Lucille Hall, RAPCA personnel detected paint odors. On August 2, 2007, RAPCA performed an unannounced compliance inspection of 537 and 543 ½ N. Elm Street, Troy, Ohio and discovered 3 entities, Unique Finishers, D&S Coating, and Binks Coating, operating several air contaminant sources. During the inspection, RAPCA met with Kenneth Hall and Belinda Hall, owners/operators of Unique Finishers, Sandy Hall, owner/operator of D&S Coating, and Lynn Binkly, owner/operator of Binks Coating.

Kenneth Hall stated that L&C-Piqua was owned by Lucille Hall and was located at 220 Fox Drive, Piqua, Ohio. That facility ceased operations in December 2006 and the equipment owned by L&C-Piqua was divided among Kenneth Hall, Sandy Hall, and Lynn Binkly, family members of Lucille Hall. This equipment was moved to 537 and 543 ½ N. Elm Street in January 2007, with at least some of the emissions units operating as of January 10, 2007. It is RAPCA's contention that L&C-Piqua resumed operation as Unique Finishers, D&S Coating, and Binks Coating. Kenneth Hall stated that he was responsible for responding to the August 15, 2006 NOV issued to L&C-Piqua.

The equipment on site during the August 2, 2007 inspection consisted of a dip coating line and two spray booths owned by Unique Finishers, two spray booths and a phosphate parts washer owned by D&S Coating, and one spray booth owned by Binks Coating. Unique Finishers and D&S Coating operate in two buildings located at 537 N. Elm Street. The dip coating line is located in a garage attached to Fish Tales, a shop operated by Kenneth Hall. The four spray booths and the phosphate cleaner owned/operated by Unique Finishers and D&S Coating are located in an unattached tan building located in the rear of 537 N. Elm Street. Binks Coating operates at 543 ½ N. Elm Street, an unattached garage, located in the rear of 543 N. Elm Street, which is adjacent to 537 N. Elm Street. According to the Miami County Auditor, 537 N. Elm Street is owned by Triple J Investment Company, LLC and 543 N. Elm Street is owned by Kenneth and Lucille Hall.

Unique Finishers, D&S Coating, and Binks Coating apply a rubber-to-metal "Chemlok" primer (Chemlok 205) and adhesive (Chemlok 220 or 252) to metal parts. According to Lord

Corporation, the manufacturer of Chemlok, the metal surfaces must be thoroughly cleaned prior to the coating application by mechanical or chemical cleaning methods. D&S Coating owns/operates the only metal cleaning process located at either 537 N. Elm Street or 543 ½ N. Elm Street and during the August 2, 2007 inspection, Unique Finishers and Binks Coating acknowledged using the parts washer.

On September 20, 2007, RAPCA received a Permit to Install (PTI) application from D&S Coating which stated that D&S Coating operates the phosphate parts washer and two of the coating booths. D&S Coating also supplied records confirming that D&S Coating performs parts washing and supplies coatings and thinners to Binks Coating and Unique Finishers. The application also states that D&S Coating has a "lease to own" arrangement with L&C-Piqua for the equipment it operates. Due to the adjacent locations, the sharing of the parts washer and some of the spray booths, the single major industrial grouping, and the shared financial interest with L&C-Piqua, RAPCA contends that Unique Finishers, D&S Coating, and Binks Coating are operating as a single facility. For the purposes of this NOV, the three entities are considered to be L&C-Troy and are referred to as L&C-Troy throughout this document.

The coating of miscellaneous metal parts is subject to Ohio Administrative Code (OAC) rule and Miami County Board of Health Local Air Pollution Control Regulations (MCBHLAPCR) rule 3745-21-09(U)(2)(e), which limits the amount of coating applied in an individual source to 8 gallons per day (gal/day). According to the Manufacturer Safety Data Sheets (MSDS), the volatile organic compound (VOC) content of Chemlok 205 is 6.06 pounds per gallon (lb/gal), the VOC content of Chemlok 220 is 6.17 lb/gal, and the VOC content of Chemlok 252 is 5.75 lb/gal. During the August 2, 2007 inspection, Kenneth Hall and Lynn Binkly stated that the Chemlok coatings are thinned with either toluene (Chemlok 220/252) or methyl-ethyl-ketone (MEK) (Chemlok 205), in an approximate ratio of 1:1. Therefore, the highest VOC content of coating, as applied, is 6.71 lb/gal $[(6.17 + 7.25) / 2]$.

Based on the maximum amount of allowable coating and the highest VOC content of coatings applied, the potential to emit (PTE) for L&C-Troy is 58.77 tons per year (TPY) VOC $[(8 \text{ gal/day})(6.71 \text{ lb/gal})(365 \text{ day/yr})(6 \text{ units})/(2000 \text{ lb/ton})]$. The maximum amount of toluene, a hazardous air pollutant (HAP), employed in a day is 4 gallons per booth, provided that Chemlok 220 or 252 are applied and the thinning ratio is 1:1. Therefore, the maximum amount of toluene (a HAP) emitted is 31.76 TPY $[(4 \text{ gal/day})(7.25 \text{ lb/gal})(365 \text{ day/yr})(6 \text{ units}) / (2000 \text{ lb/ton})]$.

During the August 2, 2007 inspection, RAPCA, documented the following violations:

I. Failure to Obtain Permits to Install

Pursuant to OAC rule and MCBHLAPCR rule 3745-31-02(A)(1), "no person shall cause, permit, or allow the installation of a new source of air pollutants, or cause, permit, or allow the modification of an air contaminant source, without first obtaining a permit to install..." An air

contaminant source is an operation or activity that results or may result in the emission of particulate matter, dust, fumes, gas, mist, radionuclides, smoke, vapor or odorous substances, or any combination thereof. During the August 2, 2007 inspection, a total of six air contaminant sources were identified. RAPCA has determined that L&C-Troy installed and began operating air contaminant sources prior to obtaining a PTI, in violation of OAC rule 3745-31-02(A)(1), MCBHLAPCR rule 3745-31-02(A)(1), and Ohio Revised Code (ORC) 3704.05.

II. Failure to Obtain a Title V Operating Permit

Pursuant to OAC rule and MCBHLAPCR rule 3745-77-01(W), a major source is any stationary source or group of stationary sources that emits or has the potential to emit 10 TPY or more of a single hazardous air pollutant (HAP) and/or 25 TPY or more of any combination of HAPs. Pursuant to OAC rule and MCBHLAPCR rule 3745-77-02, all major sources are subject to the Title V permitting requirements. Based on the PTE of a single HAP, toluene, L&C-Troy is a major source and is subject to the Title V permitting requirements. To date, L&C-Troy has not submitted a Title V permit application. Failure to obtain a Title V permit is a violation of OAC rule 3745-77-02, MCBHLAPCR rule 3745-77-02, and ORC 3704.05.

III. Failure to Comply With 40 CFR Part 63 Subpart M

On January 2, 2004, the U.S. EPA promulgated 40 CFR Part 63 Subpart M, the Miscellaneous Metal Parts and Products Coating Maximum Achievable Control Technology (MACT) Standard, which limits the emissions and operations of surface coating of miscellaneous metal parts and products. This rule specifically applies to facilities that are major emitters of HAP(s) and requires new major facilities to comply with the rule by January 2, 2004 or upon the initial startup of the affected source, whichever is later. Based on the PTE of a single HAP, toluene, L&C-Troy is subject to this rule and was required to comply with this rule upon startup of the facility located in Troy in January 2007.

Pursuant to 40 CFR Part 63.4(c), a facility is prohibited from fragmentation, "which divides ownership of an operation, within the same facility among various owners where there is no real change in control" or "intentionally dividing reconstruction into multiple parts for purposes of avoiding new source requirements." Pursuant to 40 CFR Part 63.3910(b), facilities subject to the Miscellaneous Metal Parts and Products Coating MACT Standard are required to submit an initial notification no later than 120 days after initial startup. To date, RAPCA has not received an initial notification from L&C-Troy. Failure to submit an initial notification is a violation of 40 CFR Part 63.3910(b).

Pursuant to 40 CFR 63.3890(a)(4), for each new rubber-to-metal coating affected source, the HAP emission limit is 6.8 lb HAP/gal coating solids. This limit may be met by either: (1) using only materials that individually meet the HAP emission limit, (2) using the averaging method detailed in the MACT standard to demonstrate that the facility meets the HAP emission limit, or (3) installing add-on control equipment. According to the Lord Corporation, the HAP content of

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Chemlok 205 is 41.10 lb HAP/gal solids, the HAP content of Chemlok 220 is 42.20 lb HAP/gal solids, and the HAP content of Chemlok 252 is 45.20 lb HAP/gal solids. Based upon these HAP contents, the thinning ratios, and the HAP containing thinners in use, RAPCA has determined that L&C-Troy cannot meet the HAP emission limit specified in 40 CFR Part 63.3890(a)(4) by using compliant materials or by averaging and therefore, must install add-on air pollution control equipment.

During the August 2, 2007 inspection, L&C-Troy was not operating any add-on control device and was therefore operating in violation of 40 CFR Part 63, Subpart MMMM.

Additional Issues:

I. Ongoing Enforcement Against L&C-Piqua

In the August 15, 2006 NOV issued to L&C-Piqua, Kenneth Hall, the operator of L&C-Piqua, was informed of the requirements to obtain a PTI prior to the installation of any air contaminant source and was informed of the applicability of OAC rule 3745-21-09(U)(2)(e), OAC rule 3745-77, and 40 CFR Part 63 Subpart MMMM to the L&C-Piqua facility. The requirements of these rules and regulations were also discussed with Kenneth and Belinda Hall during site visits to L&C-Piqua on February 18, 2006 and June 29, 2006 and in a letter dated March 29, 2006. RAPCA considers the moving of L&C-Piqua from Fox Drive to an undisclosed location in Troy and fragmentation of the facility located in Troy into three entities an attempt to circumvent the applicable requirements of these rules. To date, RAPCA has not received an official written response to the August 15, 2006 NOV issued to L&C-Piqua. Therefore, the 2006 enforcement case against L&C-Piqua is ongoing.

II. Plastic Parts Coating

During a telephone conversation with Sandy Hall on August 15, 2007, RAPCA was informed that plastic parts are also being coated at L&C-Troy. Pursuant to OAC rule and MCBHLAPCR rule 3745-21-07(G)(2), emissions while coating plastics are limited to 8 lb/hr and 40 lb/day. Additionally, the coating of plastic parts at major facilities is subject to 40 CFR Part 63, Subpart PPPP, the Surface Coating of Plastic Parts and Products MACT Standard. U.S. EPA promulgated the final rule on April 19, 2004. Pursuant to 40 CFR Part 63.4481(b), facilities that apply more than 100 gallons per year or more of coatings that contain HAPs to plastic parts are subject to this rule. At this time RAPCA does not have enough information to determine if L&C-Troy is in violation of OAC rule and MCBHLAPCR rule 3745-21-07(G)(2) and the 40 CFR Part 63, Subpart PPPP.

To address the violations listed above and the plastics parts coating, RAPCA requires that L&C-Troy submit a compliance plan and schedule to bring the emissions units into compliance with all applicable air pollution control regulations. At a minimum, the compliance plan shall include:

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- a PTI application for all air contaminant sources on site;
- a Title V operating permit application for the entire facility;
- a schedule for the installation of add-on air pollution control equipment and compliance with 40 CFR Part 63, Subpart M;M;M;M;
- an initial notification form as required by 40 CFR Part 63, Subpart M;M;M;M;
- purchase records of all coatings and thinners used since the startup of the facility at 537 and 543 ½ N. Elm Street or a letter giving suppliers permission to release information directly to RAPCA;
- a list of all customers;
- identification of the coatings used to coat plastic parts;
- the hourly, daily, and annual VOC and HAP PTE for each individual coating booth when coating metal parts or plastics;
- any daily records showing the actual amount of coating and types of coating applied, including any thinners and solvents added and the thinning ratios;
- the amount and type of cleanup materials used on a daily and annual basis; and
- all supporting calculations.

The PTE shall be determined by multiplying the maximum amount of coating capable of being applied in each individual booth by the worst case VOC and/or HAP content coating, as applied. One compliance plan and schedule addressing the entire facility, which is considered to be all emissions units owned/operated by Unique Finishers, D&S Coating, and Binks Coating, shall be submitted within 30 days of receipt of this letter.

To address the 2006 enforcement case against L&C-Piqua, RAPCA requires that L&C-Piqua respond to the August 15, 2006 NOV. This response shall include, at a minimum:

- a detailed history of the facility located at 220 Fox Drive, Piqua, Ohio;
- a description and installation date of each coating line, including the number and type of coating applicators;
- all purchase records for VOC containing coatings and solvents or a letter giving suppliers permission to release information directly to RAPCA;
- the hourly, daily, and annual VOC and HAP PTE for each individual coating booth when coating metal or plastic parts;
- the amount and type of cleanup materials used on a daily and annual basis,
- all supporting calculations;
- any daily records showing the actual amount of coating and types of coating applied, including any thinners and solvents added and the thinning ratios; and
- a determination of when L&C-Piqua exceeded the major source threshold for HAPs, based on PTE.

The history of the facility shall include information pertaining to when the facility began operating at 220 Fox Drive, all previous locations of the facility, identification of all owners,

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identification of all operators, and the current location and owner of each coating line. This information shall be submitted by the owners and/or operators of L&C-Piqua at the time the August 15, 2006 NOV was issued, and within 30 days of receipt of this letter.

Acceptance of the compliance plan and schedule by RAPCA does not constitute a waiver of the Ohio EPA's and RAPCA's authority to seek civil penalties as provided in section 3704.06 and 3707.49 of the Ohio Revised Code. The determination whether to pursue such penalties will be made by Ohio EPA and RAPCA at a later date.

If you have any questions regarding this matter, please contact Eileen Moran at (937) 225-4004 or me at (937) 496-7540.

Sincerely,



Jennifer S. Marsee
Supervisor, Abatement Unit
Regional Air Pollution Control Agency

cc: John Paul, RAPCA
Jefferis Canan, RAPCA
Michael Matis, MCCHD
Lisa Holscher, USEPA
Tom Kalman, OEPA
Dave Combs, OEPA
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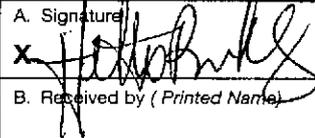
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Lucille Hall
 543 N. Elm Street
 Troy, OH 45373

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 Unique Finishers
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 Troy, OH 45373

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To
 Lynn Binkly
 Binks Coating
 543 1/2 N. Elm Street
 Troy, OH 45373

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<p>1. Article Addressed to:</p> <p style="text-align: center;">Lynn Binkly Binks Coating 543 1/2 N. Elm Street Troy, OH 45373</p>	<p>3. Service Type</p> <p><input type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.</p>
<p>2. Article Number (Transfer from service label)</p>	<p>4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes</p>
<p>7004 1160 0000 6165 7000</p>	