

BOOK



## REGIONAL AIR POLLUTION CONTROL AGENCY

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March 27, 2007

### Certified Mail

Allen J. Francis  
President  
Production Paint Finishers, Inc.  
PO Box 127, 140 Center Street  
Bradford, OH 45308

### NOTICE OF VIOLATION

#### Summary:

On January 29, 2007, the Regional Air Pollution Control Agency (RAPCA) performed a full compliance evaluation at Production Paint Finishers (Production Paint). The following violations were documented: (1) failure to accurately maintain daily organic compound (OC) emissions records for emissions units K001 and K006, (2) exceedances of the allowable daily and annual OC emissions rate for emissions units K001 and K006, (3) failure to maintain accurate daily volatile organic compound (VOC) coating content records in emissions units K001, K005, and K006, (4) employing a coating with a VOC content greater than 3.5 lbs VOC/gal, excluding water and exempt solvents, in emissions unit K006, (5) failure to maintain records as required by 40 CFR Part 63, Subpart MMMM, (6) failure to obtain a Prevention of Significant Deterioration (PSD) permit for K001, K005 and K006, and (7) failure to comply with Ohio Administrative Code (OAC) rule and Darke County Board of Health Air Pollution Control Regulations (DCBHAPCR) 3745-21-09(U) in K001. Enforcement orders may be issued in the future to resolve these violations.

Dear Mr. Francis:

On January 29, 2007, RAPCA performed a full compliance evaluation at Production Paint, Ohio EPA facility ID 0819030169. The purpose of the inspection was to determine Production Paint's compliance with all applicable permit and regulatory requirements. During the inspection, violations were found in emissions unit K001 - Miscellaneous Metal Parts Coating Line, K005 - Paint Spray Booth # 5, and K006 - Heavy Components Paint Line. K001 is permitted under

permit to install (PTI) 08-04734, issued on March 30, 2006, which limits K001 to 640 pounds per day (lbs/day) and 65 tons per year (TPY) of OC emissions, excluding cleanup; 8 TPY from non-VOC cleanup; and 3.5 lbs VOC/gal of coating, excluding water and exempt solvents on a daily volume weighted average. K005 is permitted under PTI 08-03529, issued on June 5, 1996, and the Title V permit, effective on June 6, 1997, which limits K005 to 9.62 lbs/hr, 0.83 tons per month, and 10.01 TPY VOC, including cleanup; and 3.5 lbs VOC/gal of coating, excluding water and exempt solvents on an as applied basis. K006 is permitted under PTI 08-04705, issued on October 25, 2005, which limits K006 to 430 lbs/day and 37.3 TPY OC, excluding cleanup; 4.0 TPY OC from non-VOC cleanup; and 3.5 lbs VOC/gal of coating, excluding water and exempt solvents on an as applied basis. The purpose of this letter is to provide notification of the violations found with emissions units K001, K005, and K006 and to seek your cooperation in their resolution.

## **VIOLATIONS**

### **I. Failure to Maintain Accurate Daily OC Records**

PTI 08-04734 for K001 and PTI 08-04705 for K006 requires Production Paint to maintain daily records identifying each coating, the OC content of each coating as applied, and the total OC emissions from all coatings applied. During the January 29, 2007 inspection, Production Paint informed RAPCA that in November 2006 they determined that the daily OC emissions calculations for K001 and K006 had been performed incorrectly and that exempt solvents had not been included in the total daily OC emissions. Failure to maintain accurate daily records is a violation of PTI 08-04734, PTI 08-04750, and Ohio Revised Code (ORC) 3704.05.

### **II. Exceeding the Daily and Annual OC Limits**

Based on the November 2006 review of their records, Production Paint determined they had been under calculating the daily OC emissions from K001 and K006. On January 30, 2007, Production Paint submitted an amended deviation report for all four quarters of 2006. In this report, Production Paint states that in 2006 the daily OC limit for K001 was exceeded on 122 days (since the PTI was issued on March 30, 2006) and for K006 it was exceeded on 202 days. On January 30, 2007, Production Paint also submitted a semi-annual emissions report. Based on this report and the July 2006 semi-annual report, the actual emissions in 2006 for K001 were 93.38 tons OC and for K006 were 69.79 tons OC. The allowable emissions limits are 65 TPY OC for K001 and 37.3 TPY OC for K006. Exceeding the daily and annual allowable OC emissions limits are violations of PTI 08-04734, PTI 08-04705, and ORC 3704.05.

### **III. Failure to Maintain Accurate VOC Content Records**

OAC rule and DCBHAPCR 3745-21-09(U)(1)(d) limits the VOC content of coatings employed to less than 3.5 lbs VOC/gal of coating, excluding water and exempt solvents. This limit may be met on an as applied basis or on a daily volume-weighted average basis. PTI 08-04734 for K001 requires Production Paint to meet the 3.5 lbs VOC/gal of coating limit on a daily volume-weighted average basis. PTI 08-04705 for K006 and PTI 08-03529 and the Title V permit for K005 requires Production Paint to meet the 3.5 lbs VOC/gal of coating limit on an as applied basis for each individual coating. The record keeping requirements in the permits for K001, K005, and K006 specify that the VOC content of the coatings employed is to be determined excluding water and exempt solvents. In November 2006, Production Paint determined that the VOC calculations had been performed incorrectly and that water and exempt solvents had not been excluded from these calculations. Further, Production Paint determined that, for K005 and K006, the facility had been calculating the VOC content of the coatings employed on a daily volume-weighted basis and not the required as applied basis. Failure to maintain accurate daily VOC content records is a violation of PTI 08-03529, PTI 08-04734, PTI 08-04705, OAC rule and DCBHAPCR rule 3745-21-09(U)(1)(d), the Title V operating permit, and ORC 3704.05.

### **IV. Exceedances of the VOC Content Limit in K006**

Based on the November 2006 review of their records, Production Paint corrected the VOC content calculations and determined that the 3.5 lbs VOC/gal of coating, excluding water and exempt solvents, limit had been exceeded in K006. On January 30, 2007, Production Paint submitted a deviation list for K006 identifying 20 days during which the VOC content exceeded the limit from October through December 2006. Employing a coating material with a content greater than 3.5 lbs VOC/gal of coating, excluding water and exempt solvents, is a violation of PTI 08-04705, OAC rule and DCBHAPCR rule 3745-21-09(U)(1)(d), and ORC 3704.05.

### **V. 40 CFR Part 63, Subpart M MMM Compliance**

On January 2, 2004, the USEPA promulgated the Miscellaneous Metal Parts and Products Surface Coating Maximum Achievable Control Technology (MACT) Standard (40 CFR Part 63, Subpart M MMM). This rule is cited in PTI 08-04734 and PTI 08-04705 and is applicable to all coating units (K001, K004, K005, and K006) at the facility. The rule requires that the facility begin maintaining records in January 2007 per 40 CFR 63.3930 so that on the compliance date, January 31, 2008, the facility has 12-month rolling records to document compliance with the rule. During the January 29, 2007 inspection, these records were not available. Failure to maintain records required by 40 CFR Part 63, Subpart M MMM is a violation of PTI 08-04734, PTI 08-04705, 40 CFR Part 63, Subpart M MMM, and ORC 3704.05.

## **VI. Failure to Obtain PSD Permit**

K001 was permitted with PTI 08-103, issued on June 6, 1977 and installed as a new source in September, 1977. Since K001 was installed, Production Paint has provided no information to RAPCA that indicates a physical modification resulting in a potential increase of VOC emissions has taken place.

On February 14, 2007, August Mack Environmental, on behalf of Production Paint, submitted to RAPCA, via email, a potential to emit (PTE) analysis for VOC emissions for K001. The PTE analysis provided is based on the highest actual coating usage rate achieved for K001 in 2006, 255 gallons per day (gal/day). It is unclear if this coating usage truly represents the maximum for K001, since the rate is based on an actual gal/day usage rate that has already been achieved and the rate does not take into account the potential use of VOC containing cleanup materials. However, based on the information provided by August Mack Environmental, RAPCA has determined that upon installation of K001 in September, 1977, the PTE for K001 was at least 261 TPY VOC [(255 gal/day)(5.61 lbs VOC/gal)(365 days/yr)(ton/2000 lbs)]. The VOC content, 5.61 lbs VOC/gal, is based on information provided in the PTI application 08-04734, received on October 31, 2005 and is determined by averaging the highest primer (6.22 lbs VOC/gal), top coat (4.96 lbs VOC/gal), and clear coat (5.65 lbs VOC/gal). From information in the file, this VOC content is historically representative of the coatings employed by the Production Paint facility in K001.

Darke County is designated as an attainment county for ozone. As such, the PSD threshold for VOC in Darke County is 250 TPY. The PTE for K001 of 261 TPY VOC exceeded this threshold. Therefore, upon installation of K001, the Production Paint facility became a major new source. This subsequently required Production Paint to meet the major New Source Review (NSR) permitting requirements for an attainment pollutant, i.e., the PSD permitting requirements, including the installation of Best Available Control Technology (BACT). Failure to obtain a PSD permit, including the installation of BACT, is a violation of OAC rules and DCBHAPCR rules 3745-31-01 through 3745-31-20 and ORC 3704.05

Since Production Paint was a major new source for VOC with the installation of K001, all subsequent modifications to the plant, that resulted in a significant net emissions increase of VOC emissions, were required to be reviewed against the major modification threshold of 40 TPY VOC. RAPCA has determined that Production Paint has failed to obtain PSD permits for at least two modifications that have occurred at the facility.

The first modification occurred in 1995 when Production Paint expanded the facility in order to address increased production. Using the "actual-to-potential emissions" applicability test, RAPCA evaluated the emissions increases as a result of the modification. The single project began with PTI 08-3316, issued on May 10, 1995, for the installation of K006 and continued

with PTI 08-3529, issued on June 5, 1996, for the modification of K005. Based on annual reports submitted by Production Paint, the average of the actual emissions in 1993 and 1994 for K005, prior to any modifications taking place, were 3.44 TPY VOC. The potential emissions resulting from the single project were 60.92 TPY VOC. RAPCA based the potential emissions on allowable VOC emissions limits specified in PTI 08-3316 for K006 and PTI 08-3529 for K005  $[(102.88 \text{ lbs VOC/day})(365 \text{ days/yr})(\text{ton}/2000 \text{ lbs}) + (9.62 \text{ lbs VOC/hr})(8760 \text{ hrs/yr})(\text{ton}/2000 \text{ lbs}) = 60.92 \text{ TPY VOC}]$ . Therefore, the modification resulted in a significant net emissions increase of 57.48 TPY VOC  $[60.92 \text{ TPY} - 3.44 \text{ TPY}]$ . As such, the VOC PTE from the modifications made to K005 and K006 exceeded the major modification threshold of 40 TPY VOC, and both units were subject to the PSD permitting requirements, including the installation of BACT.

The second modification occurred in 2004 when Production Paint added the drying oven-P003 to K006 for purposes of expediting the curing times of coatings applied in K006. The emissions from the burning of natural gas in P003 were determined to be de minimus under OAC rule and DCBHAPCR rule 3745-15-05 and therefore, the oven alone was not subject to the permitting process. However, the potential increases in VOC emissions from the addition of the oven to K006 should have been evaluated against the major modification threshold for VOC, since it was a physical change in the method of operation of K006, and it likely served as a way to debottleneck K006 operations. Using the "actual-to-projected actual emissions" applicability test, RAPCA evaluated the emissions increases as a result of the modification. Based on the Title V fee emissions reports, the average of the actual emissions from K006 in 2002 and 2003, prior to the modification, were 4.89 TPY VOC. RAPCA has determined that the projected actual emissions, after the modification of K006 to install the drying oven were 102 TPY VOC  $[(225 \text{ gal/day})(3.5 \text{ lbs VOC/gal})(260 \text{ days/yr})(\text{ton}/2000 \text{ lbs})]$ . Therefore, this change resulted in a significant net emissions increase of 97.11 TPY VOC  $[102 \text{ TPY} - 4.89 \text{ TPY}]$ , which exceeded the major modification threshold of 40 TPY VOC and subjected K006 to the PSD permitting requirements, including the installation of BACT.

Failure to obtain PSD permits and to install BACT prior to performing major modifications to a major source or facility subject to the PSD permitting regulations is a violation of OAC rules and DCBHAPCR rules 3745-31-01 through 3745-31-20 and ORC 3704.05.

#### **VII. Failure of K001 to Comply with OAC rule 3745-21-09(U)**

Pursuant to OAC rule and DCBHAPCR rule 3745-21-09(A)(3), the requirements of OAC rule and DCBHAPCR rule 3745-21-09(U) shall apply to sources that were constructed or modified on or after March 27, 1981 or are located at a facility having a PTE greater than 100 TPY VOC. Based on the facility PTE of 261 TPY VOC in 1977, Production Paint was required to comply with OAC rule and DCBHAPCR rule 3745-21-09(U) on March 27, 1981. Failure to comply with OAC rule and DCBHAPCR rule 3745-21-09(U) is a violation of OAC rule and

DCBHAPCR rule 3745-21-09(U) and ORC 3704.05.

**ADDITIONAL ISSUES**

**I. Ongoing Record Keeping Problems**

The record keeping violations addressed above stem from Production Paint's continuing failure to maintain accurate information in their emissions tracking database. On April 25, 2005, RAPCA issued a NOV to Production Paint for the failure to maintain accurate daily emissions records and for violations of the 3.5 lbs VOC/gal of coating content limit. These violations were also the result of inaccurate and/or missing information in Production Paint's emissions tracking database. The enforcement case was settled on April 18, 2006 with the RAPCA Director signing the final Findings & Orders.

On January 30, 2007, RAPCA requested verification that the coating content information and supporting emissions calculations in the database are accurate. Specifically, RAPCA requested that Production Paint submit Material Safety Data Sheets (MSDS) for materials used in K001 on April 16, 2006 and June 30, 2006 and the daily volume-weighted average VOC calculations from the database. On February 5, 2007, Production Paint submitted this information. RAPCA has reviewed the information and found several discrepancies between the MSDS information and the information in the database. First, the MSDS supplied by Exxon Mobil Chemical Company (dated October 21, 2000) for Aromatic 150 fluid states a density of 7.50 lbs/gal. However, the density for this material in Production Paint's database is 7.27 lbs/gal. Second, RAPCA has been unable to verify the information in the database for coating B-875 (MIL-C-8514). On January 29, 2007, Russ Francis stated this coating is a combination of three materials, B-875 Wash Primer, acid diluent, and isopropanol, at a ratio of 4:1:5. The density, VOC content by weight, and other information are to be calculated using these ratios. Table 1 shows RAPCA's calculations, based on the MSDS, and Production Paint's calculations, based on their database.

**Table 1- MSDS Example**

<b>B-875 (MIL-C-8514)</b>						
	Density	% VOC by wt	% Water by volume	% Exempt Solvents by volume	VOC Content w/ water and exempt solvents	VOC Content w/o water and exempt solvents
RAPCA	6.99	89.73	0	0	6.271	6.271
Production Paint	7.36	81.25%	0	0	5.98	5.98

RAPCA believes there may be numerous other discrepancies in the database. In order to address the ongoing problems with record keeping at Production Paint, RAPCA is requiring that the facility develop and implement a database Quality Assurance/Quality Control (QA/QC) Plan, including the evaluation of coatings most frequently used by USEPA Reference Method 24, to ensure that all information and calculations in the database are correct and updated when necessary. Further, RAPCA is requiring that Production Paint immediately review the information in their database and submit the correct calculations for April 16, 2006 and June 30, 2006 or submit documentation that the densities in the database are correct.

### **COMPLIANCE PLAN**

To address the violations listed above, RAPCA requires that Production Paint submit a compliance plan and schedule to bring the facility into compliance with all applicable air pollution control regulations. At a minimum, the compliance plan shall include: (1) a revised 2005 fourth quarter report for K006 specifying any deviations of the daily OC limit that occurred since PTI 08-04705 was issued on October 25, 2005, (2) a revised 2005 annual report for K006 specifying the total OC emissions, (3) a revised 2005 annual Title V certification identifying any deviations not previously identified, (4) a determination of whether the VOC content limit had been exceeded in K006 prior to October 2006 and if the VOC content limit had been exceeded in any other emissions units (if this information cannot be determined, Production Paint shall state that this information is unavailable), (5) the actual VOC content of the coating employed on the days in which the VOC content limit was exceeded in K006 and the daily records for those dates, (6) revised Title V fee emission reports for 2005 and 2006, (7) documentation that records are being maintained as required 40 CFR Part 63, Subpart M, and (8) a PSD permit application for K001, K005, and K006 addressing the installation of BACT. Please be aware that the PSD violation is an ongoing violation that began when the facility became subject to the PSD permitting rules and it will continue until BACT is installed on units K001, K005, and K006.

Additionally, Production Paint shall submit: (1) a QA/QC plan for the database and (2) correct calculations for April 16, 2006 and June 30, 2006 or documentation that the densities in the database are correct.

The compliance plan and schedule along with the additional requested information shall be submitted expeditiously, but in no event later than thirty (30) days after 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.

Production Paint  
March 27, 2007  
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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

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Sent to: **Allen J. Francis, President**  
**Production Paint Finishers, Inc.**  
 140 Center Street  
 PO Box 127  
 Bradford, OH 45308

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PS Form 3800, June 2002 See Reverse for Instructions

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