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

N112440160

FACILITY: Milsco Manufacturing Company		**SRN / ID:** N1124
LOCATION: 2313 BROOKLYN RD, JACKSON		**DISTRICT:** Jackson
CITY: JACKSON		**COUNTY:** JACKSON
CONTACT:		**ACTIVITY DATE:** 06/08/2017
STAFF: Mike Kovalchick	**COMPLIANCE STATUS:** Compliance	**SOURCE CLASS:** MINOR
SUBJECT: Scheduled Inspection. Facility was found to be a true minor source. Opt-out permit to be voided.		
RESOLVED COMPLAINTS:		

HAP/VOC Opt-Out Source-Full Compliance Evaluation

Facility Contact

Rachael Underwood: Regional EHS Manager

runderwood@jasoninc.com

http://www.milsco.com/

Purpose

On June 8, 2017, I conducted an unannounced compliance inspection of Milsco Manufacturing Company (Company) located in Jackson, Michigan in Jackson County. The purpose of the inspection was to determine the facility's compliance status with the applicable federal and state air pollution regulations, particularly Michigan Act 451, Part 55, Air Pollution Control Act and administrative rules and the Company's Opt-Out Permit # 241-96A.

Facility Location

The facility is located in the city of Jackson in a commercial area with residential homes just north of the plant. See aerial photo dated October, 2016.

Facility Background

Milsco designs and produces seats for the motorcycle, marine, construction equipment, agricultural equipment, turf care, power sports, and industrial lift and mobility markets. The facility was last inspected on December 20, 2012 with some recordkeeping violations noted.

On November 15, 2016 the Company submitted a permit exemption demonstration to the DEQ as the Company had significantly reduced air emissions from the facility through material substitution and elimination of processes. See Attachment (1). I reviewed the demonstration and discovered that the Company was claiming Rule 290 exemption status despite have some nickel emissions. Nickel's IRSL value is too low to allow the use of Rule 290 as the exemption. I passed this observation on to the Company at that time and no action was taken with their PTI.

Regulatory Applicability

The entire facility currently operates under Opt-Out permit PTI 241-96A. The PTI limits VOC & HAPs to below major source thresholds.

However, the facility is now a true minor source with all currently active processes at the facility eligible for PTI exemption status.

Rule 282 (b), Rule 282 (hh), Rule 281 (a), Rule 285 (2)(i) and Rule 290 all apply.

The Company has a variety of heaters, air make-up units and other types of devices that burn natural gas. The BTU ratings of all devices are low. There are some foam manufacturing lines, welding, metal stamping, adhesive application and some aerosol can usage that all produce minimal emissions.

Arrival & Facility Contact

Visible emissions or odors were not observed upon my approach to the Company's facility. I arrived at 9:00 am, proceeded to the facility's entrance lobby to request access for an inspection, provided my identification and spoke with Rachael Underwood (RU)-Regional Environmental, Health & Safety Manager of the facility.

I informed her of my intent to conduct a facility inspection and to review the various records as necessary.

RU extended her full cooperation during my visit and fully addressed my questions.

Pre-Inspection Meeting

RU outlined that the facility is currently operating a first and third shift 5 days a week with the 2nd shift being recently laid off due the seasonality of their manufacturing operations. There are currently 250 employees and business remains good.

Next, we went through the list of emission units at the facility to determine which ones are currently active and operating during the visit.

The polyurethane foam operation and associated storage tanks (Foam Lines 1 and 2) is still active and is specifically listed in their PTI.

Tractor Seat Lines 1 through 4 were installed in 2001 and remain active.

The Kubota foam line that was installed in 2008 and referred to as Line 5 was recently removed from the facility and transferred out of State.

The Tractor Seat assembly area is active. It involves seat assembly in 4 different areas where adhesives are applied.

There are currently 2 areas were MIG type welding occurs. The booths are externally vented. All the welding operations are expected to be removed by the end of June.

There is an area that contains metal stamping. All the metal stamping operations are also expected to be removed by the end of June.

The following processes have already been removed:

Pyrolysis cleaning furnace

500 Series water evaporator

Small metal heat treat oven with oil quench

Manual paint booth

Solvent cleaning-electrosafe

Powder Coating Line.

We next discussed the permit exemption demonstration that was submitted back in November. I pointed out that the welding operations could not be exempted under Rule 290 due to nickel emissions but fall under a Rule 285 exemption for welding. The rest of the demonstration was acceptable.

Onsite Inspection

RU gave me a tour of the facility. (Note: Safety glasses and steel toed boots required. Hearing protection required in limited areas.) Overall, the facility it appeared to be clean and very active with odors limited to small areas in the immediate vicinity of the foam seat manufacturing lines.

The polyurethane components are stored in tanks situated inside the plant, which are filled by pumping from tanker trucks. One of the components is isocyanate (MDI-the catalyst) and the other component is resin. When they are mixed at the point of application it becomes polyurethane. They also store and use

these similar component materials in totes which offer different characteristics for the particular customer's seats. See attached photos.

We looked at the various foam seat manufacturing lines.

The Polyurethane Foam Lines 1 and 2 (old foam line) was operating. It has a stack exhaust due to spraying of the mold release agent. It uses Mold Release 7099, isocyanate and polyol. See attached photo. The mold release is applied to the lid of the seat mold so the foam doesn't stick after curing.

TS Foam Lines 1 through 4 were operating. It uses the same compounds as the old foam line.

There was 4 areas were adhesives were applied to the seats. The adhesive is heated and pumped to be robot applied to the edge of the molded seat pan. The polyurethane cushion is attached to the seat pan; it gets pressed together and then cooled. There is no exhaust to the ambient air from this operation.

We briefly walked by the metal stamping area. The stamping machines were active. From the previous inspection report, it was mentioned that the stamping machines use a lubricant and are exhausted outside. These machines are scheduled to be removed at the end of the month.

Next, we walked by the MIG welding areas. It appeared to be both manual welding booths and robotic ones. The robotic welding was not active during the inspection. All of the welding operations are scheduled to be removed at the end of the month. See attached photo.

Finally, we went outside to get a look at the roof. RU noted that the roof could not be easily accessed so a roof inspection was not attempted.

Recordkeeping/Permit Requirements Review

I requested the Safety Data Sheets for the mold release agents and the 2016 usage records for mold release agents, the isocyanate and resin.

Attachment (2) contains the SDS's for the 2 mold release agents used. The Huron 6501A is mostly made of wax. The Huron 7099 contains 75 to 85% naphtha. The mold release weight is about 6.59 pounds per gallon which yields about 5.2 pounds of VOC per gallon.

Attachment (3) is monthly usage records for the mold release agents, the isocyanate and resin.

3596 pounds of mold release agent that contains the naphtha were used in 2016 which equates to about 2876 pounds of VOC emissions. The only other significant sourced of emissions at the facility are from the natural gas fuel burning equipment which amounts to a few tons of NOx and CO annually.

A review of the PTI conditions shows that much of the permit is out of date since various processes under the permit are no longer active. Otherwise, the Company appears to be in compliance with the applicable PTI conditions.

On June 8, the following email was sent to Permit staff to void the Opt-out permit:

"Please void opt out permit PTI #241-96A per note below. Milsco Manufacturing Company(previously Michigan Seat Company) located at 2313 Brooklyn Road, Jackson, Michigan 49203 is now a true minor source and will be operating under Rule 282 (b), Rule 282 (hh), Rule 281 (a), Rule 285 (2)(i) and Rule 290 permit exemptions. I verified their exempt status during an inspection on June 8, 2017 and based on a permit exemption demonstration submittal from the Company dated November 15, 2016. (Dennis, could you please make sure that this Company is now flagged as a minor source in MAERS and the MAERS mailing flag is set to "No."?)

Please send the permit void letter to

Rachael Underwood
Regional EHS Manager
Jason Industries, Inc.
2500 Logistics Drive, Battle Creek, MI 49037

Let me know if you have any questions. Thanks."

Post-Inspection Meeting

I held a brief post-inspection meeting with RU. I indicated that I didn't find any compliance concerns. I recommended to RU that the Company consider voiding there opt-out permit since it appear that all the facilities processes fall under the various permit exemptions. RU indicated that she would put in a void request shortly. I thanked RU for her time and cooperation, and I departed the facility at approximately 10:00 am.

Compliance Summary

The Company is in compliance.

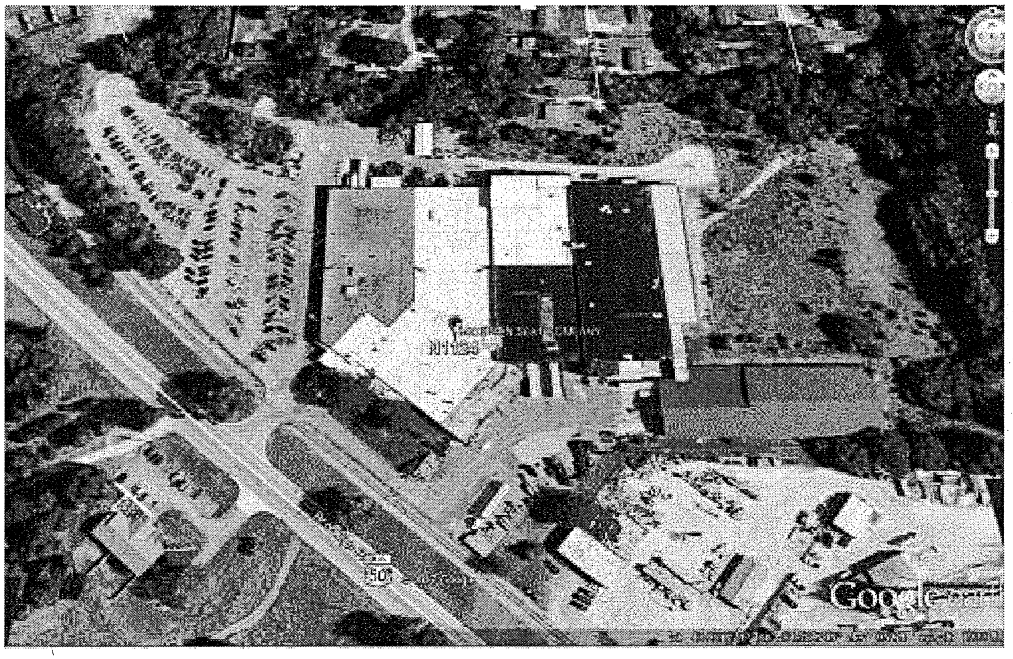

Image 1(aerial photo) : Aerial photo of the Company

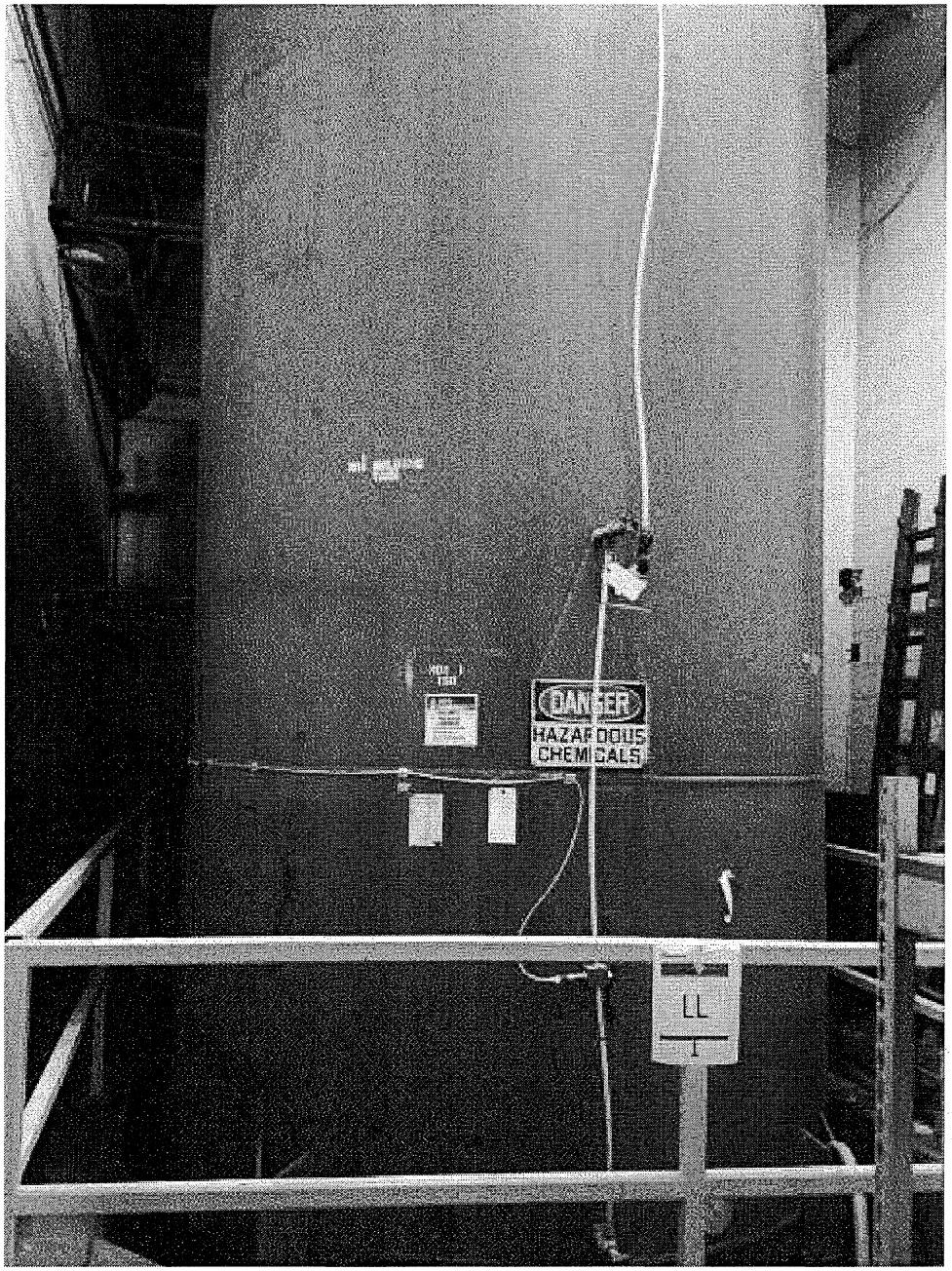

Image 2(Iso tank) : Isocyanate tank

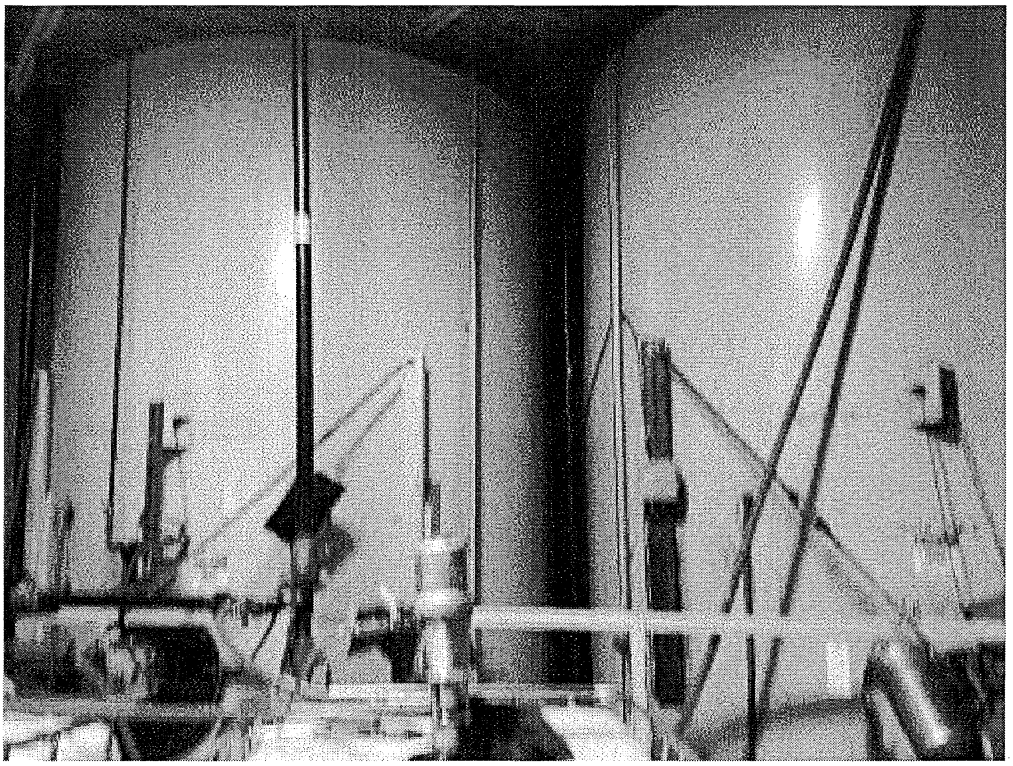

Image 3(Resin Tanks) : Resin tanks

Image 4(Totes) : Totes

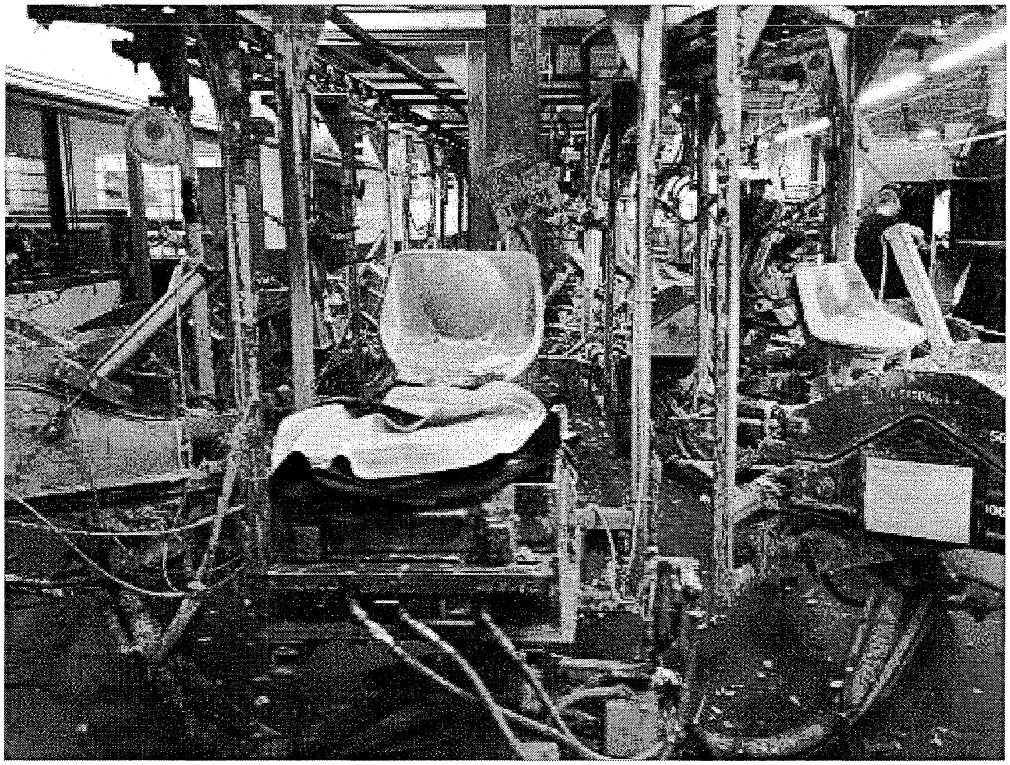

Image 5(Old foam seat line) : Old foam seat line

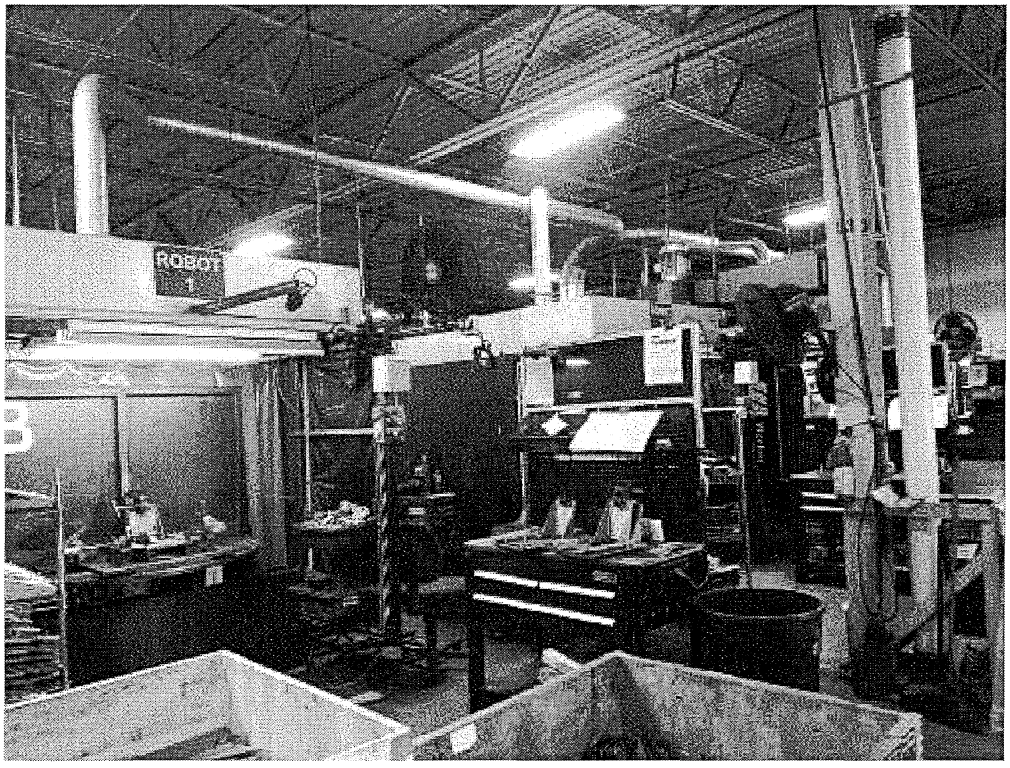

Image 6(Welding booths) : Welding booths

NAME M. Kovalchuk DATE 6/9/2017 SUPERVISOR