

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: On-site Inspection

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| FACILITY: TTX Company Draco Division | | SRN / ID: N2112 |
| LOCATION: 5225 Williams Lake Rd., WATERFORD | | DISTRICT: Warren |
| CITY: WATERFORD | | COUNTY: OAKLAND |
| CONTACT: Paula Giordano , SA & O Manager | | ACTIVITY DATE: 11/09/2020 |
| STAFF: Rem Pinga | COMPLIANCE STATUS: Compliance | SOURCE CLASS: SM OPT OUT |
| SUBJECT: On-site Inspection | | |
| RESOLVED COMPLAINTS: | | |

On November 9, 2020, I conducted an on-site inspection of TTX Company Draco Division located at 5225 Williams Lake Road, Waterford, Michigan 48329. The purpose of the inspection was to determine the facility's compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451), the administrative rules, and the facility's Permit to Install (PTI) No. 13-13A.

To comply with the COVID-19 Emergency AQD Field Inspection Guidance Update (June 2020), the inspection was announced and scheduled. At the facility, I met with Ms. Paula Giordano, Sales Administration and Operations (SA & O) Manager and facility contact person, Mr. John Marsh, Director of Operations for Highwood Die & Engineering, and Mr. Gerald Lenartowicz, Paint Line Supervisor. I adhered to the facility's COVID-19 safety protocols such as temperature check and completing a checklist/questionnaire of health/contact information. I entered the facility wearing face mask, face shield, safety glasses, hard hat, and safety shoes. Following AQD guidance, I requested and obtained all recordkeeping information as required by the permit via email prior to the walk-through inspection.

Highwood Die & Engineering (Highwood D&E) was subcontracted by TTX Company to conduct all painting operations at the facility. PTI No. 13-13A was issued to Highwood D&E as a synthetic minor permit to opt the facility out of the Clean Air Act of 1990, Title V, Renewable Operating Permit (ROP) requirements. This stationary source is not considered a major source of Hazardous Air Pollutant (HAP) emissions because the company has agreed to accept facility-wide single HAP and combined/aggregate HAPs emission rates restrictions, supported by monthly 12-month rolling total emission rates recordkeeping requirements, to demonstrate continued compliance as a synthetic minor facility. Under PTI No. 13-13A, special condition, FGFACILITY, the facility is restricted to the following potential emission limits: single HAP < 9.0 tpy, and aggregate HAPs < 22.5 tpy.

Opt-out PTI No. 13-13A was approved on July 29, 2015 as a modification to PTI No. 13-13, granting an increase from 10.0 tpy VOC emission rate to 25.0 tpy VOC plus Acetone emission rate for EUSPRAYBOOTH. As discussed above, the permit included the flexible group FGFACILITY that contained the synthetic minor individual HAP and aggregate HAPs source-wide applicable requirements.

At this facility, TTX Company manufactures metal shipping racks/metal pallets and custom formed products for use in rail shipping and related industries. The facility operates in 2 buildings, Buildings A & B. The operations in the main building, Building A, are mainly divided into shipping racks fabrication area, known as "Fabrication Area" and the rail car repair area, known as "Car Repair Area". After the pre-inspection meeting and from the office, we walked to Building A to check the spraybooth. The Car Repair Area is next to the Fabrication Area and the spraybooth is located in between the 2 areas but more part of Car Repair Area. The racks and other products are painted in a large and long spraybooth that is capable of operating multiple spray guns at the same time. The painting activities at the facility is subcontracted to Highwood D&E which holds ownership to PTI No. 13-13A. During this walk-through inspection, I found out that EUSPRAYBOOTH is set up to operate 4 lines, thus capable of operating 4 spray guns simultaneously. Highwood D&E was not painting in the spraybooth at that time. I observed airless spray guns, filters in place and no gaps in between filters. I did not observe any visible emissions during the inspection. The railroad tracks extended to the inside of the Car Repair Area primarily to bring in rail cars that needed repair or maintenance. I observed portable fabrication equipment and welding equipment such as press brakes, plasma cutter, and mig welders scattered around this section of the building. During the walk-through inspection, I did not observe the stencil coating on rail cars such as printing signs, names, etc. However, I was informed that this process is still being conducted as needed. From the Car Repair Area, we walked towards the Fabrication Area. I observed machining equipment such as cutting, grinding, sanding, drilling, and welding equipment. TTX fabricates the racks/metal pallets that are used as spacers between automotive truck frames during shipment in a railcar. I did not observe any parts washers, emergency generators, and boilers during the walk-through inspection. Next, we individually drove to Building B which is located towards the front main entrance to the facility. During walk-through inspection, I observed some metal fabrication such as cutting metal and iron work being conducted inside Building B. The rest of the area is mostly material storage.

As mentioned above, the facility subcontracted all coating operations to Highwood D&E which obtained PTI No. 13-13A. I obtained the coating use records via email. Per PTI No. 13-13A, EUSPRAYBOOTH (I.1), the highest monthly 12-month rolling total VOC emission rate from October 2019 through September 2020 occurred in January 2020 at 15.0 tons/year (tpy) and less than the 25.0 tpy permit limit. From a recent email I received from Mr. Marsh, Highwood D&E stopped using Acetone in 2017, when all coatings were switched to water based coatings and the facility switched to water as reducer and cleaning solvent. He also mentioned that Ethylbenzene is no longer emitted at the facility since 2017, in response to my email inquiry due to inconsistency in the submitted emissions spreadsheet. I requested to Mr. Marsh to re-send me a revised spreadsheet to correct the reported error. Per PTI No. 13-13A, EUSPRAYBOOTH (I.2), the facility reported no Xylene emissions. Per PTI No. 13-13A, EUSPRAYBOOTH (II.1), the SDS and formulation data sheets sent to me via email showed all coatings used were water based coatings and the VOC contents less water were less than 3.5 pounds per gallon (lb./gal.) and in compliance with the permit limit. Per PTI No. 13-13A, EUSPRAYBOOTH (III.1, 2, & 3), I observed all paint containers covered at the mixing room and spraybooth area including waste materials, and spent filters disposed properly. Per PTI No. 13-13A, EUSPRAYBOOTH (IV.1), I observed mat filters installed in the spraybooth without gaps and appeared to be in good condition. Per PTI No. 13-13A, EUSPRAYBOOTH (IV.2), I observed some airless paint applicators in the booth area. Per PTI No. 13-13A, EUSPRAYBOOTH (V.1), Highwood D&E obtained AQD approval to use formulation data in lieu of Method 24 testing for the water based coatings and the submitted records showed less than 3.5 lb./gal. VOC content for the coatings. Per PTI No. 13-13A, EUSPRAYBOOTH (VI), Highwood D&E keeps daily, monthly, and 12-month rolling total VOC emission rates records and records of gallons of coatings usage. Per PTI No. 13-13A, FGFACILITY (I.1 & 2), submitted records showed no individual HAP/aggregate HAPs emission rate reported by Highwood D&E. During facility inspection, I discussed this issue with Mr. Marsh, since I found Glycol Ethers in the water based coatings. At that time, I was informed that the Glycol Ether component in the coatings have been delisted as HAP by USEPA. Subsequently, I obtained confirmation that the Ethylene Glycol Monobutyl Ether (CAS No. 111-76-2) compound in the water based coatings used at the facility has been delisted as HAP. So far, I have not verified any other HAP in the submitted coatings SDS.

Overall, I did not verify any non-compliance issues during this inspection.

NAME *[Handwritten Signature]*

DATE December 17, 2020 SUPERVISOR *Joyce [Handwritten Signature]*