STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
GAYLORD FIELD OFFICE

RICK SNYDER
GOVERNOR

C. HEIDI GRETHER
DIRECTOR

June 18, 2018

Mr. Charlie Siska, General Manager
LexaMar Corporation
100 LexaMar Drive
Boyne City, MI 49712

SRN: N2812, Charlevoix County

Dear Mr. Siska:

VIOLATION NOTICE

On May 31, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted an inspection of LexaMar Corporation located at 100 LexaMar Drive, Boyne City, Michigan. The purpose of this inspection was to determine LexaMar'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 Air Pollution Control Rules; and to investigate recent complaints which we received on and around May 31, 2018, regarding solvent odors attributed to LexaMar's operations.

On June 7, 2018, LexaMar sent the AQD a letter explaining the malfunctions which had occurred. The letter detailed LexaMar's operations during a time when the facility's pollution control devices were not operating.

Staff observations during the inspection and LexaMar's letter revealed the following:

Process Description	Rule/Permit Condition Violated	Comments
Body Color Paint Line, EU-BCPL	MI-ROP-N2812-2015b, Table EU-BCPL, Condition III.1	Operating coating line without either Regenerative Thermal Oxidizer (RTO) operating properly
EU-BCPL	MI-ROP-N2812-2015b, Table EU-BCPL, Condition I.1	Volatile organic compound (VOC) emissions in excess of permit limit of 8.6 pounds per hour
EU-BCPL	MI-ROP-N2812-2015b, Table EU-BCPL, Condition III.2	Operating coating line with RTO beds below the temperature limit of 1400 degrees Fahrenheit

EU-BCPL	MI-ROP-N2812-2015b, Table EU-BCPL, Condition III.5	Operating coating line while overall control efficiency is below the limit of 95%
Ursa Minor Dip Coating Line, EU-URSAMINOR	MI-ROP-N2812-2015b, Table EU-URSAMINOR, Condition III.4	Operating coating line without either RTO operating properly
EU-URSAMINOR	MI-ROP-N2812-2015b, Table EU-URSAMINOR, Condition I.1	VOC emissions in excess of permit limit of 14.9 pounds per hour
EU-URSAMINOR	MI-ROP-N2812-2015b, Table EU-URSAMINOR, Condition III.5	Operating coating line with RTO beds below the temperature limit of 1400 degrees Fahrenheit
EU-URSAMINOR	MI-ROP-N2812-2015b, Table EU-URSAMINOR, Condition III.11	Operating coating line while RTO destruction efficiency is below the permit limit of 95%
FG-PPPP, coating equipment subject to National Emission Standards for Hazardous Air Pollutants, 40 CFR Part 63, Subparts A and PPPP	MI-ROP-N2812-2015b, Table FG-PPPP, Condition IV.1	Operating coating lines without either RTO operating properly
FG-PPPP	40 CFR 63.4492	Failure to meet operational limits specified in Table 1 of 40 CFR Part 63, Subpart PPPP
FG-PPPP	Rule 910	Pollution control equipment not operating properly

EU-URSAMINOR is a dip coating line for coating plastic automobile parts. EU-BCPL is an automated spray coating line for coating plastic automobile parts. Their emissions are controlled by an RTO. There are two RTOs, RTO A and RTO B. Normally, one operates while the other is ready for use as a backup.

These processes are subject to the federal National Emission Standards for Hazardous Air Pollutants (NESHAP) for Surface Coating of Plastic Parts and Products. These standards are found in 40 CFR Part 63, Subpart PPPP.

On May 31, 2018, the AQD staff checked the area around LexaMar for odors in response to recently received citizen complaints. The AQD staff noted paint odors downwind of LexaMar, and not upwind of LexaMar. In the opinion of the AQD staff the observed odors were in themselves not sufficient to constitute a violation of AQD's rules but were much stronger than normal. Staff contacted LexaMar and was informed LexaMar was operating coating lines without using the RTO.

In a letter dated June 7, 2018, LexaMar personnel report that RTO B broke down May 24th. The facility's Malfunction Abatement Plan required the spare part that would have fixed RTO B to be in stock, but LexaMar staff discovered the spare part was for the wrong model of RTO and could not be used. Therefore, RTO B was out of service until repair parts could be ordered and delivered.

Then, on May 27th, the remaining RTO, RTO A, shut down when the air compressors supplying air to the RTO's pneumatic controls was shut down for maintenance, and backup compressors did not engage automatically as they should have. Once it starts cooling, the RTO must continue cooling until it reaches a safe point for a restart and reheating.

To meet contractual obligations, LexaMar elected to start production of parts on EU-BCPL and EU-URSAMINOR before either RTO could be returned to proper operation. EU-BCPL operated without control for 51 hours and EU-URSAMINOR operated without control for 50 hours.

LexaMar reported that while operating without the RTO, EU-BCPL emitted approximately 77.84 pounds per hour of VOC on May 31 and 78.22 pounds per hour VOC on June 1. EU-URSAMINOR emitted 40.83 pounds per hour of VOC on May 30, 46.46 pounds per hour on May 31, and 56.61 pounds per hour on June 1.

EU-BCPL and EU-URSAMINOR are both part of Flexible Group FG-PPPP. This Flexible Group includes all equipment on site subject to the federal NESHAP for Surface Coating of Plastic Parts and Products, 40 CFR Part 63, Subpart PPPP.

Operating FG-PPPP, including EU-BCPL and EU-URSAMINOR, without the RTO is a violation of the following:

- Act 451, Rule 910, which requires that an air-cleaning device shall be installed, maintained, and operated in a satisfactory manner and in accordance with the administrative rules and existing law.
- 40 CFR Part 63, National Emission Standards for Hazardous Air Pollutants, Subpart PPPP, which requires that a coating line using an RTO shall not operate unless the RTO and Total Enclosure are installed and operating properly.
- 40 CFR Part 63.4492 in Subpart PPPP, which requires that an RTO maintain a minimum bed temperature of 1400 degrees f.
- MI-ROP-N2812-2015b, Table EU-BCPL, Condition III.1, which prohibits operating EU-BCPL unless the RTO is installed and operating properly.
- MI-ROP-N2812-2015b, Table EU-BCPL, Condition I.1, which limits VOC emissions from EU-BCPL to 8.6 pounds per hour based on a calendar day average.
- MI-ROP-N2812-2015b, Table EU-URSAMINOR, Condition III.4, which prohibits operating EU-URSAMINOR unless the RTO is installed and operating properly.

- MI-ROP-N2812-2015b, Table EU-URSAMINOR, Condition I.1, which limits VOC emissions from EU-URSAMINOR to 14.9 pounds per hour based on a calendar day average.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by July 9, 2018 (which coincides with 21 calendar days from the date of this letter). The written response should include a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place and what steps are being taken to prevent a reoccurrence.

Please submit the written response to William J. Rogers at DEQ, AQD 2100 West M32, Gaylord, Michigan 49735 or rogersw@michigan.gov and submit a copy to Ms. Jenine Camilleri, Enforcement Unit Supervisor at DEQ, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760 or CamilleriJ@michigan.gov.

If LexaMar believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violations cited above and for the cooperation that was extended to me during my inspection of LexaMar. If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,

William J. Rogers Jr.

William J. Rogers Jr.
Environmental Quality Analyst
Air Quality Division
989-705-3406

cc/via e-mail: Ms. Mary Ann Dolehanty, DEQ
Mr. Craig Fitzner, DEQ
Mr. Chris Ethridge, DEQ
Ms. Jenine Camilleri, DEQ
Mr. Shane Nixon, DEQ