

DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION

ACTIVITY REPORT: Scheduled Inspection

P032843537

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| FACILITY: PREFIX CORPORATION | | SRN / ID: P0328 |
| LOCATION: 3500 JOSLYN ROAD, AUBURN HILLS | | DISTRICT: Southeast Michigan |
| CITY: AUBURN HILLS | | COUNTY: OAKLAND |
| CONTACT: Ken Siuda , Facilities Manager | | ACTIVITY DATE: 01/26/2018 |
| STAFF: Rem Pinga | COMPLIANCE STATUS: Compliance | |
| SUBJECT: Level 2 Target Inspection | | SOURCE CLASS: SM OPT OUT |
| RESOLVED COMPLAINTS: | | |

On January 26, 2018, AQD staff Lauren Magirl, Adam Bognar, Joe Forth, and I conducted a level 2 target inspection at Prefix Coatings, LLC located at 3500 Joslyn Road, Auburn Hills, Michigan 48326. 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 Nos. 40-12 and 128-16. PTI No. 133-12 was voided and the HAPs out-out applicable requirements were incorporated into PTI No. 128-16. PTI No. 40-12 is a general permit for coating operations. During the pre-inspection meeting, I initially showed my credentials and stated the purpose of my visit to Mr. Ken Siuda, Facilities Manager and contact person, and Ms. Tracey Pappas, Chief Operating Officer. Ms. Pappas handled coating usage recordkeeping requirements after Ms. Barbara Olson left the company.

Prior to the inspection, we conducted odor observations per the odor complaints received in the past. We conducted odor observations along Taylor Road with windows open, going east towards Pacific Drive and looping back to Joslyn Road to complete a 360° turnaround. We did not observe any odors at that time.

At the facility, we met with Mr. Ken Siuda, Facilities Manager. Mr. Siuda accompanied us to the conference room for the pre-inspection meeting where we met Ms. Pappas.

Prefix has been in business at their Rochester Hills location (SRN: P0204) for over 38 years. The business includes engineering prototypes and designs for the automotive industry (e.g. show cars and concept cars).

At this Auburn Hills facility, Prefix has contracts to assemble special and high end vehicles. The operation includes fabricating special body panels, coating all body panels (including externally fabricated panels), and assembles the components as part of the production of the specialty vehicles. The facility also accepts specialty jobs to modify fully assembled vehicles per customer specifications such as restoring antique vehicles and modifying race car vehicles. The facility also designs and builds specialty engines (such as race car engines) from scratch, either from externally purchased parts and/or internally fabricated parts.

In the past, the facility's major customer was Chrysler Corporation, now FCA, to conduct work on modified Dodge Viper vehicles. Since FCA stopped production of Dodge Vipers (August 2017), the facility shifted to other vehicles such as Ford Motor Company's GT and Rousch Mustang vehicles, Honda NSX vehicles, etc. At full production, Prefix intended to coat approximately 12 cars (car = two 12ft x 18ft racks) a day.

In March 2012, Prefix obtained a General Permit to Install, PTI No. 40-12, to install and operate 6 coating lines. In June 2014, the same PTI was modified to include an additional spraybooth and paint mixing room. In September 2016, Prefix obtained PTI No. 128-16 to install and operate 3 engine test cells (EU-DYNO1, EU-DYNO2, and EU-DYNO3) equipped with dynamometers. PTI No. 128-16 included applicable requirements to restrict VOC and CO emissions under FG-DYNOS. It also included applicable requirements under FGFACILITY to restrict the facility's individual and aggregate Hazardous Air Pollutants (HAPs) emissions to less than the threshold levels for a major source and classify the facility as a HAPs Opt-out facility. The original Opt-out PTI, PTI No. 133-12, was subsequently voided.

Prefix receives raw parts for inspection in the receiving area. Next, the parts go the prep area for sanding/priming that included wiping down with isopropyl alcohol wipes and taping certain areas such as the hood before painting. Some of the sanding/buffing equipment have attached dust collection equipment exhausted indoors. These operations appear to be exempt from obtaining a PTI pursuant to Rule 285(l)(vi)(C). In-house parts are fabricated in the machine shop area.

After the parts are prepped, they go to one of the six coating lines. Each line has a 14ft x 48ft down draft booth and associated curing oven. During the walk-through inspection, we observed 6 down draft coating spraybooths. Booth1 is utilized as prime/repair booth. Booth2 is also used as prime + Honda prime (NSX) booth. Both3 through Booth6 are topcoat booths used for color, strips, and clearcoat coating. The other spraybooth, Booth7, is currently utilized as spot repair/repaints and custom color booth/truck bed lining booth. We observed filters in place in the booths we conducted a walk-through and there were no gaps in between filters. Booth7 is located in a separate area from the other six paint lines. Each booth has an associated mixing room. Booth7 does not have a curing oven and needs to utilize the ovens from the other booths when necessary. At each mixing room, we observed parts washers utilized for HVLP gun cleaning. In some mixing rooms that we entered, we observed the lids were closed and safety instructions stickers were posted. I gave Mr. Siuda additional stickers to replace some older ones. We also observed 2 safety klean parts washers in the machine shop area and 2 heated water parts washers. The facility got rid of 1 parts washer.

On February 3, 2018, Ms. Pappas emailed me the facility's recordkeeping spreadsheets and other permit applicable requirements. Since I conducted a level 2 inspection in January 2017, I will determine compliance with applicable permit limit requirements for this inspection only from the January through December 2017 submitted data.

Per PTI No. 40-12 special condition FG-COATING(I.1), the highest monthly VOC emission rate for each coating line, in January 2017, showed 0.648 ton or 1,296 lb. for Booth 3. This monthly VOC emission rate was less than the the permit limit of 2000 lb./month. Per PTI No. 40-12 special condition FG-COATING(I.2), submitted records showed the highest total monthly 12-month rolling VOC emission rate per line came from Booth 1 at 5.52 tons and less than the 10 tons/year limit. Per PTI No. 40-12 special condition FG-SOURCE (I.1), the company submitted records that showed the FY2017 total monthly 12-month rolling VOC emission rate was highest for May, June, and July 2017 at 22.2 tons. This VOC emission rate was lower than the permit limit of 30 tons per year (tpy).

Per PTI No. 128-16, we observed the first dynamometer operating while the second dynamometer was being set up. The room for the third dynamometer was utilized to test engines for spins (electrically driven). Per PTI No. 128-16, special condition no. FG-DYNOS(I.1), the total monthly 12-month rolling CO emission rate was highest in December 2017 at 8.64 tpy and less than the 77.6 tpy permit limit. Per PTI No. 128-16, special condition no. FG-DYNOS(I.2), the total monthly 12-month rolling VOC emission rate was highest in December 2017 at 0.35 tpy and less than the 3.15 tpy permit limit. Per PTI No. 128-16, special condition no. FG-DYNOS(I.3 & II.2), the highest VOC emission rate per day and unleaded gasoline usage were reported for April 28, 2017 at 15.31 lb./day and 95.7 gallons and less than the 80 lb./day and 500 gallons/day respective permit limit. Per PTI No. 128-16, special condition no. FG-DYNOS(II.3), the highest facility monthly 12-month rolling total unleaded gasoline usage rate in FY2017 occurred in December 2017. Records showed that the 12-month total fuel usage in December 2017 was 4,386.78 gallons and less than the 39,400 gallons permit limit. Per PTI No. 128-16 special condition FGFACILITY(I.1), the company submitted records that showed Xylene has the highest FY 2017 total monthly 12-month rolling individual HAP emission rate at 1.14 tons and less than the 9.0 tpy permit limit. Per PTI No. 128-16 special condition FGFACILITY(I.2), the company submitted records that showed the highest FY 2017 total monthly 12-month rolling aggregate HAPs emission rate occurred in June 2017 at 2.77 tons and less than the 22.5 tpy permit limit.

I still have to verify the facility's compliance with stack requirements at a future inspection. Otherwise, I did not find any non-compliance issues during the inspection.

NAME *A.H.B.*

DATE 3/7/2018

SUPERVISOR *Joyce E.*

