

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

N177247158

FACILITY: Rec Boat Holdings-Trailer		SRN / ID: N1772
LOCATION: 1552 Miltner St., CADILLAC		DISTRICT: Gaylord
CITY: CADILLAC		COUNTY: WEXFORD
CONTACT: Trent Burch , Environmental and Health & Safety		ACTIVITY DATE: 12/03/2018
STAFF: Sharon LeBlanc	COMPLIANCE STATUS: Compliance	SOURCE CLASS: SM OPT OUT
SUBJECT: FCE Inspection for 2019 Fiscal Year. sgl		
RESOLVED COMPLAINTS:		

On December 3, 2018, AQD Gaylord District Staff arrived at Rec Boat Holdings L.L.C.-Trailer Division Facility (N1772) located at 1552 Miltner Street, Cadillac, Michigan to conduct an unannounced, scheduled site inspection. The referenced Facility operated under Permit to Install (PTI) 19-06, issued on March 6, 2006.

Mr. Trent Burch (Environmental and Health & Safety) provided a site tour and answered questions regarding site activities and records. Electronic request for records was submitted to the Facility on December 5, 2018. The requested records were received for review as part of the Full Compliance Evaluation (FCE) on December 7, 2018.

Prior to the December 3, 2018, site inspection, the most recent inspection of record was on June 5, 2014. No compliance issues were noted as part of the compliance evaluation.

FACILITY

Located at 1552 Miltner Street, the Facility is located approximately one-half mile west of the Rec Boat Holdings Sport Facility (N1470) in an industrial park in Cadillac, Michigan.

The Trailer Plant produces trailers for the boats manufactured at other nearby Rec Boat Holdings plants (Rec Boat Holdings Sport and Rec Boat Holdings Cruiser Plants). The process involves cutting, welding, and grinding steel, washing, painting, and assembly. The PTI addresses the coating operations at the plant including the paint booths and ovens.

Rec Boat Holdings LLC, which previously operated under Four Winns Inc. was purchased in 2014 by Beneteau Group, a French company, but still is legally operating as Rec Boat Holdings LLC.

Located in the western end of the Cadillac Industrial Park, the Facility is located a couple blocks west (just under 0.5-miles) from the Sport and Engineering Facility (N1470). The Facility was also noted to be located to the north across Miltner from the Cadillac Renewable Energy Facility (N1395), a biomass power generating facility. No changes at facility were reported since the June 5, 2014, site inspection.

Daily production at the time of the December 3, 2018, site inspection was reported to be approximately 15 trailers per day.

Weather conditions at the time of the site inspection was overcast, with temperatures in the upper 20s-low 30s.

PERMITTING

A review of files indicated that there were four voided permit applications of record. The applications were submitted on December 15, 1987 for paint booths and coating lines associated with the site. Three permit applications were voided on June 17, 1988, and include 911-87, 912-87 and 913-87. The fourth voided application of record (910-87) was voided on 3/14/1994, which coincides with the issuance of 910-87A.

Permits issued for the Facility were issued to Four Winns Inc. and include the following:

PERMIT	DATE ISSUED	DATE VOIDED	COMMENT
910-87A	3/17/94	1/23/2001	Rolled into ROP

249-02	10/17/2002	3/16/2002	Change in Solvent Used
19-06	3/6/2006	NA	HAPs Opt-Out

PTI 19-06 was issued for two trailer paint booths (EU001 and EU002), two trailer paint booth ovens (EU003 and EU004) and one solvent clean-up operation (EU005). The referenced Emission Units (EUs) are included in one Flexible Group (FG1). The PTI also includes conditions for all process equipment at the Facility under FGFACILITY. For more specific information see Equipment section.

REGULATORY

This facility used to be subject to Title V, but VOC and HAP emissions were limited to less than the major source thresholds by the present synthetic minor permit (19-06).

- classifications based on Potential to Emit (PTE) and other significant comments:

PARAMETER	CLASSIFICATION	COMMENT
NOx	Minor	
SO2	Minor	
CO	Minor	
Pb	Minor	
PM	Minor	
VOC	Synthetic Minor	Opt-Out for VOC Permit 19-06
HAPs	Area	Opt-Out for HAPs Permit 19-06

December 7, 2004, AQD received notification that the Facility would be subject to 40 CFR Part 63 Subpart M, Surface Coating of Misc. Metal Parts and Products (compliance date January 2, 2005). The Facility opted out of the Federal Regs by accepting limits. No applicable Federal requirements have been identified for the Facility at this time based on activities identified onsite.

EQUIPMENT

Equipment associated with the Facility at the time of the December 3, 2018 site inspection included the following:

- Two coating booths (EU001 and EU002), each with an associated electrically fired infrared oven (EU003 and EU004) which with solvent clean-up operations make up Flexible Group (FG1)

Each coating booth and associated infrared oven is located so that they are interconnected and create a "production line". There are two production lines, however, only one line is in use, and it was reported that the unit is operable, though the line is not in use. The second is not operated unless the other line is down for maintenance or related reasons. Combined they measured approximately 16 feet by 70 feet. Controls and timers are present. Each paint booth and oven has it's own stack.

The paints associated with EU001 and EU002 are pre-mixed are reported to be purchased locally. Solvent Clean-up Operations are permitted under EU005. The dry filters in the coating booth are reported to be a two-filter system, with the initial filter reported to be replaced on a daily basis. Backup documentation for these activities at the time of the December 3, 2018, site inspection consisted of timesheet documentation referred to as "charge back" to maintenance. Discussions with onsite staff to add a column onto the existing operational log sheet completed by staff to document the filter change.

In addition to the two coating lines discussed above, the Facility also has metal cutting, grinding and welding activities. These activities are conducted such that any emissions associated with the activities are released into the work environment and appear to be exempt under Rule 285 (2)(l)(vi)(B)

(l)The following equipment and any exhaust system or collector exclusively serving the equipment:

(vi) Equipment for carving, cutting, routing, turning drilling, machining, sawing, surface grinding, sanding, planing, buffing, sand blasting, shot blasting, shot peening, or polishing ceramic artwork, leather, metals, graphite, plastics, concrete, rubber, paperboard, wood, wood products, stone, glass, fiberglass or fabric which meets any of the following:

(B) Equipment that has emissions that are released only into the general in-plant environment

Only two Flexible Groups are associated with the facility, FG1 which is described above, and FGFACILITY includes all process equipment at the stationary source including equipment covered by other permits, grandfathered equipment and exempt equipment.

COMPLIANCE

Since the June 5, 2014 site inspection, no complaints have been received or Violation Notices (VNs) issued. Annual emissions reporting through the MAERS Program is submitted in a timely manner. The most recent submittal being received on March 2, 2018.

The compliance status for the Facility had been based on information provided during the December 3, 2018, site inspection, as well as on supplemental data and reports submitted upon request or to meet permit requirements identified under PTI 19-06.

FG1

As previously indicated PTI 19-06 includes two FGs. FG1 consists of two Coating Booths (Trailer Paint Booth 1 and 2) (EU001 and EU002), two coating line ovens (Trailer Paint Booth Oven 1 and 2) (EU003 and EU004) and one solvent cleanup operation (EU005).

EQUIPMENT LIMITS –

Special Condition (SC) 1.5 requires the permittee to operate any spray booth in FG1 with exhaust filters installed, maintained and operated properly. At the time of December 3, 2018, site inspection, only one spray booth was in operation. The filter had been replaced that morning, and as previously reported, the Facility reports that they are replaced everyday.

OPERATION LIMITS –

SC 1.3 requires that all waste materials be captured and stored in closed containers. In addition, the referenced condition requires disposal of the referenced materials in an acceptable manner in compliance with all applicable state rules and federal regulations. Unused paints, solvents and filters are properly containerized and when appropriate disposed of through a waste disposal service(s).

Spent filters from coating booths (EU001 and EU002) are to be disposed of in a manner which minimized the introduction of air contaminants to the outside air (SC 1.4). Per Facility staff, the paint booth filters are bagged and properly disposed of. A filter change out was completed the morning of December 3, 2018. Documentation of filter change-outs will be added to daily log sheets. (SC 1.11)

MATERIAL LIMITS –

Material limits associated with FG1 consist of VOC content limits for both primer coatings and topcoat coatings used in FG1. A review of Facility records indicates the following VOC contents for the referenced coatings:

Primer Coating	VOC Content (lb/gallon minus water)	Topcoat Coating	VOC Content (lb/gallon minus water)
poly primer	2.04	Navy	2.78
--	--	Red	2.87
--	--	(F1) Red	2.78
--	--	Bright Blue	2.68
--	--	Black	2.61
--	--	Yellow	2.61
--	--	Dark navy	2.73

LIMIT (SC 1.2a)	2.8	LIMIT (SC 1.2b)	3.5
-----------------	-----	-----------------	-----

EMISSION LIMITS --

Emissions for FG1 are limited to 12 month rolling total for VOCs from primer and topcoat applications (SC1.1a) and for combined VOC and Acetone use associated with solvent cleanup activities.

CALENDAR YEAR	Primer & Topcoat VOCs (ton/yr)	Cleanup Solvent VOC & Acetone (Combined) (ton/yr)
November 2017 - October 2018	1.98	1.02
2017	1.91	0.98
2016	1.91	0.77
Limit	30.0 (SC 1.1a)	12.0 (SC 1.1b)

Note that at the time of the June 5, 2014 site inspection, the Facility reported no HAP containing coatings being used at the Facility. As part of the December 3, 2018 site inspection, the Facility reported a total of 10 coatings (including primer and catalyst) with HAP content ranging from 0.13 - 1 % by weight. Limits associated with HAPs are addressed under FGFACILITY later in this report.

TESTING ACTIVITIES –

SC 1.6 requires the permittee to determine VOC content, water content and density of any material (Coating, reducer, catalyst, cleanup solvent, etc) as received and as applied using the manufacturer’s formulation data. In addition, the condition requires that upon request of the AQD District Supervisor the permittee shall verify the manufacturer’s HAP formulation data using EPA Test Method 24 or alternate as approved by the District Supervisor. The Facility reports not having been required to be conduct the EPA Test Method analysis. The company reports that they use the manufacturer formulation data.

MONITORING/RECORDKEEPING –

Records maintained by the Facility includes a current listing from the manufacturer of the chemical composition of each material and the weight percent of the constituents/components for materials used in FG1 (SC 1.8) Daily usages are documented on equipment log sheets, which are turned in on a weekly basis and input into spreadsheets which determined emissions on a monthly and 12-month rolling total. Records reviewed appeared to meet SC 1.9 and 1.10 summarized below.

Per SC 1.9, the permittee is required to keep the following information on a monthly basis for the primer and topcoat applications for FG1 for a period of 5 years:

- Gallons (with water) of each coating, catalyst and reducer used in the primer application process (SC 1.9a),
- Gallons (with water) of each coating, catalyst and reducer used in the topcoat application process (SC 1.9b),
- VOC content (minus water and with water) for each coating, catalyst and reducer as received and as applied used in the primer and topcoat application processes (SC 1.9c)
- The density of each catalyst and reducer used, (SC 1.9d)
- Monthly and 12-month rolling total VOC emissions for the primer and topcoat application processes (SC 1.9 e & f)

Per SC 1.10, the permittee is required to keep the following information on a monthly basis for the purge and cleanup solvents associated with FG1 for a period of 5 years:

- Gallons of each solvent used and reclaimed (if applicable) (SC 1.10a),
- Gallons of Acetone used and reclaimed (if applicable) (SC 1.10b),
- VOC content in pounds per gallon of each solvent used (SC 1.10c),

- Monthly and 12 month rolling total of VOC and acetone emissions combined in tons/month or ton/year (as appropriate) (SC 1.10d)

OTHER REQUIREMENTS-

Four stacks are associated with FG1 and include one each for the two coating booths and two ovens, as well as two stacks for the solvent cleanup operations. Of the six stacks, only stacks associated with the coating booths and ovens have permit conditions restricting their size. Construction specs for the four stacks of concern as provided by the Facility are as follows:

Stack	Associated EU	Diameter	Height above land surface
SV001A	Coating Booth 1	33 " OD	26- 27.5
SV002A	Oven 1	12" OD	26- 27.5
SV001B	Coating Booth 2	33" OD	26- 27.5
SV002B	Oven 2	12" OD	26- 27.5
LIMIT		≤ 36 inches for coating booths ≤12 inches for ovens	26 Ft

FGFACILITY

The referenced FG consist of all process equipment at the stationary source including equipment covered by other permits, grandfathered equipment and exempt equipment. Permit conditions for the FG are limited to emission limits, testing requirements and record keeping requirements.

EMISSION LIMITS –

Two HAPs of concern identified for the other Rec Boat Facilities consist of styrene and methyl methacrylate (MMA), but are associated with the boat manufacture process, not the trailer production. The Facility reports the use of 9 coatings (including primer and catalysts) that contain HAPS. HAPs identified in the Trailer Plant included xylene, ethylbenzene and hexamethylene di-isocyanate (in catalyst only)

Primer Coating	HAP Content (% by Weight)	Topcoat Coating	HAP Content (% by weight)
Poly Primer HSP-2128	0.19 xylene	Navy Topcoat FDGU19075	0.28 xylene
Catalyst		Black Topcoat FDGU9000	0.7 xylene 0.16 ethylbenzene
Catalyst HSP-211	1 Hexamethylene Di-isocyanate	Yellow Topcoat FDGU800470	0.13 xylene

Emission limits associated with FGFACILITY include 12-month rolling totals (determined at the end of each calendar month) for individual HAPs (SC 2.1a) and Aggregate HAPs (SC 2.1b). Emissions are determined based on gallons or pounds of each HAP containing material used (less reclaimed volumes) and the HAP content for each gallon or pound of HAP containing material. HAPs emissions reported for the last calendar year totaled only 74 lbs combined HAPs, the highest of individual HAPs was reported to be xylenes with 30.186 lbs. Well below the limits as shown below:

Calendar Year	Individual HAP Emissions (tpy)	Aggregate HAP Emissions (tpy)
2018	0.015 ton/yr	0.037 ton/year
LIMIT	9.0 (SC 2.1a)	22.5 (SC 2.1b)

TESTING ACTIVITIES –

SC 2.2 requires the permittee to determine HAP content of any material (Coating, reducer, catalyst, cleanup solvent, etc) as received and as applied using the manufacturer's formulation data. In addition, the condition requires that upon request of the AQD District Supervisor the permittee shall verify the manufacturer's HAP formulation data using EPA Test Method 311.

At the time of the site inspection District Files did not contain copies of written requests for formulation verification. Manufacturer Data is used to determine applicable content.

RECORDKEEPING –

Per SC 2.4, the permittee is required to keep the following information on a monthly basis for a period of 5 years:

- Gallons of each solvent used and reclaimed (if applicable) (SC 1.10a),
- Hap content in pounds per pound or pounds per gallon of each HAP containing material used (SC 2.4c),
- Monthly total of individual and aggregate HAP emissions (tons/month) (SC 2.4a),
- 12-month rolling total individual and aggregate HAP emissions (tons/year) (SC 2.4a),

As previously indicated, the Facility maintains usage and emission spreadsheets. Records are updated on a monthly basis and records viewed at the time of the December 3, 2018, site visit were completed in compliance with S.C. 2.3, which requires monthly calculations to be available by the 15th day of the following calendar month. However, as a part of subsequent correspondence it was noted that total HAPs emissions were not being maintained, only the VOC emissions. The Facility has since corrected the issue and will be maintaining records in compliance with SC 2.4a.

SUMMARY

On December 3, 2018, AQD Gaylord District Staff arrived at Rec Boat Holdings L.L.C.-Trailer Division Facility (N1772) located at 1552 Miltner Street, Cadillac, Michigan to conduct an unannounced, scheduled site inspection. The referenced Facility operated under Permit to Install (PTI) 19-06, issued on March 6, 2006.

The Trailer Plant produces trailers for the boats manufactured at other nearby Rec Boat Holdings plants (Rec Boat Holdings Sport and Rec Boat Holdings Cruiser Plants). The process involves cutting, welding, and grinding steel, washing, painting, and assembly. The PTI addresses the coating operations at the plant including the paint booths and ovens.

Mr. Trent Burch (Environmental and Health & Safety) provided a site tour and answered questions regarding site activities and records. Electronic request for records was submitted to the Facility on December 5, 2018. The requested records were received for review as part of the Full Compliance Evaluation (FCE) on December 7, 2018, with subsequent records received as late as January 30, 2019.

Prior to the December 3, 2018, site inspection, the most recent inspection of record was on June 5, 2014. No compliance issues were noted as part of the 2014 compliance evaluation. Based on activities observed and records provided as part of the December 3, 2018 site visit, the Facility appears to be in compliance with PTI 19-06 with the exception of HAPs emissions records for FGFACILITY. The Facility has corrected the issue and will be updating spreadsheets to maintain HAPs records as required by SC 2.4a. No other compliance issues were noted as part of the FCE.

NAME Audrey Blanc

DATE 2/1/2019

SUPERVISOR [Signature]