

July 16, 2018

Michigan Department of Environmental Quality  
Kalamazoo District Office, Air Quality Division  
7953 Adobe Road  
Kalamazoo, MI 49009-5025



**RE: Response to Second Violation Notice  
Axium Group, LLC  
SRN: A0703, Renewable Operating Permit (ROP) MI-ROP-A0703-2017**

Amanda Chapel:

On March 28, 2018, MDEQ, AQD, conducted an inspection of Axium Group, LLC (Axium) located at 708 Sherman Lane, Cassopolis. During the inspection, staff of AQD observed permit condition violations. A Violation Notice was issued on April 9, 2018. A response to this Violation Notice was submitted on May 11, 2017. A Second Violation Notice was issued by MDEQ on June 29, 2018. This letter is intended to serve as a written response to this Second Violation Notice. Wood finishing operations at Axium continue to evolve in response to market changes and customer requirements. Based on these changes, Axium has continued to advance from individual manual application spray booths to automated surface coating lines. In association with these process changes Axium has experienced an increase in product transfer efficiency, a reduction in acetone used for equipment cleaning, and a reduction in per unit coating application. Although these advancements have resulted in enhanced product quality, they have also brought to light the need to pursue an update to our permitted coating material limits. Axium is in the process of completing an application to update the multiple existing PTI established material limits into one set of limits applicable to our facility's ongoing operations. It is our hope that modification of our existing air permit will resolve the following list of violations identified in your Second Violation Notice.

**EUSANDER, Special Condition VI.1,** "the permittee should be recording weekly pressure drop readings on EUSANDER during peak operating conditions." Weekly Pressure drop readings for EUSANDER are being maintained. A copy of these records are available on request. It is our position the EUSANDER meets the exemption requirements established in R 336.1285(2)(iv). Axium intends to submit a permit modification application to establish this emission unit as Rule 285 exempt.

**EUFLATLINE1, Special Condition II.1,**" Material limit of the VOC content of Stains is 2.0 lb./gal (minus water) as applied. The facility has five (5) coatings which exceed this limit". Our current ROP contains different VOC content of Stain limits for different emission units. VOC content limits above 2.0 are currently permitted for specified emission units. Numerous coating samples have been submitted to a certified laboratory for Method 24 analysis. The results obtained from these analytical evaluations will be used to calculate the material limits needed to complete the permit modification application. The testing laboratory has informed us that the results of these analytical requests should be completed, and available by 7/20/2018. Within thirty days of this date, Axium intends to complete and submit a permit

modification application to establish updated facility wide VOC content of Stain limits for our operations.

**EUFLATLINE1, Special Condition II.3,**” Material limit of the VOC content of UV Stains, Sealers, and Topcoats is 4.7 lb/gal (minus water) as applied. According to Method 24 testing, the UV Topcoat has a VOC content of 5.0 lb/gal, minus water”. Our current ROP contains different VOC content of Stain, A Sealer and Topcoat limits for different emission units. Numerous coating samples have been submitted to a certified laboratory for Method 24 analysis. The results obtained from these analytical evaluations will be used to calculate the material limits and emission limits needed to complete the permit modification application. The testing laboratory has informed us that the results of these analytical requests should be completed, and available by 7/20/2018. Within thirty days of this date, Axium intends to submit a permit modification application to establish facility wide VOC content of Stain, Sealers and Topcoats limits for our operations.

**EUFLATLINE1, Special Condition VI.1,**” Facility’s current method of recordkeeping is insufficient to show compliance with the permit.” Axium contends that current recordkeeping demonstrates compliance with permitted emission limits. Additional record keeping information detail has been submitted to MDEQ on 6/14/2018, 6/15/2018, 6/19/2018, 6/20/2018, 6/25/2018, 7/10/2018, 7/11/2018 and 7/13/2018 in an effort to resolve this concern. Efforts continue, to develop a revised recordkeeping format that will be deemed satisfactory by your office.

**EUFLATLINE1, Special Condition VII.1,**” Prompt reporting of deviations pursuant to General Conditions 21 and 22 of Part A. Noncompliant stains and UV topcoats used on FLATLINE 1 should be reported to the DEQ.” Historic Method 24 analytic information indicates stains and topcoats evaluated comply with the permitted VOC pound per gallon material limits, minus water and exempts, as applied. Additional Method 24 testing is being completed. Any material limit exceedances, identified as a result of this testing, will be included in the 2018 semi-annual compliance reporting.

**FGFACILITY, Special Condition VI.1,**” The permittee shall complete all required calculations in a format acceptable to the AQD District Supervisor ". Axium continues to work to develop a recordkeeping system deemed acceptable to demonstrates compliance with permitted emission limits. Additional record keeping information detail has been submitted to MDEQ on 6/14/2018, 6/15/2018, 6/19/2018,, 6/20/2018, 6/25/2018, 7/10/2018, 7/11/2018 and 7/13/2018 in an effort to resolve this concern. Efforts continue, to develop a revised recordkeeping format that will be deemed satisfactory by your office.

**FGFACILITY, Special Condition VI.2d,** “Individual and aggregate HAP emissions determining the monthly emission rate of each of each in tons per calendar month is required”. Methanol is the historic highest individual HAP emitted from this facility. This identifier has been added to the category heading on the ongoing monthly recordkeeping form format.

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**FGWOODCOATING, Special Condition II.1,**” Material limit of the VOC content of Stains is 3.4 lb./gal (minus water) as applied. Method 24 testing showed three (3) stains are above this limit”. Our current ROP contains VOC content of Stain limits that are expressed in lb/gal (minus water). The term “minus water” is ambiguous. Method 24 analytical results indicate that the “as applied” coating formulations comply with the permitted formulation limits when water and exempts are subtracted from the total VOC’s on a per gallon, as applied basis. Method 24 analytical results only list VOC contents in excess of our stain limits as a scaled “less water” calculation. This scaled calculation would not result in a gallon of coating as applied formulation. Numerous coating samples have been submitted to a certified laboratory for Method 24 analysis. The results obtained from these analytical evaluations will be used to calculate the material limits needed to complete the permit modification application. The testing laboratory has informed us that the results of these analytical requests should be completed, and available by 7/20/2018. Within thirty days of this date, Axium intends to submit a permit modification application to establish facility wide VOC content of Stain, Sealers and Topcoats limits for our operations.

**FGWOODCOATING, Special Condition VI.1,**” Facility’s current method of recordkeeping is insufficient to show compliance with the permit.” Axium continues to work to develop a recordkeeping system deemed acceptable to demonstrates compliance with permitted emission limits. Additional record keeping information detail has been submitted to MDEQ on 6/14/2018, 6/15/2018, 6/19/2018, 6/20/2018, 6/25/2018, 7/10/2018, 7/11/2018 and 7/13/2018 in an effort to resolve this concern. Efforts continue, to develop a revised recordkeeping format that will be deemed satisfactory by your office.

**FGWOODCOATING, Special Condition VII.1,**” Prompt reporting of deviations pursuant to General Conditions 21 and 22 of Part A. Noncompliant stains used on FGWOODCOATING should be reported to the DEQ.” Historic Method 24 analytic information indicates stains and topcoats evaluated comply with the permitted VOC pound per gallon material limits, minus water and exempts, as applied. Additional Method 24 testing is being completed. Any material limit exceedances, identified as a result of this testing, will be included in the 2018 semi-annual compliance reporting.

**FGDIPTANKS, Special Condition V.1,**” Method 24 testing is required on an annual basis of the most frequently used stain.” Axium has eliminated all but one (1) 35-gallon capacity, low surface area dip tank. The coatings used in this tank are water based. Monthly coating VOC emissions for this process are consistent at below 250 pounds. This is well below the uncontrolled exempt threshold level of 1000 pounds per month established in Rule 290. Axium intends to submit a permit modification application to identify the dip coating process as Rule 290 exempt. This permit modification will be submitted within 30 days of receipt of the in-process Method 24 analytical evaluations.

**FGDIPTANKS, Special Condition VI.1,**” Facility’s current method of recordkeeping is insufficient to show compliance with the permit.” A revised recordkeeping format will be maintained and made available. Axium intends to apply for a modification to our existing air permit to incorporate facility wide coating content and emission limits intended to allow for easily verifiable recordkeeping. With this implementation of proper planning strategies, Axium

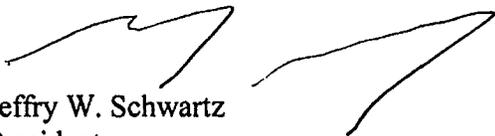
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will not install, construct, operate, reconstruct, relocate or alter any process or process equipment which may constitute a "meaningful change" of an air contaminant without the corresponding air permit update.

**FGDIPTANKS, Special Condition VI.3.b,**" The Facility is required to keep the VOC content (minus water and with water) of each stain and clean-up solvent as applied." A revised recordkeeping format will be maintained and made available. Axium has eliminated all but one (1) 35-gallon capacity, low surface area dip tank. The coatings used in this tank are water based. Monthly coating VOC emissions for this process are consistent at below 250 pounds. This is well below the uncontrolled exempt threshold level of 1000 pounds per month established in Rule 290. Axium intends to submit a permit modification application to identify the dip coating process as Rule 290 exempt. This permit modification will be submitted within 30 days of receipt of the in-process Method 24 analytical evaluations.

It is our hope that the provided information adequately addresses the points of concern identified in your June 29, 2018 Second Violation Notice. Please review this information and should you have any further question, please do not hesitate to contact me at 574-264-3174 or Doug Elliott, D&B Environmental Services, Inc. at 574-674-0161. Thank you for your consideration in this matter.

Sincerely,



Jeffrey W. Schwartz  
President  
Axium Group, LLC

CC: Ms. Jenine Camilleri, Enforcement Unit Supervisor, MDEQ, AQD,  
P.O. Box 30260, Lansing, MI 48909-7760