

December 20, 2018

Mr. Dennis Dunlap
Michigan Department of Environmental Quality
Air Quality Division
7953 Adobe Rd.
Kalamazoo, Michigan 49009-5025



SRN: N0879, St. Joseph County

Dear Mr. Dunlap:

Please consider this correspondence Morgan Olson's formal response to the Violation Notice dated December 12, 2018, regarding our Renewable Operating Permit MI-ROP-N0879-2017.

Item 1. FG Coating - Special Coating Condition V.1. of FGCoating – Method 24 testing not done.

Morgan Olson has set up a sampling schedule of all production coatings beginning with the most used coatings being tested first. We will be utilizing RTI laboratories of Michigan to perform the Method 24 testing with D&B Environmental performing the sampling. The first set of samples will be done in early January, the second in February, and the third in April of 2019 bringing us into compliance with these conditions. Test Results will be available as soon as received from RTI. To prevent this incident from reoccurring this task has been entered into our compliance software tracking system ERA which sends notices and reminders and out to the responsible parties and their manager beginning 30 days before the task is due and everyday thereafter until completed.

Item 2. Spray Gun Cleaning Stations - Special Condition IV.3. of FGColdCleaners

Three of the cold cleaners were vented directly outside. As of 12/19/2018 these units now only vent inside the building when the lid is open and gun cleaning is performed. All exhaust hoses have been removed than the exhaust openings have been capped. Please see appendix A picture. To prevent this from re-occurring this item has been added to the weekly inspection. Additionally, Morgan Olson LLC is in the process of replacing the current gun cleaners with newer updated models.

Item 3. EUMisc-VOC (FGRule 290), Special Condition I.1 of FGRule290
Emission Limit of 1000 pound per month exceeded.

Our investigation into this emission unit revealed the following:

a. The usage of the following products were entered into EUMISC-VOC and should have been entered into EUSEALANT:

- i. FP Thumbing Putty
- ii. Sikaflex 227
- iii. Sikaflex 505UV

The usage of these products have been relocated to the proper unit.

b. Per December 17, 2018 phone conversation between Dennis Dunlap and our consultant Kevin Parks of D&B Environmental, windshield washer solvent, antifreeze and any other product

transferred from a container to a truck is considered to be an exempt operation (Rule 336.1284(2)(i)). Therefore, we removed antifreeze usage from EUMISC-VOC.

c. The undercoat Z Guard 8000 was also included in EUMISC-VOC for calendar year 2018.

This usage was transferred to EUP1UBooth (undercoat booth). As such we re-ran F128 Reports (attached) for EUP1UBooth for the 1st, 2nd, and 3rd Quarter of 2018. There were no exceedances of the emissions limits.

Attached are the revised F127 R290 Reports for October 2017 through September 2018 which indicate no violations. The F128 Reports for EUP1UBooth are also attached.

We are working with our software company ERA to include a second party confirmation whenever a material is assigned to an emission unit to prevent this from reoccurring.

Item 4. FGCoating, Special Condition II.1 of FGCoating – Material limit of 3.5 lb/gal (minus water and exempt solvents as applied) exceeded with UPS brown top coat and Imron white topcoat (45N8998EX) according to Safety Data Sheets.

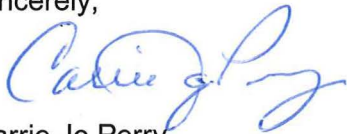
Morgan Olson has contacted Axalta inquiring as to what has changed if anything in these two products formulation. We have not had a response back yet. When looking at the SDS sheet for the coatings it does indicate it exceeds the VOC limit. We believe that when the hardener is mixed with the coating it lowers the VOC content to below the compliance limit. This is supported by testing that has been conducted in the past (see attached CAS-MI report) on the prior MSDS (attached) represented material. These two coating are in the first batch of samples to be tested in January in Item 1 above. Those results and the response from Axalta will be forwarded as soon as available. It is Morgan Olson's position that this testing will verify that this limit has not been exceeded.

Item 5. Records of Emission Information. General Condition 17. Some records were not readily available.

As a result of the request for records it was discovered that although all the data was in the system the EHS Manager did not have access to all required reports from the ERA software data system that we utilize and that the DEQ required. Ms. Perry now has access to all records and reports within the software program. These reports have been added to the monthly list of reports to be run by the EHS department and added to the work instruction to prevent this from re-occurring again should there be another departmental personnel change.

It is a goal of Morgan Olson to be a leader in environmental compliance while striving to be a responsible corporate citizen. We understand that these deliverables are required to bring us into compliance per our permit and that we will forward all testing results as soon as they are available with appropriate follow-up actions. We sincerely hope that you find these actions sufficient but should you have any questions please do not hesitate to call me at your earliest convenience.

Sincerely,



Carrie Jo Perry
EHS Manager
Morgan Olson LLC
269-659-0232
carrie.perry@morganolson.com

Enclosures

Cc: Ms. Jenine Camilleri, DEQ

Mr. Mike Ownbey, MO

file