



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF
ENVIRONMENT, GREAT LAKES, AND ENERGY
JACKSON DISTRICT OFFICE



LIESL EICHLER CLARK
DIRECTOR

June 10, 2022

VIA EMAIL AND CERTIFIED MAIL-RETURN RECEIPT REQUESTED

Dan Hofbauer
Crimson Holdings, LLC
1336 East Maumee Street
Adrian, Michigan 44333

SRN: E8117, Lenawee County

Dear Dan Hofbauer:

On May 23, 24 & 25, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), conducted an inspection of Crimson Holdings, located at 1336 East Maumee Street, Adrian, Michigan. The purpose of the inspection was to determine Crimson Holdings compliance with the requirements of the federal Clean Air Act; and Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended; the Air Pollution Control Rules; Permit to Install 38-06; and to investigate recent complaints received on May 23 and 24, regarding foul odors attributed to Crimson Holdings operations.

On May 26, 2022, the AQD sent Crimson Holdings a Violation Notice (VN) citing violations discovered as a result of the inspection and requested the facility's written response by June 2, 2022. AQD received Crimson Holdings response on June 2, 2022, and provided a preliminary response of receipt on June 3, 2022. Upon further review and internal discussions, the AQD does not agree with the facility's assessment that they are not in violation of Michigan air pollution control rule 901(b) because of protections afforded under the Michigan Right to Farm Act (RTFA). AQD has received a determination from the Michigan Department of Agriculture and Rural Development (MDARD) who have indicated that the RTFA does not apply to this facility as the facility is not considered a farm operation as defined in RTFA. MDARD did indicate the Michigan Agricultural Processing Act 381 of 1998 may apply, however, conformance with this Act does not affect the application of other state and federal statutes.

Furthermore, AQD continues to believe that a Rule 201 violation occurred with the change in method of operation from producing powdered milk to powdered egg. AQD requests that Crimson Holdings provide either more detail as to why the company believes their existing permit #38-06 covers this change, a demonstration that this change can meet an acceptable Permit to Install exemption, or the submittal of an acceptable Permit to Install application.

Additionally, it was requested that Crimson Holdings take steps to immediately characterize/estimate the types and amounts of any odorous or potential toxic chemical compounds being emitted by this facility. Crimson Holdings has submitted a performance test plan (protocol) for proposed testing. AQD will be responding to the proposed test protocol in a separate letter. AQD is encouraged by the company's proposed schedule to test next week and requests additional updates as plans are finalized.

Furthermore, Crimson Holdings has started using an odor neutralizer product to mitigate odors. AQD has received a citizen complaint about the impacts of the use of this odor neutralizer. AQD is requesting that Crimson Holdings provide detailed and specific information about the

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ingredients of the odor neutralizer(s) being used at the facility. If specific ingredient information cannot be provided, AQD strongly recommends that Crimson Holdings discontinue use of the odor neutralizer(s) immediately.

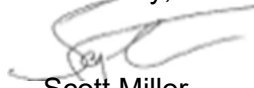
In the VN response, Crimson Holdings included an action plan for how to address the odors and cited violations. AQD requests that Crimson Holdings provide a detailed compliance plan that includes the following:

- Updates and schedules for all action items included in the VN response;
- Detailed timelines and schedules for the changes to the stack diameter and orientation;
- Submittal of a Permit to Install (PTI) application that addresses the items identified by Crimson Holdings in their VN response as well as the Rule 201 violation (if an acceptable PTI exemption demonstration is not provided) and a timeline for when this will occur;
- A detailed schedule for installation of air control for the ventilation of the dissolved air flotation (DAF) system room;
- Detailed and specific information about the ingredients of the odor neutralizer(s) being used;
- Detailed information regarding the specifications of the baghouse as requested by AQD on June 3, 2022;
- A detailed schedule for the change in the carbon exhaust orientation on the sludge tank; and
- Detailed information regarding any additional steps the facility implements to address odors.

Please be advised that continued violations of Rule 901(b), the Company's existing permits, and/or applicable administrative Rule 201 exemptions for their process equipment may result in AQD referral of cited violations for escalated enforcement action.

If you have any questions, please contact me at the number listed below or Stephanie Weems at 517-416-3351.

Sincerely,



Scott Miller
Jackson District Supervisor
Air Quality Division
517-416-5992

cc: Lillian Wooley, Fishbeck
Margaret McGill, Crimson Holdings
Christopher Ethridge, EGLE
Stephanie Weems, EGLE
Mike Kovalchick, EGLE
Diane Kavanaugh Vetort, EGLE