

**DEPARTMENT OF ENVIRONMENTAL QUALITY  
AIR QUALITY DIVISION  
ACTIVITY REPORT: On-site Inspection**

N177265535

<b>FACILITY:</b> Rec Boat Holdings-Trailer		<b>SRN / ID:</b> N1772
<b>LOCATION:</b> 1552 Miltner St., CADILLAC		<b>DISTRICT:</b> Gaylord
<b>CITY:</b> CADILLAC		<b>COUNTY:</b> WEXFORD
<b>CONTACT:</b> Trent Burch , Environmental and Health & Safety		<b>ACTIVITY DATE:</b> 11/17/2022
<b>STAFF:</b> Sharon LeBlanc	<b>COMPLIANCE STATUS:</b> Compliance	<b>SOURCE CLASS:</b> SM OPT OUT
<b>SUBJECT:</b> onsite inspection and records review for FCE. sgl		
<b>RESOLVED COMPLAINTS:</b>		

On November 17, 2022, 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 November 17, 2022. The requested records were received for review as part of the Full Compliance Evaluation (FCE) on November 17, 2022.

Prior to the November 17, 2022, site inspection, the most recent inspections of record were on June 5, 2014 and December 3, 2018. 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. . The PTI contains limits that result in the Facility remaining below Major Source thresholds.

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. On June 30, 2022, the responsible official for the Facility changed with the retirement of Rick Videan to Craig Riker.

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.

Since the December 3, 2018, site inspection, the Facility reports removal of the infrared oven associated with the inactive coating line.

Weather conditions at the time of the site inspection was overcast, with temperatures in the low 30s and a stiff breeze from the W-NW. No visible emissions were observed.

### 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	

<b>Pb</b>	<b>Minor</b>	
<b>PM</b>	<b>Minor</b>	
<b>VOC</b>	<b>Synthetic Minor</b>	<b>Opt-Out for VOC Permit 19-06</b>
<b>HAPs</b>	<b>Area</b>	<b>Opt-Out for HAPs Permit 19-06</b>

December 7, 2004, AQD received notification that the Facility would be subject to 40 CFR Part 63 Subpart Mmmm, 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

Consistent with the December 3, 2018, site inspection, equipment associated with the Facility at the time of the November 17, 2022, site inspection included:

- Two coating booths (EU001 and EU002), each with
- Associated electric infrared ovens (EU004)

These along with solvent clean-up operations (EU005) make up Flexible Group (FG1) for the Facility.

Each coating booth and associated infrared oven is located so that they are interconnected and create a “production line”. Two production lines were permitted, however only one (EU002 and EU004) is presently in use.

At the time of the December 3, 2018, site inspection, the second production line (EU001) was reported to be operable, but only used when the other line was down for maintenance. However, since that site visit the infrared oven (EU003) has been removed, and the coating booth (EU001) turned into a storage area. Each paint booth and oven had it’s own stack.

The paints associated with EU002 are pre-mixed. 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.

At the time of the December 3, 2018, site inspection metal cutting, grinding and welding activities were identified and evaluated by District Staff with respect to Rule 201 permitting. 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)(I)(vi)(B).

*(I)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 December 3, 2018, 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 February 4, 2022, for the 2021 calendar year.

The compliance status for the Facility had been based on information provided during the November 17, 2022, 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 presently existing, FG1 consists of two Coating Booths (Trailer Paint Booth 1 and 2) (EU001 and EU002), one coating line oven (Trailer Paint Booth Oven 2) (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 November 17, 2022, 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 generally 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.

### 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 that 18 different products are presently in use at the Facility, and consists of one primer and catalyst, eight topcoats, four different additives and one exempt solvent. Except for the replacement of yellow, with pacific blue there appears to be no change in coatings. Black is reported to be the dominant topcoat with monthly volumes of approximately 21-37 gallons per month. The following VOC contents are reported 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)Crimson Red	2.78
--	--	Bright Blue	2.68
--	--	Black	2.61
--	--	Pacific Blue	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)
2020	1.30	0.64
2021	1.35	2.30

<b>2022 to date*</b>	<b>1.08</b>	<b>NR</b>
<b>Limit</b>	<b>30.0 (SC 1.1a)</b>	<b>12.0 (SC 1.1b)</b>

\*to Date is to October 31, 2021.

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. The Facility uses the AQD coating spreadsheet to maintain annual records. 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 monthly 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 monthly 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 (one oven is gone, but stack location still exists. There are also 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	26 Ft
		≤12 inches for ovens	

#### **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 (in all 9 coatings), ethylbenzene (in black topcoat only) and hexamethylene diisocyanate (in catalyst only). Xylene is the most common HAP and is reported to be

present in concentrations ranging from 0.13% to 0.70% by weight. Black topcoat is used in the highest volume. The Table below summarizes the highest HAP contents of those coatings in use.

Primer Coating	HAP Content (% by Weight)	Topcoat Coating	HAP Content (% by weight)
Poly Primer HSP-2128	0.19 xylene and 1.0 Hexamethylene Di-Isocyanate	Navy Topcoat FDGU19075 and Denim Blue Topcoat FDGU902892	0.28 xylene    0.70 xylene 0.16 ethylbenzene
		Black Topcoat FDGU9000	

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 Facility as well as respective limits are shown below:

Calendar Year	Highest Individual HAP Emissions (tpy)	Aggregate HAP Emissions (tpy)
2020	0.02	0.03
2021	0.02	0.05
2022 to Date*	0.02	0.035
LIMIT	9.0 (SC 2.1a)	5. (SC 2.1b)

\*to date is October 30, 2022.

**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 November 17, 2022, site visit were completed in compliance with S.C. 2.3, which requires monthly calculations to be available by the 15<sup>th</sup> day of the following calendar month.

#### **SUMMARY**

On November 17, 2022, 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.

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Prior to the November 17, 2022, site inspection, the most recent inspections of record were on June 5, 2014 and December 3, 2018. No compliance issues were noted as part of the compliance evaluation.

NAME Sharon L LeBlanc

DATE 2-8-23

SUPERVISOR Shane Nixon