



GRETCHEN WHITMER
GOVERNOR

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



LIESL EICHLER CLARK
DIRECTOR

September 26, 2022

VIA E-MAIL AND U.S. MAIL

Charles Boyd, Director of Environmental
Quala
500 North Westshore Boulevard, Suite 435
Tampa, Florida 33609

SRN: N7164, Macomb County

Dear Charles Boyd:

VIOLATION NOTICE

On August 25, 2022, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), conducted an inspection of Qualawash Holdings, LLC (Quala) located at 50321 East Russell Schmidt, Chesterfield, Michigan. The purpose of this inspection was to determine Qualawash Holdings, LLC's (Quala) compliance with the requirements of the federal Clean Air Act; Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451); the Air Pollution Control Rules; and the conditions of Permit to Install (PTI) number 79-03C.

During the inspection, staff observed the following:

Process Description	Rule/Permit Condition Violated	Comments
A semi-continuous container cleaning process, excluding EULINEHEELING	FGPROCESSLINE SC V.1	AQD has not received a test plan nor test report, required in FGPROCESSLINE SC V.1, indicating Quala has not yet conducted testing to verify the butyl cellosolve emission factor from FG-PROCESSLINE.
A container cleaning process line where used totes containing paint and other surface coatings are received at the facility, drained of excess material, cleaned, inspected, and returned to the customer for reuse.	FGOFFLINE SC III.4	Quala reported the hourly average totes processed at FGOFFLINE on April 19, 2022 was four. This has exceeded three totes per hour limit based on a daily average.

<p>Process Line Rinse and Cleaning</p>	<p>Rule 202</p>	<p>On June 8, 2022, July 6, 2022 and August 26, 2022, AQD notified Quala to correct the reported VOC emissions for Process Line Rinse and Cleaning for RGPROCESSLINE and re-submit the RY 2021 MAERS report. Quala has not re-submitted the RY 2021 MAERS report as of September 20, 2022.</p>
<p>A semi-continuous container cleaning process line where used totes containing paint and other surface coatings are received at the facility, drained of excess material, cleaned, inspected, and returned to the customer for reuse.</p>	<p>FGPROCESSLINE SC I.1 (repeated violation)</p>	<p>Records provided show the VOC emission limit in FGPROCESSLINE SC I.1 was exceeded in the 12-month periods ending July 2021, August 2021, September 2021, October 2021, November 2021, December 2021, January 2022, February 2022, March 2022, April 2022, and May 2022.</p>
<p>Process line container disassembly and heel removal station. Heel waste will be removed from the containers using a gravity system.</p>	<p>FGPROCESSLINE SC III.3 b and c (repeated violation)</p>	<p>A level sensor was not installed on the heel waste trough and a vapor control valve was not installed on the heel waste tote.</p>
<p>All process equipment including equipment covered by other permits, grand-fathered equipment, and exempt equipment.</p>	<p>FGFACILITY I.3 (repeated violation)</p>	<p>Records provided show the VOC emission limit in FGFACILITY SC I.3 was exceeded in the 12-month periods ending July 2021, August 2021, September 2021, October 2021, November 2021, December 2021, and January 2022.</p>

The conditions of PTI number(s) 79-03C limit the emissions of Volatile Organic Compounds (VOC) from FGPROCESSLINE to 42.62 tons/year (tpy) and from FGFACILITY to 80 tpy.

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On July 21, 2021, the AQD sent Quala a Violation Notice citing FGPROCESSLINE SC I.1, FG-PROCESSLINE SC III.3.b and c, and FGFACILITY SC I.3 discovered as a result of the inspection conducted on June 10, 2021 and requested your written response by August 11, 2021. The company responded to the violation on August 11, 2021.

With regards to FGPROCESSLINE SC I.1 and FGFACILITY SC I.3; in the response received August 11, 2021, the company indicated that during the month of August 2020, Quala received a customer request to increase the amount of virgin butyl cellosolve used during the final rinse temporarily. The emission exceedances between September 2020 and May 2021 were due to the temporary increase in butyl cellosolve for the fourth rinse in August 2020. The violation response also states that in working with the customer, the amount of butyl cellosolve requested by the customer in the final rinse was determined to be unsustainable. The response also states that Quala Environmental team plans on discussing the modifications to the cleaning process and chemicals used with EGLE permit writers in the near future.

The VOC emissions from August 2020 would no longer be calculated in the 12-month rolling total starting with the 12-month period ending August 2021. However, based on records received for the August 25, 2022 inspection, Quala still exceeded the 12-month rolling VOC emission limit in FGPROCESSLINE SC I.1 for the 12-month periods ending August 2021, September 2021, October 2021, November 2021, December 2021, January 2022, February 2022, March 2022, April 2022, and May 2022. The 12-month rolling VOC emission exceeded the corresponding limit in FGFACILITY SC I.3 for the 12-month periods ending July 2021, August 2021, September 2021, October 2021, November 2021, December 2021, and January 2022. Please note that the 12-month rolling VOC emission in July 2021 also exceeds the major source threshold (100 lbs.) for VOC. In addition, I have not received any indication that Quala discussed modifications to the cleaning process and chemicals used with EGLE permit writers.

With regards to FGPROCESSLINE SC III.3.b and c: the company stated in the response that you are having maintenance personnel installing the level sensor on the heel waste trough and a vapor control valve on the heel waste tote. During the on-site inspection conducted August 25, 2022, I did not see a level sensor on the heel waste trough or a vapor control valve on the heel waste tote. Quala personnel verified that the level sensor and vapor control valve were not installed. On September 12, 2022, JD Noble, Quala, sent photos showing that the old heel drain station was removed and a newly designed trough that utilizes gravity to drain was installed. The new configuration does not utilize the vacuum pump. To resolve the violation of FGPROCESSLINE SC III.3.b and c, Quala will need to either install level sensor and vapor control valve on the heel waste system to comply with PTI 79-03C or modify PTI 79-03C to reflect the new configuration and remove the vacuum pump and the requirements for the level sensor and vapor control valve.

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Also, during the inspection, several tanks containing VOC materials had been left open when not in use. Although the company immediately corrected the practice when pointed out, Quala needs to implement a work practice plan to minimize the introduction of fugitive VOC emissions.

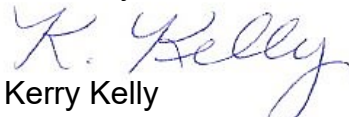
Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by October 17, 2022 (which coincides with 21 calendar days from the date of this letter). The written response should include: the dates the violations occurred; an explanation of the causes and duration of the violations; whether the violations are ongoing; a summary of the actions that have been taken and are proposed to be taken to correct the violations and the dates by which these actions will take place; and what steps are being taken to prevent a reoccurrence.

Please submit the written response to EGLE, AQD, Warren District, at 27700 Donald Court, Warren, Michigan 48092 and submit a copy to Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760.

If Qualawash Holdings, LLC (Quala) believes the above observations or statements are inaccurate or do not constitute violations of the applicable legal requirements cited, please provide appropriate factual information to explain your position.

Thank you for your attention to resolving the violations cited above and for the cooperation that was extended to me during my inspection of Qualawash Holdings, LLC (Quala). If you have any questions regarding the violations or the actions necessary to bring this facility into compliance, please contact me at the number listed below.

Sincerely,



Kerry Kelly
Senior Environmental Quality Analyst
Air Quality Division
586-506-9817

cc: Dylan Stackpoole, Quala
JD Noble, Quala
Brett Kauser, Quala
Courtney Durham, Quala
Mary Ann Dolehanty, EGLE
Annette Switzer, EGLE
Christopher Ethridge, EGLE
Brad Myott, EGLE
Jenine Camilleri, EGLE
Joyce Zhu, EGLE