

**DEPARTMENT OF ENVIRONMENTAL QUALITY
AIR QUALITY DIVISION
ACTIVITY REPORT: Scheduled Inspection**

N816529484

FACILITY: CHAMPION BUS INC		SRN / ID: N8165
LOCATION: 331 GRAHAM RD, IMLAY CITY		DISTRICT: Lansing
CITY: IMLAY CITY		COUNTY: LAPEER
CONTACT: Charlene Titus , EH&S Manager		ACTIVITY DATE: 05/21/2015
STAFF: Daniel McGeen	COMPLIANCE STATUS: Compliance	SOURCE CLASS: MINOR
SUBJECT: Scheduled inspection, and meeting to discuss Potential to Emit.		
RESOLVED COMPLAINTS:		

On 5/21/2015, the Department of Environmental Quality (DEQ), Air Quality Division (AQD), conducted a scheduled inspection of Champion Bus, Inc., a facility which was last inspected by AQD on 4/23/2008.

Facility contacts:

Charlene Titus, EH&S Manager; 810-724-1753; ctitus@championbus.com

Fred Pearson III, CSHM, EH&S Director; Allied Specialty Vehicles; 407-681-4758;
fred.pearson@alliedsv.com

Facility description

Champion Bus, Inc. is a manufacturer of small- to mid-size and custom buses.

Emission units:

Emission unit	Description	Exemption rule	Compliance status
Paint booth #1	Downdraft booth with filters	287(c)	Compliance
Paint booth #2	Downdraft booth with filters	287(c)	Compliance
Paint booth #3	Downdraft booth with filters	287(c)	Compliance
Half booth	Small paint booth with mat/panel filters	287(c)	Compliance
Welding processes	Mig welders, and one tig welder	285(i)	Compliance

Regulatory overview:

This facility has generally been considered by the AQD to be a true minor source of criteria air pollutants and Hazardous Air Pollutants. Criteria pollutants are those for which a National Ambient Air Quality Standard (NAAQS) exists: carbon monoxide, nitrogen oxides, sulfur dioxide, lead, volatile organic compounds, particulate matter smaller than 10 microns in diameter, and particulate matter smaller than 2.5 microns in diameter. A facility is considered major for any one of those pollutants if the potential to emit (PTE) is equal to or greater than 100 tons per year (TPY). A facility is considered major for HAPs if the PTE of a single HAP is greater than or equal to 10 TPY, or if the PTE of aggregate HAPs is greater than or equal to 25 TPY. A facility which is not major for HAPs is called an area source. A PTE demonstration has never been conducted for this facility, to the best of AQD's knowledge, so part of the goal of this inspection was to discuss conducting a PTE demonstration.

The paint booths at Champion Bus, Inc.'s Imlay City plant have operated as exempt from needing a permit to install, under Rule 287(c). Rule 287(c) and 290 had been used by Michigan facilities for a number of years as legally enforceable restrictions to limit PTE. For some time, though, the U.S. Environmental Protection Agency (EPA) prohibited the use of these two rules as a means to limit PTE. However, just days before this inspection, AQD staff were informed that EPA has been persuaded to once again allow these, as enforceable restrictions.

I provided information on 40 CFR Part 63, Subpart HHHHHH, National Emissions Standards for Hazardous Air Pollutants (NESHAP): Paint Stripping and Miscellaneous Surface Coating Operations at Area Sources, so that the company can determine if they are subject to this regulation. AQD does not have the delegation of authority to enforce this regulation. They are not subject to 40 CFR Part 60,

Subpart MM, Standards of Performance for Automobile and Light Duty Trucks Surface Coating Operations, I was informed, during the inspection.

Fee status:

This facility is not considered fee-subject, for the following reasons. Because it is not a major source for criteria pollutants, it is not classified as Category I. Additionally, because it is not a major source for Hazardous Air Pollutants (HAPs), and is not subject to federal New Source Performance Standards, it is not classified as Category II. Finally, because it is not subject to federal Maximum Achievable Control Technology standards, it is not classified as Category III. The facility is not required to submit an annual air emissions report via the Michigan Air Emissions Reporting System (MAERS).

Location:

The facility is located east of Imlay City, in a largely rural area, with an industrial facility to the immediate west, and scattered industries to the north and south. The nearest residences are located over 1,000 feet to the northeast.

Recent history:

The facility experienced a fire in 2010, and underwent a period of rebuilding afterwards. Before the fire, there had been two buildings, with two large paint booths. Following the rebuilding, they have a single large building, and added the third paint booth. The AQD has never received a complaint about this facility.

Arrival:

I arrived at 10:20 AM. There were no odors detectable in the facility parking lot. No visible emissions were being emitted by the facility. I met with Mr. Mike Clark, Parts & Service Manager, Ms. Charlene Titus, EH&S Manager, the new environmental contact for Champion Bus, and Mr. Fred Pearson III, CSHM, Environmental Health & Safety Director of Allied Specialty Vehicles. Champion Bus is one of four "white bus companies" owned by Allied Specialty Vehicles, Mr. Pearson explained.

Mr. William Edens, the previous environmental contact, is still with Champion Bus, but working on areas other than environmental, I was informed. He and Mr. Clark had been provided with a copy of the DEQ brochure *Environmental Inspections: Rights and Responsibilities*, per AQD procedures, during my 4/29/2015 site visit.

Ms. Titus is already familiar with determining PTE, I learned, as she has worked in the petroleum industry and determined whether refining facilities were major or minor sources. Two days prior to today's meeting, I was informed that AQD has persuaded the U.S. Environmental Protection Agency to once again allow Michigan facilities to use the Rule 287(c) and Rule 290 exemptions as legally enforceable mechanisms to restrict PTE. This should make conducting a PTE demonstration a more streamlined, straightforward process for a facility with a number of coating booths, like Champion Bus.

Mr. Clark explained that AQD's Kenneth Terry (now retired) had given them guidance on managing the air aspects of their operations, which has been quite invaluable to them, and put them "on the right path" to complying with air regulations. It was clear that K. Terry is held in very high esteem here.

Inspection:

The buses made by Champion Bus are purchased by a wide variety of customers, I was informed, including but not limited to shuttle services, airports, and senior citizen care facilities. Each bus is essentially a custom vehicle.

They receive chassis which are manufactured offsite by companies like Ford, International, and Freightliner. They assemble the bodies here, and install the seats, which are manufactured at a plant in

Chicago.

They use mig welders, and one tig welder, to assemble the cages for vehicle bodies. The welding processes are exempt under Rule 285(l). Floors of plywood are installed, with rubber applied over that.

Side panels for the buses consist of a fiberglass-like material, Noble Select, which is manufactured by Novo, Mr. Clark explained. He indicated that the roof panels are of a different composite material, made by TekModo, LLC. The back caps of the buses are made of fiberglass, manufactured elsewhere, I was told. They do not do any fiberglass layup at the plant. Harnesses for wiring are also made offsite, and are installed here. Air conditioning compressors and hydraulic lifts for buses are installed here, after being manufactured offsite.

The newest end of the building contains the finishing department. Some of their work is done with paint, while some accent colors are applied as vinyl graphics. They have three large paint booths for painting buses. They typically do not paint an entire bus, but rather trim, or blackout panels around windows. They also have a small "half booth" for painting parts.

Paint booths:

Paint booth ID	Location	Dimensions	Installation	Filtration
#1	North	60' L X 16' W X 14' H	Late 2010	Downdraft
#2	Center	50' L X 16' W X 14' H	Late 2010	Downdraft
#3	South	50' L X 17' W X 14'	Existing, as of 2008	Downdraft
Half booth	To one side	Small booth	Undetermined	Mat/panel filter

Air enters the three large booths, through filters in the ceilings, and is drawn down through the floor, for paint spray to be filtered out. These three booths are heated, and therefore also function as curing ovens. Booth 2 was currently at 81 degrees F, with a set point of 75 degrees F. Painting was not taking place, at this time.

I observed the pressure drop gauge for booth #3, which currently read 0.04", water column (w.c.).

Filters are changed on an as needed basis, I was informed, which is at least monthly. Each week, the filters undergo a weekly visual check to determine if they are ready to be changed. Each booth has its own paint usage log, and its own maintenance log. I observed the maintenance log for one booth, and noted that the checks are being done each week. The most recent check of the filters was on 5/18.

Their "half booth" is a small paint booth, with mat/panel filters, which is used for small parts, rather than assembled vehicles. It is an "open faced" booth, rather than being in a self-contained room. The filters in the booth looked to be very clean.

There are no parts washers onsite, I was informed. They recycle laquer thinner, in a closed loop system, which should therefore have little or no air emissions.

Recordkeeping:

Ms. Titus provided copies of weekly paint usage records for their painting operations, for the months of March and April, 2015 (attached for reference). The units of measurement for weekly paint usage were in ounces. Following the inspection, I e-mailed Ms. Titus to ask what the monthly usage would be in gallons, to compare with the 200 gallon per month threshold in Rule 287(c), for a single coating line. She indicated that the highest monthly usage would be 177 gallons. This is below the 200 gallon per month threshold. If the company desired to increase their usage above the threshold, in the future, they would have the option of applying for a permit to install.

Conclusion:

The facility looked to be very clean and neat. I could not identify any instances of noncompliance, nor any areas of concern. Facility staff were very knowledgeable and professional. Ms. Titus will be

working on the PTE demonstration for the facility, in the near future.

NAME 

DATE 7/6/2015

SUPERVISOR R.M.