

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

U11220453965672

<b>FACILITY:</b> Modineer Plant 10		<b>SRN / ID:</b> U112204539
<b>LOCATION:</b> 2121 W. Chicago Road, Niles		<b>DISTRICT:</b> Kalamazoo
<b>CITY:</b> Niles		<b>COUNTY:</b> BERRIEN
<b>CONTACT:</b> Steve Reed , EHS Engineer		<b>ACTIVITY DATE:</b> 11/29/2022
<b>STAFF:</b> Matthew Deskins	<b>COMPLIANCE STATUS:</b> Non Compliance	<b>SOURCE CLASS:</b>
<b>SUBJECT:</b> Unannounced Scheduled Inspection		
<b>RESOLVED COMPLAINTS:</b>		

On November 29, 2022 AQD staff (Matt Deskins) went to conduct an unannounced scheduled inspection of the Modineer Plant 10 (Unregistered Facility I.D. of U112204539) “Facility” located in Niles, Berrien County. The facility does not currently have any air permits issued to them by the AQD and they have just recently started submitting Notifications of Compliance Status for a Federal Air Regulation ((40 CFR Part 63 Subpart XXXXXX (NESHAP for Area Sources for Nine Metal Fabrication and Finishing Source Categories)). The AQD is not delegated by the EPA to enforce this regulation at area sources of HAPs, but since the AQD had never been to the Facility, they were placed on our Fiscal Year 2023 Inspection Targeting List. The purpose of the inspection was to see what the Facility’s operations consisted of and to determine if any of them might require an air permit. Staff arrived at the facility at approximately 1:00 p.m. after having lunch and inspecting another facility nearby.

Prior to trying to access the building, staff observed the roof line to see if any visible emissions could be observed coming from any stacks or vents and none were noted. Staff then proceeded to a stairway that led up to an employee entrance door. The door was locked and staff could not locate any type of intercom to try and contact someone. Staff then noticed an employee in an office just off to side after you enter into the hallway and staff was able to get their attention. The employee came to the door and staff introduced them self and stated the purpose of the visit. She let staff in a directed staff to another employee. Staff introduced them self to this employee and that employee mentioned that staff would probably need to meet with Steve Reed and/or Mark Weaver. He said they are both with the companies EH&S and that they should be able to assist staff. Staff mentioned that they recognized Steve’s name from the e-mails related to the Subpart XXXXXX submittals. The employee then led staff to where their office was located.

Once in Steve and Mark’s office, staff introduced them self and stated the purpose of the visit. Since staff nor anyone from the AQD had never been to the facility before and since the facility didn’t have any permits issued with AQD, staff started out by asking some general questions about facility operations. The following is a summary of staff’s discussions with Steve and Mark.

According to Steve and/or Mark, the Modineer Plant 10 has been in that location for approximately two years. At first the building was just being used as warehouse space but in the past year or so it had started to be used for production. They said that the purpose of Plant 10 was actually to consolidate what had previously been Plants 2, 3, 4, and 5 at other locations. Staff then asked what kind of work schedule they had and how many people they employed. They said that currently they have approximately 125 employees and basically work two shifts. Shifts typically overlap

in start times and end times but 1<sup>st</sup> shift is typically 4:00 a.m. until 2:00 p.m. and 2<sup>nd</sup> shift is from 2:00 p.m. until 12:00 midnight. They said that any 3<sup>rd</sup> shift work consists of mainly maintenance personnel with no production being done. Staff then asked about current operations at the facility and how business has been. The following is a summary of that discussion.

According to Steve and/or Mark, business seems to be going pretty well with all the Modineer Plants being close to or at work capacity. The facilities main operations are metal fabrication but they also will assemble parts for customers if they require it. Some of the products they fabricate are Humvee Doors and other Military Parts for Oshkosh and AM General, Brake Air Tanks for Semis, small vehicle parts for Ford Motor Company, etc. The equipment at the facility mainly consists of laser cutters, CNC lathes, welders (mainly MIG but one TIG), a Pre-Heat Oven, Metal Cutting Saws, and a stamping press. Steve also mentioned that they also have a powder coating system where they can coat parts if required. Staff then asked if they had a burn-off oven or do any heat treating at the facility. Staff was told they don't do any heat treating, outside of pre-heating metals part if needed in a Quincy Bake Oven, but they do have a burn-off oven for the part hooks from the powder coat system. Staff mentioned that would be an issue since burn-off ovens require a permit. Steve then mentioned he thought they were exempt since it is used in conjunction with the powder coat system. Steve then pulled up the exemption from the AQD website on his computer. Staff then stated that the ovens referenced in the AQD exemption (Rule 336.1287(2)(d)) for powder coating systems are for curing ovens, not for burn-off ovens. Burn-Off ovens are considered stand-alone units and are not typically part of a "coating system" and can be used for other operations if needed. Steve then agreed and said that made sense. Staff also told him that the AQD has a General Air Permit for Burn-Off Ovens and showed him where the application was located. Staff then asked if any liquid painting is done which they replied that they didn't currently. Steve then said that they do have an E-Coat line that is being stored there but it hasn't been installed and he's not sure it will be or not at that location. Staff mentioned that if it's going to be installed there, they will need to see if it would require a permit or not prior to its actual installation. Staff then went on a tour of the facility with Steve.

Once out in the facility, staff observed the E-Coat system that Steve had mentioned and it wasn't currently installed. From the size of the components of the system, staff mentioned it would more than likely need an air permit if they were to install it here or at another location in Michigan. Staff then checked out the powder coating system and then the burn-off oven that was located adjacent to it. The burn-off oven is equipped with an afterburner but staff did not observe a chart recorder or anything that might be used to monitor operating temperatures. As mentioned earlier, the burn-off oven needs to have an air permit for it. Staff then observed the main welding area. In this area, the majority of the welding operations were enclosed and were being exhausted out the building. There were a several other welding operations that exhausted inside. In total, the facility has 35 welding processes/operations with 34 being MIG and one being TIG. Staff also observed a small Quincy oven which is used to pre-heat parts if needed. The metal parts put in it for pre-heating do not contain any oils or volatiles. The facility also has three metal cut off saws and associated deburring system. These saws and the deburring system all vent to a dust collector that is vented inside the plant. They also have seven CNC lathes and one Stamping Press. The rest of the plant consisted of

warehousing and shipping and receiving. Staff then proceeded with Steve back to his office. Once there staff mentioned that the burn-off oven would require a permit and that staff still needed to review a couple of things and would get back to him if necessary. Staff thanked Steve and Mark for their time and departed the facility at approximately 2:20 p.m.

On the way back to the office, staff was thinking about the facilities operations and was concerned about the number of welding operations they had at the facility. Staff forgot to ask during the inspection if they had ever done any Potential to Emit (PTE) calculations for the facility, especially as it relates to the numerous welding operations, so staff followed up with Steve about it the next day. After numerous e-mail exchanges, Steve provided staff with the PTE information they were requesting (See Attached E-Mail Correspondence). After reviewing the information from the spreadsheet along with what staff observed during the on-site inspection, the following is a summary of the facilities equipment and their compliance status with air quality permitting requirements.

Summary of the equipment observed and AQD Staff's comments regarding them:

**Two Laser Torch Cutters:** Appears to meet an AQD Permit Exemption (Rule 336.1285(2)(l)(vi))

**One Powder Booth Coating System:** Appears to meet an AQD Permit Exemption (Rule 336.1287(2)(d))

**One Burn-Off Oven:** This oven does not meet any AQD Permit Exemption and thus requires a permit under Rule 336.1201

**Thirty-Five Welding Booths:** Although the AQD does have a permit exemption (Rule 336.1285(2)(i)) for welding operations, due to the number of them installed at the facility the PTE for all of them combined puts them over the AQD's Significance Level Definition for PM10 emissions, which would've required them to obtain a permit.

**One Quincy Bake Oven:** As noted above, this is a small oven that is only used to pre-heat metal parts if needed and the parts do not contain any oils, volatiles, etc. Due to what it's being used for, this oven appears to meet the requirements of an AQD Exemption (Rule 336.1282(2)(a)(i))

**Three Metal Cut-Off Saws:** Appears to meet an AQD Permit Exemption (Rule 336.1285(2)(l)(vi))

**Seven CNC Lathes:** Appears to meet an AQD Permit Exemption (Rule 336.1285(2)(l)(vi))

**One Metal Stamping Press:** Appears to meet an AQD Permit Exemption (Rule 336.1285(2)(l)(i))

**INSPECTION CONCLUSION:** The facility Appears to be in Non-Compliance with AQD Regulations at the present time. Specifically, the facility has installed and has been operating a burn-off oven without a Permit to Install (PTI) required by Rule 336.1201.

Also, as was noted above, the AQD has a permit exemption (Rule 336.1285(2)(i)) for welding operations, but due to the number of them installed at the facility, the PTE of PM10 for all of them combined puts them over the AQD's Significance Level Definition allowed under Rule 336.1278(1)(a). This would've required them to obtain a permit prior to their installation and operation. Staff will send a Violation Notice (VN) for these Rule 336.1201 issues.

NAME Matt DeskinsDATE 12-7-22SUPERVISOR *RA* 12/7/22