



GRETCHEN WHITMER
GOVERNOR

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



LIESL EICHLER CLARK
DIRECTOR

July 21, 2021

VIA E-MAIL

Mr. Erik Leto
Chief Operating Officer
Quala
500 North Westshore Boulevard, Suite 435
Tampa, Florida 33609

SRN: N7164, Macomb County

Dear Mr. Leto:

VIOLATION NOTICE

On June 10, 2021, the Department of Environment, Great Lakes, and Energy (EGLE), Air Quality Division (AQD), conducted an inspection of Quala located at 50321 Russell Schmidt Drive, Chesterfield, Michigan. The purpose of this inspection was to determine Quala's 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
Exterior tote cleaning	EUEXTERNAL SC III.1	Solvent-laden rags were stored in open containers in the exterior tote cleaning area.
Semi-continuous tote cleaning process	FGPROCESSLINE SC I.1	Records provided indicate volatile organic compounds (VOC) emissions from the process line exceeded 42.62 tons/year during the 12-month rolling time periods ending September 2020 through May 2021.
Semi-continuous tote cleaning process waste handling	FGPROCESSLINE SC III.2	An open containment pit filled with a yellow and purple liquid and solids was observed. The pit contained waste butyl cellosolve, water, and paint solids and was cleaned out about every two to three weeks.

Semi-continuous tote cleaning process material handling	FGPROCESSLINE SC III.3, SC VI.8, and SC VI.9	The heel waste collection system did not have a level sensor on the heel waste trough nor a control valve on the heel waste storage tank. The facility was not keeping written records of process line and heel waste collection system inspections.
All process equipment including equipment covered by other permits, grand-fathered equipment, and exempt equipment	FGFACILITY SC I.3.	Records provided indicate VOC emissions from all processes at the facility exceeded 80 tons/year for the 12-month rolling time periods ending March 2021, April 2021, and May 2021. Based on the records, 102.43 tons/year of VOC were emitted during the 12-month rolling time period ending and May 2021.

The conditions of PTI number 79-03C (EUEXTERIOR SC III.1 and FGPROCESSLINE SC III.2) require Quala to capture all waste materials and shall store them in closed containers.

The conditions of PTI number 79-03C (FGPROCESSLINE SC I.1 and FGFACILITY SC I.3) limit the emissions of volatile organic compounds to 42.62 tons per year from the semi-continuous tote cleaning process (FGPROCESSLINE) and 80 tons per year from all equipment at the facility combined (FGFACILITY).

The conditions of PTI number 79-03C (FGPROCESSLINE SC III.3) require Quala to handle all VOC and / or HAP containing materials in a manner to minimize the generation of fugitive emissions.

The conditions of PTI number 79-03C (FGPROCESSLINE SC VI.8 and SC VI.9) require records of daily inspections of the heel waste collection system and the container cleaner process.

Be advised, R 336.1211(a)(ii) of the Michigan Administrative Code (MAC) requires sources directly emitting 100 tons per year or more of VOC obtain a Renewable Operating Permit (ROP). R 336.1210 prohibits the operation of a source required to have an ROP except in compliance with all applicable terms and conditions of an ROP, unless a timely and administratively complete ROP application has been received. Per R 336.1210(4), for a stationary source that is or becomes a major source, as defined by R 336.1211(1)(a)(i) to

Mr. Erik Leto
Quala
July 21, 2021
Page 3

(iii), an administratively complete application shall be considered timely if it is received by the department not more than 12 months after the stationary source commences operation as a major source or otherwise becomes subject to the requirements to obtain a renewable operating permit as a major source.

Please initiate actions necessary to correct the cited violations and submit a written response to this Violation Notice by August 11, 2021 (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 Ms. Jenine Camilleri, Enforcement Unit Supervisor at EGLE, AQD, P.O. Box 30260, Lansing, Michigan 48909-7760.

If 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 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: Ms. Mary Ann Dolehanty, EGLE
Dr. Eduardo Olaguer, EGLE
Ms. Jenine Camilleri, EGLE
Mr. Christopher Ethridge, EGLE
Ms. Joyce Zhu, EGLE
Mr. Chuck Boyd, Quala
Ms. Courtney Durham, Quala