

BEFORE THE

OHIO E.P.A.

OHIO ENVIRONMENTAL PROTECTION AGENCY

APR 12 2001

ENTERED DIRECTOR'S JOURNAL

In the Matter of:

Alpha Coatings Inc.  
228 Buckeye Boulevard  
Port Clinton, Ohio 43452

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Director's Final  
Findings and Orders

PREAMBLE

It is hereby agreed that:

I. JURISDICTION

These Director's Final Findings and Orders are issued to Alpha Coatings Inc. (Alpha), pursuant to the authority vested in the Director of the Ohio Environmental Protection Agency (Ohio EPA) under sections 3704.03 and 3745.01 of the Ohio Revised Code (RC).

II. PARTIES BOUND

These Orders shall apply to and be binding upon Alpha and its assigns and successors in interest.

III. DEFINITIONS

Unless otherwise stated, all terms used in these Findings and Orders shall have the same meaning as used in Chapter 3704 of the RC and the regulations promulgated thereunder.

IV. FINDINGS OF FACT

The Director of Ohio EPA has determined the following findings of fact:

1. Alpha owns and operates an automotive parts coating facility, located at 228 Buckeye Boulevard in Port Clinton, Ottawa County, Ohio and is identified by Ohio EPA premise number 0362010110. Prior to Alpha's acquisition of the operations at 228 Buckeye Boulevard, Port Clinton, Ohio, BT Industries, Inc., an entity incorporated under the laws of the state of Ohio, owned and operated the automotive parts coating facility from its inception in October 1986. Alpha assumed ownership of BT Industries, Inc. on October 7, 1998 through a merger of BT Industries, Inc.'s corporate existence into Alpha's corporate structure. At all times prior to that, BT Industries, Inc. and Alpha were separate entities with separate identities, located in separate cities within the state of Ohio.

2. At the facility, Alpha operates 12 paint spray booths. The Amana Line (emissions unit K007)

and the Chain on Edge Line (emissions units K010 and K011) are automated coating lines. Emissions unit K004 can use either a manual spray gun or dip pots, and the remaining booths (emissions units K001, K002, K003, K005, K006, K008, K009, and K012) use manual spray guns. Table One lists the emissions units along with a description and the date of installation for each. Emissions units K001 through K012 are "air contaminant sources" as defined by Ohio Administrative Code (OAC) rule 3745-35-01(B).

Also, emissions units K001 through K012 emit "volatile organic compounds" (VOC), as defined by OAC rule 3745-21-01(B)(6), and are subject to the VOC emission control requirements of OAC rule 3745-21-09(U).

Table One

<u>Emissions unit #</u>	<u>Source Description</u>	<u>Installation Date</u>
K001	Paint Spray Booth - Wheel	September 1987
K002	Manual Paint Spray Booth #1	July 1987
K003	Manual Paint Spray Booth #2	July 1987
K004	Manual Paint Spray Booth and Dip Spin #3	May 1988
K005	Back Room Manual Spray Paint Booth #8	August 1989
K006	Middle Manual Paint Spray Booth #4	May 1988
K007	Amana Line Manual Paint Spray Booth #5	March 1995
K008	Crown Victoria Line Manual Paint Spray Booth #6	March 1995
K009	Back Room Manual Paint Spray Booth #7	July 1990
K010	Chain on Edge Line - Booth #2 ( Topcoat )	April 1990
K011	Chain on Edge Line - Booth #1 ( Primer )	April 1990
K012	Back Room Paint Spray Booth #9	July 1990

3. Emissions units K001 through K012 are permitted under PTI numbers 03-5558, 03-5560, 03-8722, 03-8604 and 03-8605, as shown in Table Two below, and are subject to the requirements of OAC rule 3745-21-09(U)(2)(e). All the emissions units are limited to using no more than 10 gallons per day of coating material, pursuant to OAC rule 3745-21-09(U)(2)(e). PTI numbers

03- 5558, 03-5560, 03-8604, 038605 and 03-8722 also include special terms and conditions that require the maintenance and retention of daily records for each surface coating and cleanup material used in the emissions units.

Table Two

PTI Number	Issuance date	Emissions Units
03-5558	July 31, 1991	K005 Back Room Manual Spray Paint Booth #8 K006 Middle Manual Paint Spray Booth #4
03-5560	July 31, 1991	K009 Back Room Manual Paint Spray Booth #7 K012 Back Room Paint Spray Booth #9
03-8604	June 14, 1995	K010 Chain on Edge Line - Booth #2 ( Topcoat ) K011 Chain on Edge Line - Booth #1 ( Primer )
03-8605	June 14, 1995	K001 Paint Spray Booth - Wheel K002 Manual Paint Spray Booth #1 K003 Manual Paint Spray Booth #2 K004 Manual Paint Spray Booth and Dip Spin #3
03-8722	May 10, 1995	K007 Amana Line Manual Paint Spray Booth #5 K008 Crown Victoria Line Manual Paint Spray Booth #6

4. On January 19, 1999, Ohio EPA Northwest District Office staff observed emissions units K009 and K005 coating plastic, nylon, and fiberglass parts, in violation of Alpha's permit terms and conditions and RC Section 3704.05. At that time, all of the booths at the facility were permitted to coat only metal parts. Emissions unit K009 was in violation from August 7, 1998 to January 27, 1999; K005 was in violation from January 19, 1999 until March 3, 1999. Alpha subsequently submitted a PTI application requesting flexibility to coat both metal and non-metal substrates, and to increase usage for each booth to more than ten gallons of coatings per day per booth.

5. PTI application number 03-13187 was received by Ohio EPA's Northwest District Office (NWDO) on March 19, 1999. However, because Alpha does not use compliant coatings, a cost-effectiveness study (CES) was required by OAC rule 3745-21-09(U)(2)(f)(ii). This CES was received by NWDO on January 21, 2000, and the PTI review is ongoing. NWDO has determined that additional controls will not be required because additional controls will not be cost effective.

6. Alpha has a potential to emit more than 100 tons per year of VOC and is classified as a major facility that is subject to the requirements of OAC Chapters 3745-77 (Title V permits) and 3745-78

(Title V emission fees). BT Industries had failed to account for potential emissions from the Black Machine facility located on the parcel of land as BT Industries when calculating their potential to emit to determine the applicability of Title V for the facility. On February 10, 1997, BT Industries was notified that Black Machine should have been included in the Title V applicability calculations, and on March 6, 1997, BT Industries was informed that the combined emissions from both facilities exceeded the Title V thresholds.

7. Alpha submitted a Title V permit application to the Ohio EPA on November 10, 1998. Further review of correspondence from Alpha indicates that the facility became subject to Title V permit requirements on December 31, 1995 and was required to submit a Title V permit application by December 31, 1996. Also, by April 15 of each year, beginning April 15, 1996, Alpha was required to electronically submit to Ohio EPA a fee emission report (FER) for the previous year's emissions (see Table Three). Alpha's failures to file a timely Title V permit application and the FERs are violations of OAC rules 3745-77-04 and 3745-78-02, respectively, and violations of ORC 3704.05. Since Alpha failed to submit a timely and complete Title V permit application, they failed to qualify for the application shield and, therefore, have no authorization to operate any of the air contaminant sources at this facility.

Table Three. FER Due Dates

<u>Emissions Year</u>	<u>FER Due Date</u>
1995	4/15/96
1996	4/15/97
1997	4/15/98

8. The Director has given consideration to, and based his determination on, evidence relating to the technical feasibility and economic reasonableness of complying with the following Orders and their benefits to the people of the State to be derived from such compliance.

## V. ORDERS

The Director hereby issues the following Orders:

1. Alpha shall operate in compliance with the terms and conditions of the following PTIs : 03-5558, 03-5560, 03-8604, 03-8605 and 03-8722.
2. Alpha is prohibited from coating non-metal substrates in any coatings booths operating under PTIs issued for the coating of metal substrates only, until the permits are modified to allow the coating of non-metal substrates.

Pursuant to R.C. 3704.06, Alpha Coatings is assessed a civil penalty in the amount of forty five thousand dollars (\$45,000) in settlement of Ohio EPA's claim for civil penalties. Alpha Coatings shall pay to Ohio EPA the amount of thirty six thousand dollars (\$ 36,000) of the total penalty amount pursuant to the following payment schedule. (1) The sum of eighteen thousand dollars ( \$18,000 ) shall be paid to Ohio EPA within 30 days of the effective date of these orders. (2) The sum of thirteen thousand five hundred dollars ( \$13,500 ) shall be paid to Ohio EPA within 90 days of the effective date of these orders. (3) The sum of four thousand five hundred dollars ( \$ 4,500 ) shall be paid to Ohio EPA within 120 days of the effective date of these orders. Payment shall be made by certified check made payable to "Treasurer, State of Ohio" and sent to Vicki Galilei, Fiscal Specialist, or her successor, at the following address:

Vicki Galilei  
Fiscal Administration  
Ohio Environmental Protection Agency  
P.O. Box 1049  
Columbus, OH 43216-1049

A copy of the check shall be sent to Jim Orlemann at the following address:

Division of Air Pollution Control  
Ohio Environmental Protection Agency  
P.O. Box 1049  
Columbus, OH 43216-1049

Any default or failure to make any payment according to these orders shall result in the acceleration of payment of any and all balances due. Payment of all such balances due shall be made to Ohio EPA within ten (10) days of any default.

The remaining nine thousand dollars ( \$ 9,000 ) shall be paid to fund a supplemental environmentally beneficial project. Specifically, within one hundred twenty (120) days after the effective date of these Orders, Alpha shall deliver a certified check in this amount and made payable to the Ohio Department of Natural Resources, Division of Forestry, State Forest Fund for the purpose of funding urban tree-planting projects in Ohio. This check shall specify that such monies are to be deposited into Fund No. 509. The check shall be sent to John Dorka, Deputy Chief, or his successor, at the following address:

Division of Forestry  
Ohio Department of Natural Resources  
1855 Fountain Square Court, H-1  
Columbus, Ohio 43224-1327

## **VI. OTHER APPLICABLE LAWS**

All actions required to be taken pursuant to these Orders shall be undertaken in accordance with the requirements of all applicable local, state and federal laws and regulations. These Orders do not waive or compromise the applicability and enforcement of any other statutes or regulations applicable to Alpha Coatings 's facility.

## **VII. NOTICE**

All documents required by these Orders, unless otherwise specified in writing, shall be submitted to:

Ohio Environmental Protection Agency  
Northwest District Office  
Division of Air Pollution Control  
347 North Dunbridge Rd.  
Bowling Green, OH 43402  
Attn: Jeffrey Skebba

and to:

Ohio Environmental Protection Agency  
Division of Air Pollution Control  
P.O. Box 1049  
Columbus, OH 43216-1049  
Attn: Paul Cree

## **VIII. RESERVATION OF RIGHTS**

Nothing contained herein prevents Ohio EPA from seeking legal or equitable relief to enforce the terms of these Orders or from taking other administrative, legal, or equitable action as deemed appropriate and necessary, including seeking penalties against Alpha for noncompliance with these Orders. Nothing contained herein prevents Ohio EPA from exercising its lawful authority to require Alpha to perform additional activities at the facility pursuant to ORC Chapter 3704 or any other applicable law in the future. Nothing herein restricts the right of Alpha to raise any administrative, legal or equitable claim or defense with respect to such further actions that Ohio EPA may seek to require of Alpha.

## **IX. SIGNATORIES**

Each undersigned representative of a party to these Orders certifies that she or he is fully authorized to enter into these Orders and to legally bind such party to this document.

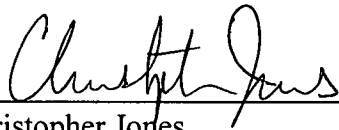
**X. WAIVER**

In order to resolve disputed claims, without admission of fact, violation or liability, Alpha agrees to comply with these Orders. Compliance with these Orders shall be a full accord and satisfaction for Alpha's liability for the specific violations cited herein. Alpha hereby waives the right to appeal the issuance, terms and service of these Orders and it hereby waives any and all rights it might have to seek administrative or judicial review of these Orders either in law or equity.

Notwithstanding the preceding, Ohio EPA and Alpha agree that if these Orders are appealed by any other party to the Environmental Review Appeals Commission, or any court, Alpha retains the right to intervene and participate in such appeal. In such event, Alpha shall continue to comply with these Orders unless said Orders are stayed, vacated, or modified.

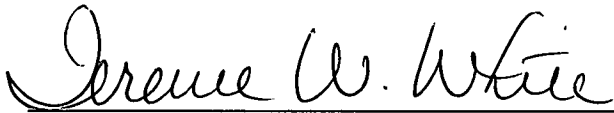
**IT IS ORDERED AND AGREED:**

Ohio Environmental Protection Agency

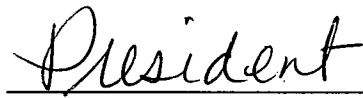
  
\_\_\_\_\_  
Christopher Jones  
Director

4-4-01  
Date

**IT IS AGREED:**

  
\_\_\_\_\_  
Alpha Coatings Inc.

3/28/01  
Date

  
\_\_\_\_\_  
Title