COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

VALLEY REGIONAL OFFICE

Douglas W. Domenech
Secretary of Natural Resources

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STATE AIR POLLUTION CONTROL BOARD
ENFORCEMENT ACTION - ORDER BY CONSENT
ISSUED TO
COATINGS USA LLC
Registration No. 81446

SECTION A: Purpose

This is a Consent Order issued under the authority of Va. Code §§ 10.1-1309 and -1316, between the State Air Pollution Control Board and Coatings USA LLC, for the purpose of resolving certain violations of the Virginia Air Pollution Control Law, the Permit and applicable regulations.

SECTION B: Definitions

Unless the context clearly indicates otherwise, the following words and terms have the meaning assigned to them below:

1. "Board" means the State Air Pollution Control Board, a permanent citizens' board of the Commonwealth of Virginia, as described in Va. Code §§ 10.1-1184 and -1301.

2. "Coatings USA" means Coatings USA LLC, a limited liability corporation. Coatings USA LLC is a "person" within the meaning of Va. Code § 10.1-1300.

3. "Department" or "DEQ" means the Department of Environmental Quality, an agency of the Commonwealth of Virginia, as described in Va. Code § 10.1-1183.

4. "Director" means the Director of the Department of Environmental Quality, as described in Va. Code § 10.1-1185.

5. "Facility" means the miscellaneous parts coating facility owned by Coatings USA LLC, which is located at 116 Success Road in Front Royal, Virginia.

6. "FCE" means a Full Compliance Evaluation by DEQ staff.

7. "Notice of Violation" or "NOV" means a type of Notice of Alleged Violation under Va. Code § 10.1-1309.

8. "Order" means this document, also known as a "Consent Order" or "Order by Consent," a type of Special Order under the Virginia Air Pollution Control Law.

9. "PCE" means Partial Compliance Evaluation by DEQ staff.

10. "Permit" means the stationary source permit to operate, which was issued under the Virginia Air Pollution Control Law and the Regulations to Coatings USA LLC on November 19, 2010.

11. "Regulations" or "Regulations for the Control and Abatement of Air Pollution" mean 9 VAC 5 chapters 10 through 80.

12. "Va. Code" means the Code of Virginia (1950), as amended.

13. "VAC" means the Virginia Administrative Code.

14. "VEE" means a visible emissions evaluation conducted according to EPA Test Method 9.

15. "Virginia Air Pollution Control Law" means Chapter 13 (§ 10.1-1300 *et seq.*) of Title 10.1 of the Va. Code.

SECTION C: Findings of Fact and Conclusions of Law

1. Coatings USA LLC owns and operates a miscellaneous parts coating facility in Warren County, Virginia.

2. The Facility is the subject of a stationary source permit to operate, dated November 19, 2010.

3. On January 30, 2013, Department staff conducted an FCE at Coatings USA in Front Royal, Virginia and observed the following:

    a. There was no filtration system in place in the sandblasting area and records of differential pressure readings were not available.

    b. The Dwyer differential pressure gauges for the two paint spray booths (ref. 2 and 3) and for the powder coating booth (ref. 4) were not functioning and records of

differential pressure readings were not available.

c. Requested records of emissions data, throughput data, monitoring data and training were incomplete and/or missing.

d. A visible emissions evaluation (VEE) has not been conducted on the sandblasting booth as requested by DEQ on January 14, 2013.

e. No record or notification is available showing removal of filter from sandblasting equipment.

f. Sandblasting media in use is LVH Industries, Inc. Signature Blast Media, abrasive crushed glass.

4. Permit condition 5 states that "Emissions from the sandblasting booth (ref. SB1) shall be controlled by a cartridge filter (ref. SB1-F). The cartridge filter (ref. SB1-F) shall be provided with adequate access for inspection and shall be in operation when the sandblasting booth (ref. SB1) is operating."

5. Permit condition 6 states that "The filters for the paint spray booths (ref. 2 and 3) and powder coating booth (ref. 4) shall be equipped with devices to continuously measure the differential pressure drops across the filters. Each monitoring device shall be installed, maintained, calibrated and operated in accordance with approved procedures which shall include, as a minimum, the manufacturer's written requirements or recommendations. Each monitoring device shall be provided with adequate access for inspection and shall be in operation when the filters are operating."

6. Permit condition 7 states that "The cartridge filter (ref. SB1-F) shall be equipped with a device to continuously measure the differential pressure drop across the cartridge filter. The monitoring device shall be installed, maintained, calibrated and operated in accordance with approved procedures which shall include, as a minimum, the manufacturer's written requirements or recommendations. The monitoring device shall be provided with adequate access for inspection and shall be in operation when the cartridge filter (ref. SB1-F) is operating."

7. Permit condition 8 states that "The monitoring devices used to continuously measure the differential pressure drops across the filters for the paint spray booths (ref. 2 and 3) and powder coating booth (ref. 4) shall be observed by the permittee with a frequency of not less than once per week to ensure good performance of the filters. The permittee shall keep a log of the observations."

8. Permit condition 9 states that "The monitoring device used to continuously measure the differential pressure drop across the cartridge filter (ref. SB1-F) shall be observed by the permittee with a frequency of not less than once per week when operating. The permittee shall keep a log of the observations from the monitoring device."

9. Permit condition 12 states that "The approved abrasive media for use in the sandblasting booth (ref. SB1) is JetMag (a synthetic olivine). A change in the abrasive media may require a permit to modify and operate."

10. Permit condition 21 states that "Upon request by the DEQ, the permittee shall conduct Visible Emission Evaluations (VEE) on the sandblasting booth (ref. SB1) to demonstrate compliance with the visible emission limits contained in this permit. The details of the tests shall be arranged with the DEQ."

11. Permit condition 23 states that "The permittee shall maintain records on emission data and operating parameters as necessary to demonstrate compliance with this permit. The content and format of such records shall be arranged with the DEQ. These records shall include, but are not limited to…
These records shall be available for inspection by the DEQ and shall be current for the most recent five years."

12. Permit condition 29 states that "At all times, including periods of start-up, shutdown, and malfunction, the permittee shall…

    d. …The permittee shall maintain records of the training provided including the names of trainees, the date of training and the nature of the training.

    Records of maintenance and training shall be maintained on site for a period of five years and shall be made available to DEQ personnel upon request."

13. Permit condition 30 states that "The permittee shall maintain records of the occurrence and duration of any bypass, malfunction, shutdown or failure of the facility or its associated air pollution control equipment that results in excess emissions for more than one hour. Records shall include the date, time, duration, description (emission unit, pollutant affected, cause), corrective action, preventive measures taken and name of person generating the record."

14. Permit condition 31 states that "The permittee shall furnish notification to the DEQ of malfunctions of the affected facility or related air pollution control equipment that may cause excess emissions for more than one hour, by facsimile transmission, telephone or telegraph. Such notification shall be made as soon as practicable but no later than four daytime business hours after the malfunction is discovered. The permittee shall provide a written statement giving all pertinent facts, including the estimated duration of the breakdown, within two weeks of discovery of the malfunction. When the condition causing the failure or malfunction has been corrected and the equipment is again in operation, the permittee shall notify the DEQ."

15. 9 VAC 5-170-160.A states: "The board may impose conditions upon permits and other approvals which may be necessary to carry out the policy of the Virginia Air Pollution Control Law, and which are consistent with the regulations of the board. Except as otherwise specified, nothing in this chapter shall be understood to limit the power of the

board in this regard. If the owner or other person fails to adhere to the conditions, the board may automatically cancel the permit or approvals. This section shall apply, but not be limited, to approval of variances, approval of control programs, and granting of permits."

16. On March 4, 2013, based on the January 30, 2013 FCE, the Department issued NOV No. AVRO8620 to Coatings USA for the violations described in paragraphs (C)3 through (C)15, above.

17. On April 4, 2013, DEQ staff met with representatives of Coatings USA to discuss the NOV. During the meeting, the facility representative supplied most of the records requested at the time of the inspection. Computer and printer problems were alleged to have prevented records retrieval in a timely manner. The facility representative also reported that the Dwyer differential pressure gauges on the two paint spray booths and the powder coating booth were operational. A Material Safety Data Sheet (MSDS) was provided for the sandblasting media, LVH abrasive crushed glass, which indicates that the material is made of recycled glass. Additional records were requested to be submitted within one week.

18. On April 11, 2013, the records requested in the April 4, 2013 meeting were submitted by Coatings USA.

19. On May 8, 2013 DEQ staff performed a PCE of the records provided on April 4, 2013 and April 11, 2013 and observations from two site visits conducted May 2, 2013 and May 8, 2013. The facility was observed to be in compliance with all of the conditions cited in the March 4, 2013 NOV except for conditions 5, 7, 9, 12, 23 and 29 of the Permit.

20. Based on the results of the January 30, 2013 evaluation and the May 8, 2013 PCE, the Board concludes that Coatings USA has violated Permit conditions 5, 6, 7, 8, 9, 12, 21, 23, 29, 30 and 31 in accordance with 9 VAC 5-80-110 F.2 as described in paragraphs C(3) through C(15), above.

21. In order for Coatings USA to complete its return to compliance, DEQ staff and representatives of Coatings USA have agreed to the Schedule of Compliance, which is incorporated as Appendix A of this Order.

SECTION D: Agreement and Order

Accordingly, by virtue of the authority granted it in Va. Code §§ 10.1-1309 and -1316, the Board orders Coatings USA, and Coatings USA agrees to:

1. Perform the actions described in Appendix A of this Order; and

2. Pay a civil charge of **$4,297.00** in settlement of the violations cited in this Order. The civil charge shall be paid in accordance with the following schedule:

Due Date	Amount
October 1, 2013	$1,074.25 or balance
January 1, 2014	$1,074.25 or balance
April 1, 2014	$1,074.25 or balance
July 1, 2014	$1,074.25

3. If the Department fails to receive a civil charge payment pursuant to the schedule described above, the payment shall be deemed late. If any payment is late by 30 days or more, the entire remaining balance of the civil charge shall become immediately due and owing under this Order, and the Department may demand in writing full payment by Coatings USA. Within 15 days of receipt of such letter, Coatings USA shall pay the remaining balance of the civil charge. Any acceptance by the Department of a late payment or of any payment of less than the remaining balance shall not act as a waiver of the acceleration of the remaining balance under this Order.

4. Payment shall be made by check, certified check, money order or cashier's check payable to the "Treasurer of Virginia," and delivered to:

   Receipts Control
   Department of Environmental Quality
   Post Office Box 1104
   Richmond, Virginia 23218

5. Coatings USA shall include its Federal Employer Identification Number (FEIN) with the civil charge payment and shall indicate that the payment is being made in accordance with the requirements of this Order for deposit into the Virginia Environmental Emergency Response Fund (VEERF).

SECTION E: Administrative Provisions

1. The Board may modify, rewrite, or amend this Order with the consent of Coatings USA for good cause shown by Coatings USA, or on its own motion pursuant to the Administrative Process Act, Va. Code § 2.2-4000 *et seq.*, after notice and opportunity to be heard.

2. This Order addresses and resolves only those violations specifically identified in Section C of this Order. This Order shall not preclude the Board or the Director from taking any action authorized by law, including but not limited to: (1) taking any action authorized by law regarding any additional, subsequent, or subsequently discovered violations; (2) seeking subsequent remediation of the facility; or (3) taking subsequent action to enforce the Order.

3. For purposes of this Order and subsequent actions with respect to this Order only, Coatings USA admits the jurisdictional allegations, findings of fact, and conclusions of law contained herein.

4. Coatings USA consents to venue in the Circuit Court of the City of Richmond, Virginia for any civil action taken to enforce the terms of this Order.

5. Coatings USA declares it has received fair and due process under the Administrative Process Act and the Virginia Air Pollution Control Law and it waives the right to any hearing or other administrative proceeding authorized or required by law or regulation, and to any judicial review of any issue of fact or law contained herein. Nothing herein shall be construed as a waiver of the right to any administrative proceeding for, or to judicial review of, any action taken by the Board to modify, rewrite, amend, or enforce this Order.

6. Failure by Coatings USA to comply with any of the terms of this Order shall constitute a violation of an order of the Board. Nothing herein shall waive the initiation of appropriate enforcement actions or the issuance of additional orders as appropriate by the Board or the Director as a result of such violations. Nothing herein shall affect appropriate enforcement actions by any other federal, state, or local regulatory authority.

7. If any provision of this Order is found to be unenforceable for any reason, the remainder of the Order shall remain in full force and effect.

8. Coatings USA shall be responsible for failure to comply with any of the terms and conditions of this Order unless compliance is made impossible by earthquake, flood, other acts of God, war, strike, or such other occurrence. Coatings USA shall show that such circumstances were beyond its control and not due to a lack of good faith or diligence on its part. Coatings USA shall notify the DEQ Regional Director verbally within 24 hours and in writing within three business days when circumstances are anticipated to occur, are occurring, or have occurred that may delay compliance or cause noncompliance with any requirement of the Order. Such notice shall set forth:

   a. the reasons for the delay or noncompliance;

   b. the projected duration of any such delay or noncompliance;

   c. the measures taken and to be taken to prevent or minimize such delay or noncompliance; and

   d. the timetable by which such measures will be implemented and the date full compliance will be achieved.

   Failure to so notify the Regional Director verbally within 24 hours and in writing within three business days, of learning of any condition above, which Coatings USA intends to assert will result in the impossibility of compliance, shall constitute a waiver of any claim to inability to comply with a requirement of this Order.

9. This Order is binding on the parties hereto, their successors in interest, designees and assigns, jointly and severally.

10. This Order shall become effective upon execution by both the Director or his designee and Coatings USA. Nevertheless, Coatings USA agrees to be bound by any compliance date which precedes the effective date of this Order.

11. This Order shall continue in effect until:

    a. The Director or his designee terminates the Order after Coatings USA has completed all of the requirements of the Order;

    b. Coatings USA petitions the Director or his designee to terminate the Order after it has completed all of the requirements of the Order and the Director or his designee approves the termination of the Order; or

    c. the Director or Board terminates the Order in his or its sole discretion upon 30 days' written notice to Coatings USA.

    Termination of this Order, or any obligation imposed in this Order, shall not operate to relieve Coatings USA from its obligation to comply with any statute, regulation, permit condition, other order, certificate, certification, standard, or requirement otherwise applicable.

12. Any plans, reports, schedules or specifications attached hereto or submitted by Coatings USA and approved by the Department pursuant to this Order are incorporated into this Order. Any non-compliance with such approved documents shall be considered a violation of this Order.

13. The undersigned representative of Coatings USA certifies that he or she is a responsible official authorized to enter into the terms and conditions of this Order and to execute and legally bind Coatings USA to this document. Any documents to be submitted pursuant to this Order shall also be submitted by a responsible official of Coatings USA.

14. This Order constitutes the entire agreement and understanding of the parties concerning settlement of the violations identified in Section C of this Order, and there are no representations, warranties, covenants, terms or conditions agreed upon between the parties other than those expressed in this Order.

15. By its signature below, Coatings USA voluntarily agrees to the issuance of this Order.

And it is so ORDERED this 7th day of August, 2013

Amy T. Owens, Regional Director
Department of Environmental Quality

Coatings USA LLC voluntarily agrees to the issuance of this Order.

Date: 7/31/13 By: _____, Manager

Brigitte Miller
Coatings USA LLC
Manager

Commonwealth of Virginia
City/County of Warren

The foregoing document was signed and acknowledged before me this 31st day of July, 2013, by Brigitte Miller who is manager of Coatings USA, on behalf of Coatings USA.

Jessie Anderson
Notary Public

I was commissioned a notary as Jessie Erskine

7382157
Registration No.

My commission expires: Sep 30, 2015

Notary seal:

JESSIE ERSKINE
Notary Public
Commonwealth of Virginia
7382157
My Commission Expires Sep 30, 2015

APPENDIX A
SCHEDULE OF COMPLIANCE

Agreed Actions

Accordingly, Coatings USA agrees to:

1. Cease operation of the sandblasting booth until the required cartridge filter and differential pressure gauge have been installed.

2. Notify DEQ within 14 days of the installation of the cartridge filter and differential pressure gauge on the sandblasting booth.

3. Within 30 days of the start-up of the sandblasting booth, Coatings USA shall conduct a VEE according to EPA Method 9 on the sandblasting operation.

4. Within 45 days of the execution of this Order, Coatings USA shall submit to DEQ the information needed to complete the Air Permit Application (Form 7), to reflect the operational processes and associated equipment at the Facility. The Form 7 shall include language detailing operating parameters, production scenarios, Material Safety Data Sheets (MSDSs) and any other information related to air emissions at the Facility.

5. Within 30 days of the end of each calendar month, Coatings USA shall submit monthly reports to DEQ. Reports shall be submitted for twelve months, beginning with the month that the Order becomes effective. These reports shall include the following:

    a. Monthly VOC throughput (in tons) and VOC emissions (in tons) of each material (i.e. coating, reducers, additives, cleaning solvents, etc.) used in the paint spray booths (ref. 2 and 3) and screen printing/parts marking area (ref. 5).

    b. Monthly and annual total combined VOC throughput (in tons) and VOC emissions (in tons) for the paint spray booths (ref. 2 and 3) and screen printing/parts marking area (ref. 5). Annual throughputs and emissions shall be calculated monthly as the sum of each consecutive 12-month period.

    c. The number of hours of operation of the facility, calculated on a monthly basis.

    d. Average hourly total combined emissions (in pounds) of each HAP from the paint spray booths (ref. 2 and 3) and screen printing/parts marking area (ref. 5). Hourly emissions shall be calculated monthly as an hourly average for each HAP (i.e. combined total of a HAP emitted (in pounds) for the month divided by the number of hours of operation of the facility for the month).

    e. Monthly and annual total combined emissions (in tons) of each HAP from the paint spray booths (ref. 2 and 3) and screen printing/parts marking area (ref. 5). Annual emissions

shall be calculated monthly as the sum of each consecutive 12-month period.

f. Records of all data and calculations used to determine monthly VOC emissions from surface coating of plastic parts for business machines for each coating operation [(i.e., for each type of coating (prime, color, texture, and touch-up) used] for each spray booth (ref. 2 and 3), as required in Permit Conditions 19 & 22.

g. A log of the weekly monitoring device observations of the differential pressure drops across the filters for the paint spray booths (ref. 2 and 3) and powder coating booth (ref. 4), as required in Permit Condition 8.

h. Monthly and annual throughput of abrasive media to the sandblasting booth (ref. No. SB1), in tons, calculated monthly as the sum of each consecutive 12-month period.

i. Operation and control device monitoring records for the cartridge filter (ref. SB1-F) as required in Permit Condition 9. This requires records of actual monitoring device observations, including name of the observer, date, and pressure reading.

j. Maintenance logs and operator training, as required by Permit Condition 29.

k. Results of all visible emissions evaluations.

Certification of Documents and Reports

In accordance with 9 VAC 5-20-230(A), in all documents or reports, including, without limitation, the monthly reports, submitted to DEQ pursuant to this Consent Order, Coatings USA, shall by its officers, sign and certify under penalty of law that the information contained in such document or report is true, accurate, and not misleading by signing the following statement:

> "I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering and evaluating the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

DEQ Contact

Unless otherwise specified in this Order, Coatings USA shall submit all requirements of Appendix A of this Order to:

Karen Hensley
Enforcement Specialist Sr.
VA DEQ –Valley Regional Office

4411 Early Road
P.O. Box 3000
(540) 574-7821 - phone
(540) 574-7878 - fax
karen.hensley@deq.virginia.gov