INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
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Governor

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Commissioner

100 North Senate Avenue
P. O. Box 6015
Indianapolis, Indiana 46206-6015
(317) 232-8603
(800) 451-6027
www.IN.gov/idem

July 2, 2003

TO: Interested Parties / Applicant

RE: Milso Industries, Inc. **SSM 177-16906-00061**

FROM: Paul Dubenetzky
Chief, Permits Branch
Office of Air Quality

Notice of Decision: Approval - Effective Immediately

Please be advised that on behalf of the Commissioner of the Department of Environmental Management, I have issued a decision regarding the enclosed matter. Pursuant to IC 13-15-5-3, this permit is effective immediately, unless a petition for stay of effectiveness is filed and granted according to IC 13-15-6-3, and may be revoked or modified in accordance with the provisions of IC 13-15-7-1.

If you wish to challenge this decision, IC 4-21.5-3 and IC 13-15-6-1 require that you file a petition for administrative review. This petition may include a request for stay of effectiveness and must be submitted to the Office of Environmental Adjudication, ISTA Building, 150 W. Market Street, Suite 618, Indianapolis, IN 46204, **within (18) eighteen days of the mailing of this notice**. The filing of a petition for administrative review is complete on the earliest of the following dates that apply to the filing:

(1) the date the document is delivered to the Office of Environmental Adjudication (OEA);
(2) the date of the postmark on the envelope containing the document, if the document is mailed to OEA by U.S. mail; or
(3) the date on which the document is deposited with a private carrier, as shown by receipt issued by the carrier, if the document is sent to the OEA by private carrier.

The petition must include facts demonstrating that you are either the applicant, a person aggrieved or adversely affected by the decision or otherwise entitled to review by law. Please identify the permit, decision, or other order for which you seek review by permit number, name of the applicant, location, date of this notice and all of the following:

(1) the name and address of the person making the request;
(2) the interest of the person making the request;
(3) identification of any persons represented by the person making the request;
(4) the reasons, with particularity, for the request;
(5) the issues, with particularity, proposed for consideration at any hearing; and
(6) identification of the terms and conditions which, in the judgment of the person making the request, would be appropriate in the case in question to satisfy the requirements of the law governing documents of the type issued by the Commissioner.

If you have technical questions regarding the enclosed documents, please contact the Office of Air Quality, Permits Branch at (317) 233-0178. Callers from within Indiana may call toll-free at 1-800-451-6027, ext. 3-0178.

Enclosure

FNPER.wpd 8/21/02

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July 2, 2003

Mr. Harry Pontone
Milso Industries
401 Industry Parkway
Richmond, Indiana 47374

Re: **177-16906-00061**
Significant Source Modification to:
Part 70 Operating Permit No.: **T 177-8217-00061**

Dear Mr. Pontone:

Milso Industries was issued Part 70 Operating Permit **T 177-8217-00061** on December 16, 1998 for a burial casket manufacturing source. An application to modify the source was received on March 10, 2003. Pursuant to 326 IAC 2-7-10.5 the following emission units are approved for construction at the source:

(a) One (1) prime spray booth, known as EU-30, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 31, capacity: 18.75 metal burial caskets per hour.

(b) One (1) brush spray booth, known as EU-31, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 33, capacity: 18.75 metal burial caskets per hour.

(c) One (1) color spray booth, known as EU-32, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stacks 35 and 36, capacity: 18.75 metal burial caskets per hour.

(d) One (1) topcoat spray booth, known as EU-33, equipped with electrostatic spray applicators or equivalent and dry filters for over spray control, exhausting through Stacks 38 and 39, capacity: 18.75 metal burial caskets per hour.

(e) One (1) touch-up spray booth, known as EU-34, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 41, capacity: 3.0 metal burial caskets per hour.

(f) One (1) final assembly adhesive area, known as EU-35, capacity: 18.75 metal burial caskets per hour.

(g) One (1) cleaning operation, known as EU-36, capacity: 18.75 metal burial caskets per hour.

(h) One (1) paint storage room, known as EU-54, exhausting through Stack 42, emissions associated with EU-30, 31, 32, 33 and 35.

The following construction conditions are applicable to the proposed project:

General Construction Conditions

1. The data and information supplied with the application shall be considered part of this source modification approval. Prior to any proposed change in construction which may affect the potential to emit (PTE) of the proposed project, the change must be approved by the Office of Air Quality (OAQ).

2. This approval to construct does not relieve the permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.

3. Effective Date of the Permit
Pursuant to IC 13-15-5-3, this approval becomes effective upon its issuance.

4. Pursuant to 326 IAC 2-1.1-9 and 326 IAC 2-7-10.5(i), the Commissioner may revoke this approval if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

5. All requirements and conditions of this construction approval shall remain in effect unless modified in a manner consistent with procedures established pursuant to 326 IAC 2.

6. Pursuant to 326 IAC 2-7-10.5(l) the emission units constructed under this approval shall not be placed into operation prior to revision of the source's Part 70 Operating Permit to incorporate the required operation conditions.

This significant source modification authorizes construction of the new emission units. Operating conditions shall be incorporated into the Part 70 Operating Permit as a significant permit modification in accordance with 326 IAC 2-7-10.5(l)(2) and 326 IAC 2-7-12. Operation is not approved until the significant permit modification has been issued.

This decision is subject to the Indiana Administrative Orders and Procedures Act - IC 4-21.5-3-5. If you have any questions on this matter contact Edward A. Longenberger, c/o OAQ, 100 North Senate Avenue, P.O. Box 6015, Indianapolis, Indiana, 46206-6015, at 631-691-3395, ext. 20 or in Indiana at 1-800-451-6027 (ext 631-691-3395).

Sincerely,

Original signed by Paul Dubenetzky
Paul Dubenetzky, Chief
Permits Branch
Office of Air Quality

Attachments
EAL/MES
cc: File - Wayne County
Wayne County Health Department
Air Compliance Section Inspector - D. J. Knotts
Compliance Branch - Karen Nowak
Administrative and Development - Lisa Lawrence
Technical Support and Modeling - Michele Boner

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PART 70 OPERATING PERMIT
OFFICE OF AIR QUALITY

Milso Industries
401 Industrial Parkway
Richmond, Indiana 47374

(herein known as the Permittee) is hereby authorized to operate subject to the conditions contained herein, the source described in Section A (Source Summary) of this permit.

This permit is issued in accordance with 326 IAC 2 and 40 CFR Part 70 Appendix A and contains the conditions and provisions specified in 326 IAC 2-7 and 326 IAC 2-1-3.2 as required by 42 U.S.C. 7401, et. seq. (Clean Air Act as amended by the 1990 Clean Air Act Amendments), 40 CFR Part 70.6, IC 13-15 and IC 13-17.

First Significant Source Modification No.: 177-16906-00061	Sections Affected: A.2, C.22, D.1, D.2, Quarterly Report Form
Issued by:Original signed by Paul Dubenetzky Paul Dubenetzky, Branch Chief Office of Air Quality	Issuance Date: July 2, 2003

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SECTION A SOURCE SUMMARY

This permit is based on information requested by the Indiana Department of Environmental Management (IDEM), Office of Air Quality (OAQ). The information describing the source contained in conditions A.1 through A.3 is descriptive information and does not constitute enforceable conditions. However, the Permittee should be aware that a physical change or a change in the method of operation that may render this descriptive information obsolete or inaccurate may trigger requirements for the Permittee to obtain additional permits or seek modification of this permit pursuant to 326 IAC 2, or change other applicable requirements presented in the permit application.

A.1 General Information [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

The Permittee owns and operates a stationary metal burial casket manufacturing source.

Responsible Official:	Harry Pontone
Source Address:	401 Industrial Parkway, Richmond, Indiana 47374
Mailing Address:	401 Industrial Parkway, Richmond, Indiana 47374
SIC Code:	3995
County Location:	Wayne
County Status:	Attainment for all criteria pollutants
Source Status:	Part 70 Permit Program Minor Source, under PSD Rules; Major Source, Section 112 of the Clean Air Act

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

This stationary source consists of the following emission units and pollution control devices:

(a) One (1) prime spray booth, known as EU-6, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, constructed in March 1996, exhausting through Stacks 5 and 6, capacity: 18 metal burial caskets per hour.

(b) One (1) brush spray booth, known as EU-12, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, constructed in March 1996, exhausting through Stack 10, capacity: 18 metal burial caskets per hour.

(c) One (1) color spray booth, known as EU-16, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, constructed in March 1996, exhausting through Stacks 13 and 14, capacity: 18 metal burial caskets per hour.

(d) One (1) topcoat spray booth, known as EU-21, equipped with electrostatic spray applicators or equivalent and dry filters for over spray control, constructed in March 1996, exhausting through Stacks 18 and 19, capacity: 18 metal burial caskets per hour.

(e) One (1) touchup spray booth, known as EU-27A, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, constructed in March 1997, exhausting through Stack 22, capacity: 3 metal burial caskets per hour.

(f) One (1) power wash/dry operation, known as EU-3, equipped with a spray wand applicator or hand application, capacity: 18 metal burial caskets per hour.

(g) One (1) final assembly area, known as EU-26, capacity: 18 metal burial caskets per hour.

(h) One (1) maintenance cleanup of carts, known as EU-maintenance, capacity: 1 cart per hour.

(i) One (1) interior application spray booth, known as EU-29, used to supplement EU-6, EU-12, EU-16 or EU-21 as necessary to maintain capacity of 18 metal burial caskets per hour.

(j) One (1) prime spray booth, known as EU-30, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 31, capacity: 18.75 metal burial caskets per hour.

(k) One (1) brush spray booth, known as EU-31, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 33, capacity: 18.75 metal burial caskets per hour.

(l) One (1) color spray booth, known as EU-32, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stacks 35 and 36, capacity: 18.75 metal burial caskets per hour.

(m) One (1) topcoat spray booth, known as EU-33, equipped with electrostatic spray applicators or equivalent and dry filters for overspray control, exhausting through Stacks 38 and 39, capacity: 18.75 metal burial caskets per hour.

(n) One (1) touch-up spray booth, known as EU-34, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 41, capacity: 3.0 metal burial caskets per hour.

(o) One (1) final assembly area, known as EU-35, capacity: 18.75 metal burial caskets per hour.

(p) One (1) cleaning operation, known as EU-36, capacity: 18.75 metal burial caskets per hour.

(q) One (1) material storage room, known as EU-54, exhausting through Stack 42, emissions associated with EU-30, 31, 32, 33 and 35.

A.3 Specifically Regulated Insignificant Activities [326 IAC 2-7-1(21)] [326 IAC 2-7-4(c)] [326 IAC 2-7-5(15)]

This stationary source also includes the following insignificant activities which are specifically regulated, as defined in 326 IAC 2-7-1(21):

(a) The following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment, cutting torches, soldering equipment, welding equipment.

(b) MIG welding stations (5) utilizing electrodes with 1 percent or less manganese - actual HAP emissions from these stations combined is 0.3 pounds per 8 hour shift.

(c) TIG welding stations (3) utilizing welding wire - actual HAP emissions from these stations combined (combined for all 3 stations and for combination of 4 HAPs) is 0.3 pounds per hour.

(d) Brush process (ID #11 on flow sheet) emits PM in quantities below 5 pounds per hour and 25 pounds per day. (CP 177-5117 limits its emissions to 2.36 pounds per hour.) This process uses belt sanding machines to texture the top of metal burial caskets.

A.4 Part 70 Permit Applicability [326 IAC 2-7-2]

This stationary source is required to have a Part 70 permit by 326 IAC 2-7-2 (Applicability) because:

(a) It is a major source, as defined in 326 IAC 2-7-1(22);

(b) It is a source in a source category designated by the United States Environmental Protection Agency (U.S. EPA) under 40 CFR 70.3 (Part 70 - Applicability).

Parts 1 and 2 MACT Applications Submittal Requirements

C.22 Application Requirements for Section 112(j) of the Clean Air Act [40 CFR 63.52(b) and (e)] [40 CFR 63.56(a)] [40 CFR 63.9(b)] [326 IAC 2-7-12]

(a) The Permittee shall submit a Part 1 Maximum Achievable Control Technology (MACT) Application in accordance with 40 CFR 63.52(b)(2) within thirty (30) days of issuance of the Title V permit modification incorporating the requirements of this source modification into the Permittee's Title V operating permit. The Part 1 MACT Application shall meet the requirements of 40 CFR 63.53(a).

(b) The Permittee shall submit a Part 2 MACT Application in accordance with 40 CFR 63.52 (e)(1). The Part 2 MACT Application shall meet the requirements of 40 CFR 63.53(b).

(c) Notwithstanding paragraph (b), the Permittee is not required to submit a Part 2 MACT Application if the Permittee no longer meets the applicability criteria of 40 CFR 63.50 by the application deadline in 40 CFR 63.52(e)(1). For example, the Permittee would not have to submit a Part 2 MACT Application if, by the application deadline:

(1) The source is no longer a major source of hazardous air pollutants, as defined in 40 CFR 63.2;

(2) The source no longer includes one or more units in an affected source category for which the U.S. EPA failed to promulgate an emission standard by May 15, 2002; or

(3) The MACT standard or standards for the affected source categories included at the source are promulgated.

(d) Notwithstanding paragraph (b), pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The initial notification shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

United States Environmental Protection Agency, Region V
Director, Air and Radiation Division
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

SECTION D.1 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] Emission Units Constructed Prior to 2001

(a) One (1) prime spray booth, known as EU-6, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, constructed in March 1996, exhausting through Stacks 5 and 6, capacity: 18 metal burial caskets per hour.

(b) One (1) brush spray booth, known as EU-12, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, constructed in March 1996, exhausting through Stack 10, capacity: 18 metal burial caskets per hour.

(c) One (1) color spray booth, known as EU-16, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, constructed in March 1996, exhausting through Stacks 13 and 14, capacity: 18 metal burial caskets per hour.

(d) One (1) topcoat spray booth, known as EU-21, equipped with electrostatic spray applicators or equivalent and dry filters for over spray control, constructed in March 1996, exhausting through Stacks 18 and 19, capacity: 18 metal burial caskets per hour.

(e) One (1) touchup spray booth, known as EU-27A, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, constructed in March 1997, exhausting through Stack 22, capacity: 3 metal burial caskets per hour.

(f) One (1) power wash/dry operation, known as EU-3, equipped with a spray wand applicator or hand application, capacity: 18 metal burial caskets per hour.

(g) One (1) final assembly area, known as EU-26, capacity: 18 metal burial caskets per hour.

(h) One (1) maintenance cleanup of carts, known as EU-maintenance, capacity: 1 cart per hour.

(i) One (1) interior application spray booth, known as EU-29, used to supplement EU-6, EU-12, EU-16 or EU-21 as necessary to maintain capacity of 18 metal burial caskets per hour.

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.1.1 PSD Minor Limit [326 IAC 2-2] [40 CFR 52.21]

Pursuant to CP 177-4586 issued on September 27, 1995, the total input VOC to the above emission units, and the emission units in Section D.2 shall be less than 249 tons of VOC including coatings, dilution solvents and cleaning solvents per twelve (12) consecutive month period, with compliance determined at the end of each month. This usage limit is required to limit the potential to emit VOC to less than 250 tons per 12 consecutive month period. Compliance with this limit makes 326 IAC 2-2 (Prevention of Significant Deterioration) and 40 CFR 52.21 not applicable.

D.1.2 Volatile Organic Compounds (VOC) [326 IAC 8-1-6]

Pursuant to 326 IAC 8-1-6 and CP 177-4586 issued on September 27, 1995, the Permittee shall use high volume low pressure (HVLP) spray applicators and a water-based primer with a VOC content of less than or equal to 2.3 pounds per gallon of coating less water. This was deemed to be the Best Available Control Technology, and as such satisfies the requirements of 326 IAC 8-1-6 (New facilities: general reduction requirements). The Permittee shall use high volume low pressure (HVLP) spray applicators or equivalent, or electrostatic spray applicators or equivalent having the same or greater transfer efficiencies.

High Volume Low Pressure (HVLP) Spray Application is the technology used to apply coating to substrate by means of coating application equipment which operates between one-tenth (0.1) and ten (10) pounds per square inch gauge (psig) air pressure measured dynamically at the center of the air cap and at the air horns of the spray system.

SECTION D.2 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] EU-30 through 36 and 54

(j) One (1) prime spray booth, known as EU-30, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 31, capacity: 18.75 metal burial caskets per hour.

(k) One (1) brush spray booth, known as EU-31, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 33, capacity: 18.75 metal burial caskets per hour.

(l) One (1) color spray booth, known as EU-32, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stacks 35 and 36, capacity: 18.75 metal burial caskets per hour.

(m) One (1) topcoat spray booth, known as EU-33, equipped with electrostatic spray applicators or equivalent and dry filters for over spray control, exhausting through Stacks 38 and 39, capacity: 18.75 metal burial caskets per hour.

(n) One (1) touch-up spray booth, known as EU-34, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 41, capacity: 3.0 metal burial caskets per hour.

(o) One (1) final assembly area, known as EU-35, capacity: 18.75 metal burial caskets per hour.

(p) One (1) cleaning operation, known as EU-36, capacity: 18.75 metal burial caskets per hour.

(q) One (1) material storage room, known as EU-54, exhausting through Stack 42, emissions associated with EU-30, 31, 32, 33 and 35.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.2.1 PSD Minor Limit [326 IAC 2-2]

The total input of VOC to the above emission units, and the emission units listed in Section D.1 of this permit, shall be less than 249 tons of VOC including coatings, dilution solvents and cleaning solvents per twelve (12) consecutive month period, with compliance determined at the end of each month. This usage limit is required to limit the potential to emit of VOC to less than 250 tons per year. Compliance with this limit makes 326 IAC 2-2 (Prevention of Significant Deterioration) not applicable.

D.2.2 Volatile Organic Compounds (VOC) [326 IAC 8-1-6]

Pursuant to 326 IAC 8-1-6, Best Available Control Technology (BACT) for the proposed burial casket manufacturing line has been determined to be:

(a) The total VOC delivered to the applicators, including coatings, dilution solvents, and cleaning solvents, shall be limited to less than 160 tons per twelve (12) consecutive month period, with compliance determined at the end of each month;

(b) The method of application at the proposed burial casket manufacturing line shall be performed with high volume-low pressure (HVLP) spray applicators or the equivalent, or electrostatic spray applicators or equivalent having the same or greater transfer efficiencies; and

(c) The following management and work practices shall apply:

(1) Operator training course.

(2) Spray gun cleaning.

(3) The cleanup solvent containers used to transport solvent from drums/ containers to work stations be closed containers having soft gasketed closures.

(4) The application equipment operators shall be instructed and trained on the methods and practices utilized to minimize spillage on the floor and over application.

(5) Storage containers used to store VOC containing materials shall be kept covered when not in use.

(6) Cleanup solvents will be reused in the process as much as possible to reduce hazardous waste and the related impact on the environment.

D.2.3 Hazardous Air Pollutants (HAPs) [326 IAC 2-4.1-1]

Pursuant to 326 IAC 2-4.1-1, the HAPs usage at the prime spray booth (EU-30), the brush spray booth (EU-31), the color spray booth (EU-32), the topcoat spray booth (EU-33), the touch-up spray booth (EU-34), the one (1) final assembly area (EU-35) and the one (1) cleaning operation (EU-36) shall be limited to no more than 1.94 pounds of organic HAP per gallon of coating solids used per twelve (12) consecutive month period, with compliance determined at the end of each month. This limit shall include all coatings, thinners, additives and cleaning materials.

D.2.4 Particulate [40 CFR 52 Subpart P]

Pursuant to 40 CFR 52 Subpart P the particulate from the prime spray booth (EU-30), the brush spray booth (EU-31), the color spray booth (EU-32), the topcoat spray booth (EU-33), and the touch-up spray booth (EU-34) shall each be limited by the following:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour and
P = process weight rate in tons per hour

D.2.5 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities and any control devices.

Compliance Determination Requirements

D.2.6 Volatile Organic Compounds (VOC)

Compliance with the VOC usage limitations contained in Conditions D.2.1 and D.2.2 shall be determined pursuant to 326 IAC 8-1-4(a)(3) and 326 IAC 8-1-2(a) by preparing or obtaining from the manufacturer the copies of the “as supplied” and “as applied” VOC data sheets. IDEM, OAQ, reserves the authority to determine compliance using Method 24 in conjunction with the analytical procedures specified in 326 IAC 8-1-4.

D.2.7 Hazardous Air Pollutants (HAPs) [326 IAC 2-4.1-1]

Compliance with the HAP content limit in Condition D.2.3 shall be determined at the end of each month by using the following equation and based on the most recent twelve (12) consecutive month period:

HAP usage = Weight of organic HAP used from all coatings, thinners, additives and cleanup materials (lbs) / Total volume of coating solids used (gal)

Compliance Monitoring Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

D.2.8 Particulate

In order to comply with Condition D.2.4, the dry filters for particulate control shall be in operation in accordance with manufacturer's specification and control emissions from the prime spray booth (EU-30), the brush spray booth (EU-31), the color spray booth (EU-32), the topcoat spray booth (EU-33), and the touch-up spray booth (EU-34) at all times when the spray booths are in operation.

D.2.9 Monitoring

(a) Daily inspections shall be performed to verify the placement, integrity and particle loading of the filters. To monitor the performance of the dry filters, weekly observations shall be made of the overspray from the surface coating booth Stacks 31, 33, 35, 36, 38, 39 and 41 while one (1) or more of the booths are in operation. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Failure to Take Response Steps, shall be considered a violation of this permit.

(b) Monthly inspections shall be performed of the coating emissions from the stacks and the presence of overspray on the rooftops and the nearby ground. The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when a noticeable change in overspray emission, or evidence of overspray emission is observed. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Failure to Take Response Steps, shall be considered a violation of this permit.

(c) Additional inspections and preventive measures shall be performed as prescribed in the Preventive Maintenance Plan.

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

D.2.10 Record Keeping Requirements

(a) To document compliance with Conditions D.2.1 and D.2.2, the Permittee shall maintain records in accordance with (1) through (4) below. Records maintained for (1) through (4) shall be taken monthly and shall be complete and sufficient to establish compliance with the VOC usage limits and/or the VOC emission limits established in Condition D.2.1 and D.2.2.

(1) The VOC content of each coating material and solvent used.

(2) The amount of coating material and solvent less water used on monthly basis. Records shall include purchase orders, invoices, and material safety data sheets (MSDS) necessary to verify the type and amount used.

(3) The total VOC usage for each month; and

(4) The weight of VOCs emitted for each compliance period.

(b) To document compliance with Condition D.2.3, the Permittee shall maintain records in accordance with (1) through (6) below. Records maintained for (1) through (6) shall be taken as stated below and shall be complete and sufficient to establish compliance with the HAP content limit established in Condition D.2.3.

(1) The HAP content of each coating material (including coatings, additives and thinners) and solvent used.

(2) The solids content of each coating used.

(3) The amount of coating material and solvent used on a monthly basis. Records shall include purchase orders, invoices, and material safety data sheets (MSDS) necessary to verify the type and amount used.

(4) The total amount of HAPs used each month.

(5) The total coating solids usage each month.

(6) The HAP usage in pounds of HAPs per gallon of coating solids for each compliance period.

(c) To document compliance with Conditions D.2.8 and D.2.9, the Permittee shall maintain a log of weekly overspray observations, daily and monthly inspections, and those additional inspections prescribed by the Preventive Maintenance Plan.

(d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.2.11 Reporting Requirements

A quarterly summary of the information to document compliance with Conditions D.2.1 and D.2.2 shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the “responsible official” as defined by 326 IAC 2-7-1(34).

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

Part 70 Quarterly Report

Source Name: Milso Industries
Source Address: 401 Industrial Parkway, Richmond, Indiana 47374
Mailing Address: 401 Industrial Parkway, Richmond, Indiana 47374
Part 70 Permit No.: T 177-8217-00061
Facilities: Burial casket manufacturing line (EU-30 through 36)
Parameter: Total VOC delivered to the applicators, including coatings, dilution solvents, and cleaning solvents
Limit: Less than 160 tons per twelve (12) consecutive month period, with compliance determined at the end of each month

YEAR: _____

Month	VOC Usage (tons)	VOC Usage (tons)	VOC Usage (tons)
	This Month	Previous 11 Months	12 Month Total

9 No deviation occurred in this quarter.

9 Deviation/s occurred in this quarter.
Deviation has been reported on: _____

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Phone: _____

Indiana Department of Environmental Management
Office of Air Quality

Technical Support Document (TSD) for a Part 70 Significant Source Modification and a Significant Permit Modification

Source Background and Description

Source Name:	**Milso Industries**
Source Location:	**401 Industry Parkway, Richmond, Indiana 47374**
County:	**Wayne**
SIC Code:	**3995**
Operation Permit No.:	**T 177-8217-00061**
Operation Permit Issuance Date:	**December 16, 1998**
Significant Source Modification No.:	**177-16906-00061**
Significant Permit Modification No.:	**177-16980-00061**
Permit Reviewer:	**Edward A. Longenberger**

The Office of Air Quality (OAQ) has reviewed a modification application from Milso Industries relating to the construction and operation of the following emission units and pollution control devices:

(a) One (1) prime spray booth, known as EU-30, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 31, capacity: 18.75 metal burial caskets per hour.

(b) One (1) brush spray booth, known as EU-31, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 33, capacity: 18.75 metal burial caskets per hour.

(c) One (1) color spray booth, known as EU-32, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stacks 35 and 36, capacity: 18.75 metal burial caskets per hour.

(d) One (1) topcoat spray booth, known as EU-33, equipped with electrostatic spray applicators or equivalent and dry filters for overspray control, exhausting through Stacks 38 and 39, capacity: 18.75 metal burial caskets per hour.

(e) One (1) touch-up spray booth, known as EU-34, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 41, capacity: 3.0 metal burial caskets per hour.

(f) One (1) final assembly area, known as EU-35, capacity: 18.75 metal burial caskets per hour.

(g) One (1) cleaning operation, known as EU-36, capacity: 18.75 metal burial caskets per hour.

(h) One (1) material storage room, known as EU-54, exhausting through Stack 42, emissions associated with EU-30, 31, 32, 33 and 35.

This modification also includes the following insignificant activities, none of which are specifically regulated:

(a) Natural gas-fired combustion sources with heat input equal to or less than ten million (10,000,000) British thermal units per hour. (Total heat input capacity of all natural gas fired combustion units at the source is now 25.0 million British thermal units per hour.)

(b) The following VOC and HAP storage containers: Storage tanks with capacity less than or equal to 1,000 gallons and annual throughputs less than 12,000 gallons.

(c) Application of oils, greases lubricants or other nonvolatile materials applied as temporary protective coatings.

(d) The following equipment related to manufacturing activities not resulting in the emission of HAPs: brazing equipment, cutting torches, soldering equipment, welding equipment.

(e) Infrared cure equipment.

(f) Replacement or repair of electrostatic precipitators, bags in baghouses and filters in other air filtration equipment.

(g) Paved and unpaved roads and parking lots with public access.

(h) Blowdown for any of the following: sight glass; boiler; compressors; pumps; and cooling tower.

(i) Filter or coalescer media changeout.

(j) Welding/brush stations. The welding operations are not subject to 326 IAC 6-3 because they consume less than 625 pounds of rod or wire per day. Negligible PM emissions.

History

Milso Industries was issued a Part 70 permit on December 16, 1998. On March 10, 2003, Milso Industries submitted an application to the OAQ requesting to add an additional burial casket production line to their existing plant. The Milso Industries Part 70 operating permit renewal application was received March 17, 2003, and is under review.

Source Definition

The proposed new equipment will actually be located at a new building, located less than one (1) mile down the road from the existing plant. However, the source submits that the new building should be considered as a combined source as the existing plant, and not a separate source. Therefore, the proposed burial casket production line will be included in the Part 70 operating permit T 177-8217-00061.

Enforcement Issue

There are no enforcement actions pending.

Stack Summary

Stack ID	Operation	Height (feet)	Diameter (feet)	Flow Rate (acfm)	Temperature (EF)
31	Primer Spray Booth	34	2.83	31,250	ambient
33	Brush Spray Booth	34	2.83	14,000	ambient
35	Color Coat Spray Booth	34	2.83	25,000	ambient
36	Color Coat Spray Booth	34	2.83	25,000	ambient
38	Topcoat Spray Booth	34	2.83	25,000	ambient
39	Topcoat Spray Booth	34	2.83	25,000	ambient
41	Touch-up Spray Booth	34	2.83	14,000	ambient
42	Paint Storage Room	34	2.83	14,000	ambient

Recommendation

The staff recommends to the Commissioner that the Part 70 Significant Source Modification be approved. This recommendation is based on the following facts and conditions:

Unless otherwise stated, information used in this review was derived from the application and additional information submitted by the applicant.

An application for the purposes of this review was received on March 10, 2003. Additional information was received on April 21, 2003.

Emission Calculations

See pages 1 through 2 of 2 of Appendix A of this document for detailed emissions calculations.

Potential To Emit of Modification

Pursuant to 326 IAC 2-1.1-1(16), Potential to Emit is defined as "the maximum capacity of a stationary source to emit any air pollutant under its physical and operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air pollution control equipment and restrictions on hours of operation or type or amount of material combusted, stored, or processed shall be treated as part of its design if the limitation is enforceable by the U.S. EPA."

This table reflects the PTE before controls. Control equipment is not considered federally enforceable until it has been required in a federally enforceable permit.

Pollutant	Potential To Emit (tons/year)
PM	31.0
PM_{10}	31.0
SO_2	negligible

Pollutant	Potential To Emit (tons/year)
VOC	227
CO	negligible
NO_X	negligible

HAPs	Potential To Emit (tons/year)
Hexane	3.82
Glycol Ethers	20.5
Methanol	0.436
TOTAL	24.7

Justification for Modification

The Part 70 Operating Permit is being modified through a Part 70 Significant Source Modification. This modification is being performed pursuant to 326 IAC 2-7-10.5(f) for the following reasons: the potential to emit of VOC is greater than twenty-five (25) tons per year, the potential to emit of a single HAP is greater than ten (10) tons per year, the modification is subject to 326 IAC 2-4.1 (New source toxics control), and the modification is subject to 326 IAC 8-1-6 (New facilities; general reduction requirements).

The proposed operating conditions shall be incorporated into the Part 70 Operating Permit as a Significant Permit Modification (SPM 177-16980-00061) in accordance with 326 IAC 2-7-12(d)(1). The Significant Permit Modification will give the source approval to operate the proposed burial casket manufacturing line.

County Attainment Status

The source is located in Wayne County.

Pollutant	Status
PM_{10}	attainment
SO_2	attainment
NO_2	attainment
Ozone	attainment
CO	attainment
Lead	attainment

(a) Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Wayne County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions were reviewed pursuant to the requirements for Prevention of

Significant Deterioration (PSD), 326 IAC 2-2.

(b) Wayne County has been classified as attainment or unclassifiable for all remaining criteria pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2.

Source Status

Existing Source PSD or Emission Offset Definition (emissions after controls, based upon 8760 hours of operation per year at rated capacity and/or as otherwise limited):

Pollutant	**Emissions** (tons/year)
PM	9.27
PM_{10}	9.27
SO_2	0.500
VOC	less than 250
CO	2.00
NO_X	5.00

(a) This existing source is not a major stationary source because no attainment regulated pollutant is emitted at a rate of 250 tons per year or more, and it is not one of the 28 listed source categories.

(b) These emissions are based upon the Technical Support Documents for T 177-8217-00061 and MSM 177-11515-00061.

Potential to Emit of Modification After Issuance

The table below summarizes the potential to emit, reflecting all limits, of the significant emission units after controls. The control equipment is considered federally enforceable only after issuance of this Part 70 source modification.

	Potential to Emit (tons/year)						
Process/facility	**PM**	**PM_{10}**	**SO_2**	**VOC**	**CO**	**NO_X**	**HAPs**
Proposed Modification	21.9	21.9	-	160	-	-	24.7
PSD Threshold Level	250	250	250	250	250	250	-

This modification to an existing minor stationary source is not major because the emission increase is less than the PSD threshold levels. Therefore, pursuant to 326 IAC 2-2, the PSD requirements do not apply.

Federal Rule Applicability

(a) This significant modification does not involve a pollutant-specific emissions unit:

(1) with the potential to emit before controls equal to or greater than one hundred (100) tons per year, and

(2) that is subject to an emission limit and has a control device that is necessary to meet that limit.

Therefore, the requirements of 40 CFR Part 64, Compliance Assurance Monitoring, are not applicable.

(b) There are no New Source Performance Standards (NSPS)(326 IAC 12 and 40 CFR Part 60) applicable to this proposed modification.

(c) There are no National Emission Standards for Hazardous Air Pollutants (NESHAPs) (326 IAC 14, 326 IAC 20, 40 CFR 61 and 40 CFR Part 63) applicable to this proposed modification.

(d) The requirements of Section 112(j) of the Clean Air Act (40 CFR Part 63.50 through 63.56) are applicable to this source because the source is constructing new emissions units at an existing major source of hazardous air pollutant (HAP) emissions (i.e., the source has the potential to emit ten (10) tons per year or greater of a single HAP or twenty-five (25) tons per year or greater of a combination of HAPs), and the new units belong to one or more source categories affected by the Section 112(j) Maximum Achievable Control Technology (MACT) Hammer date of May 15, 2002. This rule requires the Permittee to:

(1) Submit a Part 1 MACT Application within thirty (30) days of issuance of the Title V permit modification incorporating the requirements of this source modification into the Permittee's Title V operating permit; and

(2) Submit a Part 2 MACT Application within twenty-four (24) months after the Permittee submitted a Part 1 MACT Application.

Note that on April 25, 2002, Earthjustice filed a lawsuit against the US EPA regarding the April 5, 2002 revisions to the rules implementing Section 112(j) of the Clean Air Act. In particular, Earthjustice is challenging the US EPA's 24-month period between the Part 1 and Part 2 MACT Application due dates. Therefore, the Part 2 MACT Application due date may be changed as a result of the suit. Based on a proposed settlement published in the August 26, 2002 *Federal Register*, it appears that US EPA intends to revise the rule so that the due date of the Part 2 MACT Application will be within twelve (12) months after the Permittee submitted the Part 1 MACT application.

(3) Pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The MACT and the General Provisions of 40 CFR 63, Subpart A will become new applicable

requirements, as defined by 326 IAC 2-7-1(6), that must be incorporated into the Part 70 permit. After IDEM, OAQ receives the initial notification, any of the following will occur:

(A) If three or more years remain on the Part 70 permit term at the time the MACT is promulgated, IDEM, OAQ will notify the source that IDEM, OAQ will reopen the permit to include the MACT requirements pursuant to 326 IAC 2-7-9; or

(B) If less than three years remain on the Part 70 permit term at the time the MACT is promulgated, the Permittee must include information regarding the MACT in the renewal application, including the information required in 326 IAC 2-7-4(c); or

(C) The Permittee may submit an application for a significant permit modification under 326 IAC 2-7-12 to incorporate the MACT requirements. The application may include information regarding which portions of the MACT are applicable to the emission units at the source and which compliance options will be followed.

State Rule Applicability - Individual Facilities

326 IAC 2-2 (Prevention of Significant Deterioration (PSD))

The proposed burial casket manufacturing line will operate under the existing source-wide emission limitation of less than 249 tons of VOC per year. Therefore, this source is still a minor source with respect to 326 IAC 2-2.

326 IAC 2-4.1-1 (New source toxics control)

The proposed burial casket manufacturing line is subject to the requirements of 326 IAC 2-4.1-1 because the potential to emit of HAPs is greater than ten (10) tons per twelve (12) consecutive month period for a single HAP. The proposed burial casket manufacturing line will coat metal parts. The applicant has agreed to limit HAP emissions so that they would comply with the Maximum Achievable Control Technology requirements of the proposed NESHAP for surface coating of miscellaneous metal parts, 40 CFR 63, Subpart MMMM, published in the Federal Register, Vol. 67, No. 156, on August 13, 2002.

Therefore, the HAP content shall be limited to no more than 1.94 pounds of organic HAP per gallon of coating solids used per twelve (12) consecutive month period, with compliance determined at the end of each month. This limit shall include all coatings, thinners, additives and cleaning materials. In order to comply with this limit, the Permittee must keep track of the total mass of organic HAP in each coating, thinner, additive, or cleaning material used, and the total volume of all coating solids used during each month. The mass of organic HAP for the most recent twelve (12) month period divided by the volume of coating solids for the same twelve (12) month period must be less than 1.94 pounds of organic HAP per gallon of coating solids, as determined each month.

326 IAC 6-3-2 (Process Operations)

On June 12, 2002, revisions to 326 IAC 6-3 (Particulate Emission Limitations for Manufacturing Processes) became effective; this rule was previously referred to as 326 IAC 6-3 (Process Operations). As of the date this permit is being issued these revisions have not been approved by EPA into the Indiana State Implementation Plan (SIP); therefore, the following requirements from

the previous version of 326 IAC 6-3 (Process Operations) which has been approved into the SIP will remain applicable requirements until the revisions to 326 IAC 6-3 are approved into the SIP and the condition is modified in a subsequent permit action.

Pursuant to 40 CFR 52 Subpart P the particulate matter (PM) from the prime spray booth (EU-30), the brush spray booth (EU-31), the color spray booth (EU-32), the topcoat spray booth (EU-33), and the touch-up spray booth (EU-34) shall each be limited by the following:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$E = 4.10\ P^{0.67}$ where E = rate of emission in pounds per hour and
P = process weight rate in tons per hour

Under the rule revision, particulate from the prime spray booth (EU-30), the brush spray booth (EU-31), the color spray booth (EU-32), the topcoat spray booth (EU-33), and the touch-up spray booth (EU-34) shall be controlled by a dry particulate filter, and the Permittee shall operate the control device in accordance with manufacturer's specifications.

326 IAC 8-1-6 (New Facilities; General Reduction Requirements)

The potential to emit VOC from the proposed burial casket manufacturing line is greater than twenty-five (25) tons per year. Therefore, the proposed burial casket manufacturing line is subject to the Best Available Control Technology (BACT) requirements, pursuant to 326 IAC 8-1-6.

A top-down BACT analysis from Milso Industries was received on March 10, 2003. The BACT analysis evaluated five (5) options: using alternative coatings, installation of a thermal oxidizer, installation of a catalytic oxidizer, installation of a carbon adsorption system, and the use of HVLP or equivalent applicators with production limitations.

The use of alternative coatings, such as powder coating, water-based coatings or high-solids content coatings is not technically feasible because such paints cannot provide a high-gloss finish that will meet customer specifications.

Carbon adsorption is not technically feasible because the coatings used at the plant may contain ketones, which can polymerize exothermally on the carbon surface. Thus, continual exposure to ketones may result in carbon bed fires.

Thermal oxidation or catalytic oxidation, while technically feasible, are not economically feasible due to the prohibitive cost of $5,257 and $5,229 per ton of VOC removed, respectively. Cost information for these options are detailed in the following BACT Cost Analysis. The cost analysis assumes an annual interest rate of seven percent (7%), which is consistent with current economic factors, and an equipment lifetime of fifteen (15) years, which is reasonable for the type of equipment being considered:

Capital Cost

Option	Base Price	Direct Cost	Indirect Cost	Total
Catalytic Oxidizer	2,218,500	625,617	488,070	3,332,187
Thermal Oxidizer	1,595,000	449,790	350,900	2,395,690

Annual Operating, Maintenance & Recovery Cost

Option	Direct Cost	Indirect Cost	Capital Recovery Cost	Total
Catalytic Oxidizer	349,780	140,539	309,696	800,015
Thermal Oxidizer	438,216	103,080	263,034	804,330

Evaluation

Option	Potential Emissions (tons/yr)	Emissions Removed (tons/yr)	Control Efficiency (%)	$/ton removed
Catalytic Oxidizer	160	153	95.625	5,229
Thermal Oxidizer	160	153	95.625	5,257

BACT for the proposed burial casket manufacturing line has been determined to be:

(a) The total VOC delivered to the applicators, including coatings, dilution solvents, and cleaning solvents, shall be limited to less than 160 tons per twelve (12) consecutive month period, with compliance determined at the end of each month;

(b) The method of application at the proposed burial casket manufacturing line shall be performed with high volume-low pressure (HVLP) spray applicators or the equivalent, or electrostatic spray applicators or equivalent having the same or greater transfer efficiencies; and

(c) The following management and work practices shall apply:

(1) Operator training course.

(2) Spray gun cleaning.

(3) The cleanup solvent containers used to transport solvent from drums/containers to work stations be closed containers having soft gasketed closures.

(4) The application equipment operators shall be instructed and trained on the methods and practices utilized to minimize spillage on the floor and over application.

(5) Storage containers used to store VOC and/or HAPs containing materials shall be kept covered when not in use.

(6) Cleanup solvents will be reused in the process as much as possible to reduce hazardous waste and the related impact on the environment.

326 IAC 8-2-9 (Miscellaneous Metal Coating)

This source is located in Wayne County. Pursuant to 326 IAC 8-2-9(b)(10), the proposed burial casket manufacturing line is not subject to the requirements of 326 IAC 8-2-9, since this source is not located in or adjacent to a county that is classified as nonattainment for ozone.

Compliance Requirements

Permits issued under 326 IAC 2-7 are required to ensure that sources can demonstrate compliance with applicable state and federal rules on a more or less continuous basis. All state and federal rules contain compliance provisions, however, these provisions do not always fulfill the requirement for a more or less continuous demonstration. When this occurs IDEM, OAQ, in conjunction with the source, must develop specific conditions to satisfy 326 IAC 2-7-5. As a result, compliance requirements are divided into two sections: Compliance Determination Requirements and Compliance Monitoring Requirements.

Compliance Determination Requirements in Section D of the permit are those conditions that are found more or less directly within state and federal rules and the violation of which serves as grounds for enforcement action. If these conditions are not sufficient to demonstrate continuous compliance, they will be supplemented with Compliance Monitoring Requirements, also Section D of the permit. Unlike Compliance Determination Requirements, failure to meet Compliance Monitoring conditions would serve as a trigger for corrective actions and not grounds for enforcement action. However, a violation in relation to a compliance monitoring condition will arise through a source's failure to take the appropriate corrective actions within a specific time period.

The proposed burial casket manufacturing line has applicable compliance monitoring conditions as specified below:

(a) Daily inspections shall be performed to verify the placement, integrity and particle loading of the filters. To monitor the performance of the dry filters, weekly observations shall be made of the overspray from the surface coating booth Stacks 31, 33, 35, 36, 38, 39 and 41 while one or more of the booths are in operation. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Failure to Take Response Steps, shall be considered a violation of this permit.

(b) Monthly inspections shall be performed of the coating emissions from the stacks and the presence of overspray on the rooftops and the nearby ground. The Compliance Monitoring Plan for this unit shall contain troubleshooting contingency and response steps for when a noticeable change in overspray emission, or evidence of overspray emission is observed. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Failure to Take Response Steps, shall be considered a violation of this permit.

(c) Additional inspections and preventive measures shall be performed as prescribed in the Preventive Maintenance Plan.

These monitoring conditions are necessary because the dry filters for the surface coating processes must operate properly to ensure compliance with 326 IAC 6-3 (Process Operations) and 326 IAC 2-7 (Part 70).

Proposed Changes

The permit language is changed to read as follows (deleted language appears as ~~strikeouts~~, new language appears in **bold**):

On January 1, 2001, the IDEM Office of Air Management changed to the Office of Air Quality. Therefore, all references to Office of Air Management or OAM have been changed to **Office of Air**

Quality or **OAQ**.

A.2 Emission Units and Pollution Control Equipment Summary [326 IAC 2-7-4(c)(3)] [326 IAC 2-7-5(15)]

This stationary source consists of the following emission units and pollution control devices:

(j) One (1) prime spray booth, known as EU-30, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 31, capacity: 18.75 metal burial caskets per hour.

(k) One (1) brush spray booth, known as EU-31, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 33, capacity: 18.75 metal burial caskets per hour.

(l) One (1) color spray booth, known as EU-32, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stacks 35 and 36, capacity: 18.75 metal burial caskets per hour.

(m) One (1) topcoat spray booth, known as EU-33, equipped with electrostatic spray applicators or equivalent and dry filters for overspray control, exhausting through Stacks 38 and 39, capacity: 18.75 metal burial caskets per hour.

(n) One (1) touch-up spray booth, known as EU-34, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for overspray control, exhausting through Stack 41, capacity: 3.0 metal burial caskets per hour.

(o) One (1) final assembly adhesive area, known as EU-35, capacity: 18.75 metal burial caskets per hour.

(p) One (1) cleaning operation, known as EU-36, capacity: 18.75 metal burial caskets per hour.

(q) One (1) paint storage room, known as EU-54, exhausting through Stack 42, emissions associated with EU-30, 31, 32, 33 and 35.

Parts 1 and 2 MACT Applications Submittal Requirements

C.22 Application Requirements for Section 112(j) of the Clean Air Act [40 CFR 63.52(b) and (e)] [40 CFR 63.56(a)] [40 CFR 63.9(b)] [326 IAC 2-7-12]

(a) The Permittee shall submit a Part 1 Maximum Achievable Control Technology (MACT) Application in accordance with 40 CFR 63.52(b)(2) within thirty (30) days of issuance of the Title V permit modification incorporating the requirements of this source modification into the Permittee's Title V operating permit. The Part 1 MACT Application shall meet the requirements of 40 CFR 63.53(a).

(b) The Permittee shall submit a Part 2 MACT Application in accordance with 40 CFR 63.52 (e)(1). The Part 2 MACT Application shall meet the requirements of 40 CFR 63.53(b).

(c) Notwithstanding paragraph (b), the Permittee is not required to submit a Part 2 MACT Application if the Permittee no longer meets the applicability criteria of 40 CFR 63.50 by the application deadline in 40 CFR 63.52(e)(1). For example, the Permittee would

not have to submit a Part 2 MACT Application if, by the application deadline:

(1) The source is no longer a major source of hazardous air pollutants, as defined in 40 CFR 63.2;

(2) The source no longer includes one or more units in an affected source category for which the U.S. EPA failed to promulgate an emission standard by May 15, 2002; or

(3) The MACT standard or standards for the affected source categories included at the source are promulgated.

(d) Notwithstanding paragraph (b), pursuant to 40 CFR 63.56(a), the Permittee shall comply with an applicable promulgated MACT standard in accordance with the schedule provided in the MACT standard if the MACT standard is promulgated prior to the Part 2 MACT Application deadline or prior to the issuance of permit with a case-by-case Section 112(j) MACT determination. The MACT requirements include the applicable General Provisions requirements of 40 CFR 63, Subpart A. Pursuant to 40 CFR 63.9(b), the Permittee shall submit an initial notification not later than 120 days after the effective date of the MACT, unless the MACT specifies otherwise. The initial notification shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Quality
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

and

United States Environmental Protection Agency, Region V
Director, Air and Radiation Division
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

D.1.1 PSD Minor Limit [326 IAC 2-2] [40 CFR 52.21]

Pursuant to CP 177-4586 issued on September 27, 1995, the **total** input VOC **to the above emission units, and the emission units in Section D.2** shall **be** ~~use~~ less than **249** ~~250~~ tons of VOC including coatings, dilution solvents and cleaning solvents per twelve (12) consecutive month period**, with compliance determined at the end of each month**. This usage limit is required to limit the potential to emit VOC to less than 250 tons per 12 consecutive month period. Compliance with this limit makes 326 IAC 2-2 (Prevention of Significant Deterioration) and 40 CFR 52.21 not applicable.

SECTION D.2 FACILITY OPERATION CONDITIONS

Facility Description [326 IAC 2-7-5(15)] EU-30 through 36 and 54

(j) One (1) prime spray booth, known as EU-30, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 31, capacity: 18.75 metal burial caskets per hour.

(k) One (1) brush spray booth, known as EU-31, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 33, capacity: 18.75 metal burial caskets per hour.

(l) One (1) color spray booth, known as EU-32, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stacks 35 and 36, capacity: 18.75 metal burial caskets per hour.

(m) One (1) topcoat spray booth, known as EU-33, equipped with electrostatic spray applicators or equivalent and dry filters for over spray control, exhausting through Stacks 38 and 39, capacity: 18.75 metal burial caskets per hour.

(n) One (1) touch-up spray booth, known as EU-34, equipped with high volume low pressure (HVLP) spray applicators or equivalent and dry filters for over spray control, exhausting through Stack 41, capacity: 3.0 metal burial caskets per hour.

(o) One (1) final assembly area, known as EU-35, capacity: 18.75 metal burial caskets per hour.

(p) One (1) cleaning operation, known as EU-36, capacity: 18.75 metal burial caskets per hour.

(q) One (1) material storage room, known as EU-54, exhausting through Stack 42, emissions associated with EU-30, 31, 32, 33 and 35.

(The information describing the process contained in this facility description box is descriptive information and does not constitute enforceable conditions.)

Emission Limitations and Standards [326 IAC 2-7-5(1)]

D.2.1 PSD Minor Limit [326 IAC 2-2]

The total input of VOC to the above emission units, and the emission units listed in Section D.1 of this permit, shall be less than 249 tons of VOC including coatings, dilution solvents and cleaning solvents per twelve (12) consecutive month period, with compliance determined at the end of each month. This usage limit is required to limit the potential to emit of VOC to less than 250 tons per year. Compliance with this limit makes 326 IAC 2-2 (Prevention of Significant Deterioration) not applicable.

D.2.2 Volatile Organic Compounds (VOC) [326 IAC 8-1-6]

Pursuant to 326 IAC 8-1-6, Best Available Control Technology (BACT) for the proposed burial casket manufacturing line has been determined to be:

(a) The total VOC delivered to the applicators, including coatings, dilution solvents, and cleaning solvents, shall be limited to less than 160 tons per twelve (12) consecutive month period, with compliance determined at the end of each month;

(b) The method of application at the proposed burial casket manufacturing line shall be performed with high volume-low pressure (HVLP) spray applicators or the equivalent, or electrostatic spray applicators or equivalent having the same or greater transfer efficiencies; and

(c) The following management and work practices shall apply:

(1) Operator training course.

(2) Spray gun cleaning.

(3) The cleanup solvent containers used to transport solvent from drums/ containers to work stations be closed containers having soft gasketed closures.

(4) The application equipment operators shall be instructed and trained on the methods and practices utilized to minimize spillage on the floor and over application.

(5) Storage containers used to store VOC containing materials shall be kept covered when not in use.

(6) Cleanup solvents will be reused in the process as much as possible to reduce hazardous waste and the related impact on the environment.

D.2.3 Hazardous Air Pollutants (HAPs) [326 IAC 2-4.1-1]

Pursuant to 326 IAC 2-4.1-1, the HAPs usage at the prime spray booth (EU-30), the brush spray booth (EU-31), the color spray booth (EU-32), the topcoat spray booth (EU-33), the touch-up spray booth (EU-34), the one (1) final assembly area (EU-35) and the one (1) cleaning operation (EU-36) shall be limited to no more than 1.94 pounds of organic HAP per gallon of coating solids used per twelve (12) consecutive month period, with compliance determined at the end of each month. This limit shall include all coatings, thinners, additives and cleaning materials.

D.2.4 Particulate [40 CFR 52 Subpart P]

Pursuant to 40 CFR 52 Subpart P the particulate from the prime spray booth (EU-30), the brush spray booth (EU-31), the color spray booth (EU-32), the topcoat spray booth (EU-33), and the touch-up spray booth (EU-34) shall each be limited by the following:

Interpolation of the data for the process weight rate up to sixty thousand (60,000) pounds per hour shall be accomplished by use of the equation:

$$E = 4.10\ P^{0.67}$$

where E = rate of emission in pounds per hour and
P = process weight rate in tons per hour

D.2.5 Preventive Maintenance Plan [326 IAC 2-7-5(13)]

A Preventive Maintenance Plan, in accordance with Section B - Preventive Maintenance Plan, of this permit, is required for these facilities and any control devices.

Compliance Determination Requirements

D.2.6 Volatile Organic Compounds (VOC)

Compliance with the VOC usage limitations contained in Conditions D.2.1 and D.2.2 shall be determined pursuant to 326 IAC 8-1-4(a)(3) and 326 IAC 8-1-2(a) by preparing or obtaining from the manufacturer the copies of the "as supplied" and "as applied" VOC data sheets. IDEM, OAQ, reserves the authority to determine compliance using Method 24 in conjunction with the analytical procedures specified in 326 IAC 8-1-4.

D.2.7 Hazardous Air Pollutants (HAPs) [326 IAC 2-4.1-1]

Compliance with the HAP content limit in Condition D.2.3 shall be determined at the end of each month by using the following equation and based on the most recent twelve (12) consecutive month period:

$$\text{HAP usage} = \frac{\text{Weight of organic HAP used from all coatings, thinners, additives and cleanup materials (lbs)}}{\text{Total volume of coating solids used (gal)}}$$

Compliance Monitoring Requirements [326 IAC 2-7-6(1)] [326 IAC 2-7-5(1)]

D.2.8 Particulate

In order to comply with Condition D.2.4, the dry filters for particulate control shall be in operation in accordance with manufacturer's specification and control emissions from the prime spray booth (EU-30), the brush spray booth (EU-31), the color spray booth (EU-32), the topcoat spray booth (EU-33), and the touch-up spray booth (EU-34) at all times when the spray booths are in operation.

D.2.9 Monitoring

(a) Daily inspections shall be performed to verify the placement, integrity and particle loading of the filters. To monitor the performance of the dry filters, weekly observations shall be made of the overspray from the surface coating booth Stacks 31, 33, 35, 36, 38, 39 and 41 while one (1) or more of the booths are in operation. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Failure to Take Response Steps, shall be considered a violation of this permit.

(b) Monthly inspections shall be performed of the coating emissions from the stacks and the presence of overspray on the rooftops and the nearby ground. The Compliance Response Plan for this unit shall contain troubleshooting contingency and response steps for when a noticeable change in overspray emission, or evidence of overspray emission is observed. The Compliance Response Plan shall be followed whenever a condition exists which should result in a response step. Failure to take response steps in accordance with Section C - Compliance Monitoring Plan - Failure to Take Response Steps, shall be considered a violation of this permit.

(c) Additional inspections and preventive measures shall be performed as prescribed in the Preventive Maintenance Plan.

Record Keeping and Reporting Requirements [326 IAC 2-7-5(3)] [326 IAC 2-7-19]

D.2.10 Record Keeping Requirements

(a) To document compliance with Conditions D.2.1 and D.2.2, the Permittee shall main-

tain records in accordance with (1) through (4) below. Records maintained for (1) through (4) shall be taken monthly and shall be complete and sufficient to establish compliance with the VOC usage limits and/or the VOC emission limits established in Condition D.2.1 and D.2.2.

(1) The VOC content of each coating material and solvent used.

(2) The amount of coating material and solvent less water used on monthly basis. Records shall include purchase orders, invoices, and material safety data sheets (MSDS) necessary to verify the type and amount used.

(3) The total VOC usage for each month; and

(4) The weight of VOCs emitted for each compliance period.

(b) To document compliance with Condition D.2.3, the Permittee shall maintain records in accordance with (1) through (6) below. Records maintained for (1) through (6) shall be taken as stated below and shall be complete and sufficient to establish compliance with the HAP content limit established in Condition D.2.3.

(1) The HAP content of each coating material (including coatings, additives and thinners) and solvent used.

(2) The solids content of each coating used.

(3) The amount of coating material and solvent used on a monthly basis. Records shall include purchase orders, invoices, and material safety data sheets (MSDS) necessary to verify the type and amount used.

(4) The total amount of HAPs used each month.

(5) The total coating solids usage each month.

(6) The HAP usage in pounds of HAPs per gallon of coating solids for each compliance period.

(c) To document compliance with Conditions D.2.8 and D.2.9, the Permittee shall maintain a log of weekly overspray observations, daily and monthly inspections, and those additional inspections prescribed by the Preventive Maintenance Plan.

(d) All records shall be maintained in accordance with Section C - General Record Keeping Requirements, of this permit.

D.2.11 Reporting Requirements

A quarterly summary of the information to document compliance with Conditions D.2.1 and D.2.2 shall be submitted to the address listed in Section C - General Reporting Requirements, of this permit, using the reporting forms located at the end of this permit, or their equivalent, within thirty (30) days after the end of the quarter being reported. The report submitted by the Permittee does require the certification by the "responsible official" as defined by 326 IAC 2-7-1(34).

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR QUALITY
COMPLIANCE DATA SECTION

Part 70 Quarterly Report

Source Name: **Milso Industries**
Source Address: **401 Industrial Parkway, Richmond, Indiana 47374**
Mailing Address: **401 Industrial Parkway, Richmond, Indiana 47374**
Part 70 Permit No.: **T 177-8217-00061**
Facilities: **Burial casket manufacturing line (EU-30 through 36)**
Parameter: **Total VOC delivered to the applicators, including coatings, dilution solvents, and cleaning solvents**
Limit: **Less than 160 tons per twelve (12) consecutive month period, with compliance determined at the end of each month**

YEAR: _____

Month	VOC Usage (tons)	VOC Usage (tons)	VOC Usage (tons)
	This Month	Previous 11 Months	12 Month Total

9 **No deviation occurred in this quarter.**

9 **Deviation/s occurred in this quarter.**
Deviation has been reported on: _____

Submitted by: _____

Title / Position: _____

Signature: _____

Date: _____

Phone: _____

Conclusion

The construction and operation of this proposed modification shall be subject to the conditions of the attached proposed Part 70 Significant Source Modification No. **177-16906-00061** and Significant Permit Modification No. **177-16980-00061**.

Appendix A: Emissions Calculations
VOC and Particulate
From Surface Coating Operations

Company Name: Milso Industries
Address City IN Zip: 401 Industry Parkway, Richmond, Indiana 47374
SSM: 177-16906
Plt ID: 177-00061
Reviewer: Edward A. Longenberger
Date: March 10, 2003

Material	Density (lbs/gal)	Weight % Volatile (H20 & Organics)	Weight % Water	Weight % Organics	Volume % Water	Volume % Non-Volatiles (solids)	Gal of Mat. (gal/unit)	Maximum (units/hour)	Pounds VOC per gallon of coating less water	Pounds VOC per gallon of coating	Potential VOC (pounds per hour)	Potential VOC (pounds per day)	Potential VOC (tons per year)	Particulate Potential (tons/yr)	lbs VOC/gal solids	Transfer Efficiency
Prime spray booth (EU-30)																
Water-Primer WB-6899	10.17	58.32%	48.5%	9.8%	58.9%	27.78%	0.13000	18.750	2.43	1.00	2.43	58.42	10.66	11.31	3.60	75%
Brush spray booth (EU-31)																
4.3 Coppertone HCL-8192M	8.02	61.59%	0.0%	61.6%	0.0%	10.02%	0.04000	18.750	4.94	4.94	3.70	88.91	16.23	2.53	49.30	75%
Color spray booth (EU-32)																
4.3 Coppertone HCL-8192M	8.02	61.59%	0.0%	61.6%	0.0%	10.02%	0.18000	18.750	4.94	4.94	16.67	400.10	73.02	11.38	49.30	75%
Topcoat spray booth (EU-33)																
Reflow Acrylic HAPs-free AM-7836H	7.56	79.74%	0.0%	79.7%	0.0%	14.47%	0.18000	18.750	6.03	6.03	20.35	488.30	89.11	5.66	41.66	75%
Touch-up spray booth (EU-34)																
4.3 Coppertone HCL-8192M	8.02	61.59%	0.0%	61.6%	0.0%	10.02%	0.01000	3.000	4.94	4.94	0.15	3.56	0.65	0.10	49.30	75%
Adhesive area (EU-35)																
Camie Adhesive	6.20	70.00%	0.0%	70.0%	0.0%	22.10%	0.01000	18.750	4.34	4.34	0.81	19.53	3.56	0.00	19.64	100%
Cleaning operations (EU-36)																
S-3440/1620	6.83	100.00%	0.0%	100.0%	0.0%	0.00%	0.06000	18.750	6.83	6.83	7.68	184.41	33.65	0.00	N/A	50%
								PM	Control Efficiency	0.00%						
Potential to Emit		**Add worst case coating to all solvents**							**Uncontrolled**		**51.80**	**1243.23**	**226.89**	**30.99**		
									Controlled		**51.80**	**1243.23**	**226.89**	**30.99**		

METHODOLOGY

Pounds of VOC per Gallon Coating less Water = (Density (lbs/gal) * Weight % Organics) / (1-Volume % water)
Pounds of VOC per Gallon Coating = (Density (lbs/gal) * Weight % Organics)
Potential VOC Pounds per Hour = Pounds of VOC per Gallon coating (lbs/gal) * Gal of Material (gal/unit) * Maximum (units/hr)
Potential VOC Pounds per Day = Pounds of VOC per Gallon coating (lbs/gal) * Gal of Material (gal/unit) * Maximum (units/hr) * (24 hr/day)
Potential VOC Tons per Year = Pounds of VOC per Gallon coating (lbs/gal) * Gal of Material (gal/unit) * Maximum (units/hr) * (8760 hr/yr) * (1 ton/2000 lbs)
Particulate Potential Tons per Year = (units/hour) * (gal/unit) * (lbs/gal) * (1- Weight % Volatiles) * (1-Transfer efficiency) *(8760 hrs/yr) *(1 ton/2000 lbs)
Pounds VOC per Gallon of Solids = (Density (lbs/gal) * Weight % organics) / (Volume % solids)
Total = Worst Coating + Sum of all solvents used

Appendix A: Emission Calculations
HAP Emission Calculations

Company Name: **Milso Industries**
Address City IN Zip: **401 Industry Parkway, Richmond, Indiana 47374**
SSM: **177-16906**
Plt ID: **177-00061**
Reviewer: **Edward A. Longenberger**
Date: **March 10, 2003**

Material	Density (lbs/gal)	Gallons of Material (gal/unit)	Maximum (unit/hour)	Volume % Non-Volatiles (solids)	Weight % Hexane	Weight % Glycol Ethers	Weight % Methanol	Hexane Emissions	Glycol Ether Emissions	Methanol Emissions
								(tons/yr)	(tons/yr)	(tons/yr)
Prime spray booth (EU-30)										
Water-Primer WB-6899	10.17	0.13000	18.750	27.78%		9.76%		0.00	10.60	0.00
Brush spray booth (EU-31)										
4.3 Coppertone HCL-8192M	8.02	0.04000	18.750	10.02%		6.76%		0.00	1.78	0.00
Color spray booth (EU-32)										
4.3 Coppertone HCL-8192M	8.02	0.18000	18.750	10.02%		6.76%		0.00	8.01	0.00
Topcoat spray booth (EU-33)										
Reflow Acrylic HAPs-free AM-7836H	7.56	0.18000	18.750	14.47%			0.39%	0.00	0.00	0.44
Touch-up spray booth (EU-34)										
4.3 Coppertone HCL-8192M	8.02	0.01000	3.000	10.02%		6.76%		0.00	0.07	0.00
Adhesive area (EU-35)										
Camie Adhesive	6.20	0.01000	18.750	22.10%	75.00%			3.82	0.00	0.00
								3.82	**20.5**	**0.436**
									Overall Total	**24.7**

METHODOLOGY

HAPS emission rate (tons/yr) = Density (lbs/gal) * Gal of Material (gal/unit) * Maximum (unit/hr) * Weight % HAP * 8760 hrs/yr * 1 ton/2000 lbs