

STATE OF MICHIGAN  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
OFFICE OF THE DIRECTOR

_____ )	
In the matter of administrative proceedings )	
against <b>PREMIER FINISHES, LLC</b> a )	
Limited Liability Company organized under )	
the laws of the State of Michigan and doing )	AQD No. 4-2010
business at 28060 Groesbeck Hwy., in the )	
City of Roseville, County of Macomb, State )	SRN: N7896
of Michigan )	
_____ )	

STIPULATION FOR ENTRY OF FINAL ORDER  
BY CONSENT

This proceeding resulted from allegations by the Michigan Department of Environmental Quality ("MDEQ") Air Quality Division ("AQD") against Premier Finishes, LLC, ("Company"), a Michigan Limited Liability Company located at 28060 in the City of Roseville, County of Macomb, State of Michigan, with State Registration Number ("SRN") N7896. The MDEQ alleges that the Company is in violation of the federal Clean Air Act, Part 55, Air Pollution Control, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Act 451). Specifically, the MDEQ alleges that the Company has installed a sand blast cleaning process without obtaining an approved permit to install as required per R 336.1201 or operating in compliance with an applicable exemption from as specified per R 336.1278 through R 336.1290; and failed to maintain and operate an air-cleaning device in a satisfactory manner. These violations were cited herein and in the Violation Notice dated March 26, 2009. The Company and MDEQ stipulate to the termination of this proceeding by entry of a Stipulation for Entry of a Final Order by Consent ("Consent Order").

The Company and MDEQ stipulate as follows:

1. The Natural Resources and Environmental Protection Act, 1994 PA 451, ("Act 451"), MCL 324.101 et seq. is an act that controls pollution to protect the environment and natural resources in the State.
2. Article II, Pollution Control, Part 55 of Act 451 ("Part 55"), MCL 324.5501 et seq. provides for air pollution control regulations in this State.

3. The Michigan Department of Natural Resources ("MDNR") is authorized pursuant to Section 5503 of Part 55 to administer and enforce all provisions of Part 55. Section 301 of Part 3 provides the authority to the Director of the MDNR to delegate powers and duties.

4. The MDEQ was created as a principal department within the Executive Branch of the State of Michigan pursuant to Executive Order 1995-18. All statutory authority, powers, duties, functions and responsibilities of the MDNR AQD were transferred to the Director of the MDEQ ("Director").

5. The Director has delegated authority to the Chief of the AQD ("AQD Chief") to enter into this Consent Order.

6. The termination of this matter by a Consent Order pursuant to Section 5528 of Part 55 is proper and acceptable.

7. The Company and the MDEQ agree that the signing of this Consent Order is for settlement purposes only and does not constitute an admission by the Company that the law has been violated.

8. This Consent Order becomes effective on the date of execution ("effective date of this Consent Order") by the AQD Chief.

9. The Company shall achieve compliance with the aforementioned regulations in accordance with the requirements contained in this Consent Order.

#### COMPLIANCE PROGRAM AND IMPLEMENTATION SCHEDULE

##### 10. A. Operating Conditions

1. On and after the effective date of this Consent Order, the Company shall maintain an appropriately designed and operated fabric filter collector for the sand blast cleaning process.

2. On and after the effective date of this Consent Order, an air-cleaning device shall be installed, maintained, and operated in a satisfactory manner in accordance with Part 55, the administrative rules promulgated thereunder, and existing law. Proper operation of the air-cleaning device shall include:

- Installation and maintenance of fabric filters on the air-cleaning device. Proper installation shall insure that there are no gaps between filter layers or the between the fabric filter and its support frame. Proper maintenance shall include routine cleaning and replacement of the fabric filter.

- Per R 336.1910, the air-cleaning device shall be installed, maintained, and operated in a satisfactory manner.

- The company shall install a pressure drop gage that measures (in inches of water column) the pressure drop across the fabric filter.
- Within ninety (90) days of the effective date of this Consent Order, the Company shall determine, from actual operating conditions, the minimum pressure drop value (as determined after properly installing new fabric filters) and a maximum pressure drop (as determined before cleaning undamaged fabric filters).

3. On and after the effective date of this Consent Order, the Company shall not operate the sand blast cleaning process unless an AQD approved Malfunction Abatement Plan has been implemented. The Malfunction Abatement Plan, shall be attached to this Consent Order and specified as Exhibit A, incorporated by reference, and made an enforceable part of this Consent Order. The purpose of the Malfunction Abatement Plan shall be to prevent, detect, and correct malfunctions or equipment failures resulting in emissions exceeding any applicable emission limitation.

B. Training

1. On and after the effective date of this Consent Order, the Company shall conduct employee training on the proper operation of the sand blast cleaning process, which shall include training on the proper operation and maintenance of the air cleaning device.

2. On and after the effective date of this Consent Order, the Company shall perform employee training before the employee's initial operation of the sand blast cleaning process and air-cleaning device.

3. On and after the effective date of this Consent Order, the Company shall repeat training a minimum of once per six (6) months.

Training documents shall include a description of the process and air-cleaning device, figures (e.g. drawing, photograph, etc.), a description of proper operation and maintenance of the air-cleaning device, and instructions that specify the sand blast cleaning process shall not be

operated unless the fabric filters are properly installed and the air-cleaning device is operating properly. The training document shall indicate the pressure drop range (in inches of water column) that shall be used as one of the indicators of proper air-cleaning device operation.

C. Recordkeeping

1. On and after the effective date of this Consent Order, the Company shall maintain documentation of employee training. Documentation shall consist of the training document that contains the date of training, printed trainer's name, trainer's signature, printed employee's name, and employee's signature.

2. On and after the effective date of this Consent Order, the Company shall keep and maintain daily logs of am and pm inspections of the air cleaning device. The log shall indicate whether or not the sand blast process has operated on the calendar day of record, the date of inspection, the time of inspection, the condition of the fabric filters (e.g. clean, clogged, worn areas, gaps, tears, etc.) the condition of the air cleaning device (dents, damage, repair needed, etc.), and the name of the person who conducted the inspection.

3. On and after the effective date of this Consent Order, the Company shall keep and maintain logs of the air cleaning device cleaning and maintenance. The log shall indicate the date of cleaning and/or maintenance, the time of the cleaning and/or maintenance, the cleaning and/or maintenance activity conducted, and the name of the person who conducted the activity. Maintenance activities include, but are not limited to; filter cleaning, filter replacement, pressure drop gage inspection, pressure drop gage calibration and/or replacement, exhaust fan maintenance, cleaning/removal of particulate material inside the filter frame, cleaning/removal of particulate material inside the exhaust duct, repairs, etc.

4. On and after the effective date of this Consent Order, the Company shall keep and maintain daily logs of the pressure drop (in inches of water column) across the fabric filter of the air cleaning device. The log shall indicate the date of inspection, the time of the inspection, the value observed, and the name of the person who conducted the inspection.

5. On and after the effective date of this Consent Order, the Company shall keep and maintain weekly logs of the visible emissions from air cleaning device exhaust stack. Visible emission observations shall be conducted while the sand blasting process is operating. The log shall indicate the date of inspection, the time of the inspection, whether or not visible emissions were observed, and the name of the person who conducted the inspection. This information shall be kept on file at the plant for a period of at least 5 years, and shall be made available to MDEQ upon written or verbal request.

D. Reporting

On and after the effective date of this Consent Order, the Company shall submit a report to the AQD Southeast Michigan District Supervisor on a quarterly basis. The report shall contain the summary of the dates and names of employee trained, inspection logs, maintenance logs, pressure drop logs, and visible emission logs. All records shall identify the company name and State Registration Number (SRN) on each page. These records shall be kept in accordance with methods and procedures approved by the AQD Southeast Michigan District Supervisor.

GENERAL PROVISIONS

11. On and after the effective date of this Consent Order, except as otherwise provided by the administrative rules of Part 55, the Company shall not install, construct, reconstruct, relocate, alter, or modify any process or process equipment including control equipment pertaining thereto, which may emit an air contaminant, unless a permit to install which authorizes such action is issued by the MDEQ pursuant to Rule 201, the Company is issued a waiver pursuant to Rule 202, or the change is exempt from the requirements of Rule 201.

12. This Consent Order in no way affects the Company's responsibility to comply with any other applicable state and federal, or local laws or regulations, including without limitation, any amendments to the federal Clean Air Act, 42 USC 7401 et seq., Act 451, Part 55 or their rules and regulations, or to the State Implementation Plan

13. This Consent Order constitutes a civil settlement and satisfaction as to the resolution of the violations specifically addressed herein; however, it does not resolve any criminal action that may result from these same violations.

14. The Company shall pay to the General Fund of the State of Michigan, in the form of checks made payable to the "State of Michigan" and delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O. Box 30657, Lansing, Michigan 48909-8157, a settlement amount of \$11,200.00 which includes AQD costs for investigation and enforcement. The total settlement amount sum shall be made in eight (8) payments as follows: (1) one payment of \$1,400.00 shall be made on or before (30) thirty days after the effective date of this Consent Order. A second (2nd) payment of \$1,400.00 shall be made on or before (120) one hundred twenty days after the effective date of the Consent Order. A third (3rd) payment of \$1,400.00 shall be made on or before (210) two hundred ten days after the effective date of the Consent Order. A fourth (4th) payment of \$1,400.00 shall be made on or before (300) three hundred days after the effective date of the Consent Order. A fifth (5th) payment of \$1,400.00 shall be made on or before (390) three hundred ninety days after the effective date of the Consent Order. A sixth (6th) payment of \$1,400.00 shall be made on or before (480) four hundred eighty days after the effective date of the Consent Order. A seventh (7th) payment of \$1,400.00 shall be made on or before (570) five hundred seventy days after the effective date of the Consent Order. An eighth (8th) and final payment of \$1,400.00 shall be made on or before (650) six hundred fifty days after the effective date of the Consent Order. To ensure proper credit, all payments made pursuant to this Consent Order shall include the Agreement Identification No. AQD 1188 on the face of the checks. This settlement amount is in addition to any fees, taxes, or other fines that may be imposed on the Company by law.

15. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 11 of this Consent Order, the Company is subject to a stipulated fine of up to \$10,000.00 per violation. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph[s] 10A of this Consent Order, the Company is subject to stipulated fines of \$500.00 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with paragraph 10B of this Consent Order, the Company is subject to stipulated fines of \$2,000 per violation per day. On and after the effective date of this Consent Order, if the Company fails to comply with any other provision of this Consent Order, the Company is subject to a stipulated fine of \$500.00 per violation. The amount of the stipulated fines imposed pursuant to this paragraph shall be within the discretion of the MDEQ. Stipulated fines submitted under this Consent Order shall be by check, payable to the State of Michigan within thirty (30) days of written demand and shall be delivered to the Michigan Department of Environmental Quality, Financial and Business Services Division, Revenue Control, P.O.

Box 30657, Lansing, Michigan 48909-8157. To ensure proper credit, all payments shall include the Agreement Identification No. AQD 1188 -S on the face of the check. Payment of stipulated fines shall not alter or modify in any way the Company's obligation to comply with the terms and conditions of this Consent Order.

16. The AQD, at its discretion, may seek stipulated fines or statutory fines for any violation of this Consent Order which is also a violation of any provision of applicable federal and state law, rule, regulation, permit, or MDEQ administrative order. However, the AQD is precluded from seeking both a stipulated fine under this Consent Order and a statutory fine for the same violation.

17. To ensure timely payment of the settlement amount assessed in paragraph 14 and any stipulated fines assessed pursuant to paragraph 15 of this Consent Order, the Company shall pay an interest penalty to the State of Michigan each time it fails to make a complete or timely payment under this Consent Order. The interest penalty shall be determined at a rate of twelve percent (12%) per year compounded annually, using the full increment of amount due as principal, calculated from the due date specified in this Consent Order until the date that delinquent payment is finally paid in full. Payment of an interest penalty by the Company shall be made to the State of Michigan in accordance with paragraph 15 of this Consent Order. Interest payments shall be applied first towards the most overdue amount or outstanding interest penalty owed by the Company before any remaining balance is applied to subsequent payment amount or interest penalty.

18. The Company agrees not to contest the legal basis for the settlement amount assessed pursuant to paragraph 14. The Company also agrees not to contest the legal basis for any stipulated fines assessed pursuant to paragraph 15 of this Consent Order, but reserves the right to dispute in a court of competent jurisdiction the factual basis upon which a demand by MDEQ of stipulated fines is made. In addition, the Company agrees that said fines have not been assessed by the MDEQ pursuant to Section 5529 of Part 55 and therefore are not reviewable under Section 5529 of Part 55.

19. This compliance program is not a variance subject to the 12 month limitation specified in Section 5538 of Part 55.

20. This Consent Order shall remain in full force and effect for a period of at least five (5) years. Thereafter, the Consent Order shall terminate only upon written notice of termination issued by the AQD Chief. Prior to issuance of a written notice of termination, the Company shall submit a request, to the AQD Chief at the Michigan Department of Environmental Quality, Air Quality Division, P.O. Box 30260, Lansing, Michigan 48909-7760, consisting of a written certification that the Company

has fully complied with all the requirements of this Consent Order and has made all payments including all stipulated fines required by this Consent Order. Specifically, this certification shall include: (i) the date of compliance with each provision of the compliance program and the date any payments or stipulated fines were paid; (ii) a statement that all required information has been reported to the AQD Southeast Michigan District Supervisor; (iii) confirmation that all records required to be maintained pursuant to this Consent Order are being maintained at the facility; and, (iv) such information as may be requested by the AQD Chief.

21. In the event Premier Finishes, LLC, sells or transfers the facility, with SRN N7896, it shall advise any purchaser or transferee of the existence of this Consent Order in connection with such sale or transfer. Within thirty (30) calendar days, the Company shall also notify the AQD Southeast Michigan District Supervisor, in writing, of such sale or transfer, the identity and address of any purchaser or transferee, and confirm the fact that notice of this Consent Order has been given to the purchaser and/or transferee. As a condition of the sale, the Premier Finishes, LLC must obtain the consent of the purchaser and/or transferee, in writing, to assume all of the obligations of this Consent Order. A copy of that agreement shall be forwarded to the AQD Southeast Michigan District Supervisor within thirty (30) days of assuming the obligations of this Consent Order.

22. Prior to the effective date of this Consent Order and pursuant to the requirements of Sections 5511 and 5528(3) of Part 55, the public was notified of a 30-day public comment period and was provided the opportunity for a public hearing.

23. Section 5530 of Part 55 may serve as a source of authority but not a limitation under which the Consent Order may be enforced. Further, Part 17 of Act 451 and all other applicable laws and any other legal basis or applicable statute may be used to enforce this Consent Order.

24. The Company hereby stipulates that entry of this Consent Order is a result of an action by MDEQ to resolve alleged violations of its facility located at 28060 Groesbeck Hwy., in the City of Roseville, County of Macomb, State of Michigan, with State Registration Number ("SRN") N7896. The Company further stipulates that it will take all lawful actions necessary to fully comply with this Consent Order, even if the Company files for bankruptcy in the future. The Company will not seek discharge of the settlement amount and any stipulated fines imposed hereunder in any future bankruptcy proceedings, and the Company will take necessary steps to ensure that the settlement amount and any future stipulated fines are not discharged. The Company, during and after any future bankruptcy

proceedings, will ensure that the settlement amount and any future stipulated fines remain an obligation to be paid in full by the Company to the extent allowed by applicable bankruptcy law.

The undersigned certifies that he/she is fully authorized by the Company to enter into this Consent Order and to execute and legally bind the Company to it.

**Premier Finishes, LLC**

Brian Borowski Member  
Print Name and Title

Brian Borowski Date: 1-26-10  
Signature

The above signatory subscribed and sworn to before me this 26 day of January, 2010.

Donna Marie Nielsen  
Notary Public

DONNA MARIE NIELSEN  
NOTARY PUBLIC, STATE OF DE  
COUNTY OF HANCOCK  
MY COMMISSION EXPIRES April 6, 2011  
ACTING IN COUNTY OF

Approved as to Content:

Approved as to Form:

G. Vinson Hellwig  
G. Vinson Hellwig, Chief  
AIR QUALITY DIVISION  
DEPARTMENT OF ENVIRONMENTAL QUALITY  
ACTING

Alan F. Hoffman  
Alan F. Hoffman, Section Head  
ENVIRONMENTAL REGULATION SECTION  
ENVIRONMENT, NATURAL RESOURCES,  
AND AGRICULTURE DIVISION  
DEPARTMENT OF ATTORNEY GENERAL

Dated: 2/3/10

Dated: 2/3/10

FINAL ORDER

The Chief of the Air Quality Division having had opportunity to review the Consent Order and having been delegated authority to enter into Consent Orders by the Director of the Michigan Department of Environmental Quality pursuant to the provisions of Part 55 of Act 451 and otherwise being fully advised on the premises,

HAS HEREBY ORDERED that the Consent Order is approved and shall be entered in the record of the MDEQ as a Final Order.

MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY

  
G. Vinson Hellwig, Chief  
Air Quality Division

Dated: 2/3/10