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November 16, 1999

CERTIFIED MAIL # Z 411 746 199

Kenneth W. Sorah
President/CEO
New Gatsby Spas, Inc.
4408 Airport Road
Plant City, FL 33567-1112

Re: Hillsborough County - AP
DEP File No. 0570468-007-AV

Dear Mr. Sorah:

Please be advised that the Environmental Protection Commission of Hillsborough County (EPC), as delegated by the Florida Department of Environmental Protection (DEP), has completed their initial review of the application received on October 18, 1999, to modify air emission units and revise Title V operating permit. In order to complete the review process the following additional information is being requested pursuant to Chapter 62-4.055, F.A.C.:

1. The modification application is being processed under DEP File No. 0570468-008-AC. Pursuant to Rule 62-297.310(7)(a)1., F.A.C. you are required conduct compliance test. After completion and testing of the modification project, please submit the test report to EPC. Pending the submittal and approval of the test report for DEP File No. 0570468-008-AC the processing of this revision request will be held in abeyance.

NOTICE! Pursuant to the provisions of Chapter 62-4.070, F.A.C. and Section 120.600 F.S., if the EPC does not receive a response to this request for information within 90 days of the date of this letter, the EPC will issue a final order denying your application. You need to respond within 30 days after you receive this letter, responding to as many of the information requests as possible and indicating when a response to any unanswered question will be submitted. If the response will require longer than 90 days to develop, an application for new construction should be submitted when completed information is available. Or for operating permits, you should develop a specific time table for the

Kenneth W. Sorah
November 16, 1999
Page 2

consideration. Failure to comply with a time table accepted by the EPC will be grounds for the EPC to issue a Final Order of Denial for lack of timely response. A denial for lack of information or response will be unbiased as to the merits of the application. The applicant can reapply as soon as the requested information is available."

If you have any questions, please feel free to contact Ben Kalra at (813) 272-5530.

Sincerely,

Richard C Kirby IV

Richard C. Kirby, IV, P.E.
Chief, Air Permitting Section

cag

cc: John M. Burke, P.E.

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COMMISSION

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November 12, 1999

CERTIFIED MAIL # Z 411 746 267

Kenneth W. Sorah
President/CEO
New Gatsby Spas, Inc.
4408 Airport Rd.
Plant City, Fl. 33567

Re: Hillsborough County - AP
DEP File No. 0570468-008-AC

Dear Mr. Sorah:

Please be advised that the Environmental Protection Commission of Hillsborough County (EPC), as delegated by the Florida Department of Environmental Protection (DEP), has completed their initial review of the (application/additional information) received on Oct 18, 1999, to be incomplete. In order to complete the review process the following additional information is being requested pursuant to Chapter 62-4.055, F.A.C.:

1. Based on our analysis of the application this project will be subject to Prevention of Significant Determination (PSD) and require Best Available Control Technology (BACT). PSD is triggered when there is a major increase in air pollution between current actual emissions, and future allowable emissions. Also, since this application seeks to increase emissions to within 4% of PSD major threshold and emission factors used are not verifiable, the most conservative (highest) factors should be used.

2. Per recent conversations with EPA staff, the soon to be released draft Maximum Available Control Technology (MACT) standard for this type of operation will require add on controls for facilities emitting more than 100 Tons Per Year of Styrene. Please describe the control devise(s) proposed.

3. Styrene emitting facilities have been and continue to be a source of odor complaints from citizens in Hillsborough County. A preliminary computer model was run by EPC. According to the model the odor threshold will be exceeded at the nearest residence for over 8 continuous hours. Over a 15 minute time interval the odor threshold is doubled at the nearest residence. Section 1-3.22 3,

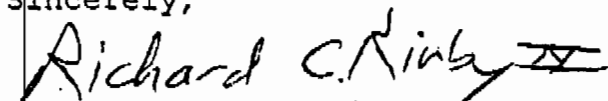
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Rules of the Environmental Protection Commission of Hillsborough County (EPC) prohibits the discharge into the atmosphere of any pollutant which causes or tends to cause or to contribute to an objectionable odor. Section 1-3.23, Rules of the EPC states, "No person shall store, pump, handle, process, load, or use in any process or installation volatile organic compounds or organic solvents without applying known and existing vapor emission control devices or systems as may be necessary". What control device(s) are proposed to meet this requirement?

"NOTICE! Pursuant to the provisions of Chapter 62-4.070, F.A.C. and Section 120.600 F.S., if the EPC does not receive a response to this request for information within 90 days of the date of this letter, the EPC will issue a final order denying your application. You need to respond within 30 days after you receive this letter, responding to as many of the information requests as possible and indicating when a response to any unanswered question will be submitted. If the response will require longer than 90 days to develop, an application for new construction should be submitted when completed information is available. Or for operating permits, you should develop a specific time table for the submission of the requested information for EPC review and consideration. Failure to comply with a time table accepted by the EPC will be grounds for the EPC to issue a Final Order of Denial for lack of timely response. A denial for lack of information or response will be unbiased as to the merits of the application. The applicant can reapply as soon as the requested information is available."

If you have any questions, please feel free to contact me at (813) 272-5530.

Sincerely,



Richard C. Kirby, IV, P.E.
Chief, Air Permitting Section

Xc: John M. Burke, P.E.

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FEB 14 2000

BUREAU OF AIR REGULATION

January 24, 2000

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JAN 31 2000

Via Telefax & Regular Mail

Mr. Richard C. Kirby, IV, P.E.
Hillsborough County Environmental Protection Commission
Air Management Division
1410 North 21st Street
Tampa, Florida 33605

EPC 1413
AIR MANAGEMENT

**Re: New Gatsby Spas, Inc.
Application to Modify Air Permit No.: 0570468-005-AV
Our File No. 42173-0006**

Dear Mr. Kirby:

As you are aware, this firm represents New Gatsby Spas, Inc. ("NGS") in the above referenced matter. This letter is written as a follow-up to our meeting of November 24, 1999, and in confirmation of NGS' response to three Hillsborough County Environmental Protection Commission ("EPC") letters, one dated November 12, 1999 and two dated November 16, 1999, which responses were provided at our meeting with you and Ben Karla at our November 24 meeting.

Mr. Richard C. Kirby, IV's November 12, 1999 Correspondence

For ease of review, I have provided the EPC's written comments, followed, in turn, by NGS' response.

HCEPC COMMENT 1. Based on our analysis of the application this project will be subject to Prevention of Significant Deterioration (PSD) and require Best Available Control Technology (BACT). PSD is triggered when there is a major increase in air pollution between current actual emissions, and future allowable emissions. Also, since this application seeks to increase emissions to within 4% of PSD major threshold and emission factors used are not verifiable, the most conservative (highest) factors should be used.

RESPONSE: The NGS' air permit modification application, prepared by its consultant, Radian International ("Radian") has provided all calculations necessary to demonstrate that the new emissions associated with expanded facility operations will not exceed the 250 ton per year limit, thereby avoiding the PSD trigger. Further, since the EPA recognizes and Florida DEP has previously used the Fiberglass Reinforced Plastic ("FRP") emission factors, we are comfortable that they are currently one of the most reasonably accurate models of emissions from NGS' spa manufacturing processes.

Finally, as we discussed, there is no regulatory basis to require the use of the most conservative emissions factors when an air permit seeks to come within 4% of the PSD limit. However, NGS also understands the EPC's concern that variations in model inputs could cause calculated emissions to exceed the PSD threshold. Consequently, NGS will submit a revised permit application that leaves a bit more latitude for modeling variations by rolling back its proposed emissions cap by several TPY in its atomized spray process.

HCEPC COMMENT 2. Per recent conversations with EPA staff the soon to be released draft Maximum Available Control Technology (MACT) standard for this type of operation will require add-on controls for facilities emitting more than 100 Ton Per Year of Styrene. Please describe the control devise(s) [sic] proposed.

RESPONSE: As discussed at the November 24 meeting, upon promulgation of the MACT standard, the fiberglass reinforced plastics industry (including NGS), will have up to three (3) years to attain compliance. Consequently, it is premature for HCEPC to request NGS to speculate as to how it will comply with a MACT standard which has not been finalized and is not yet applicable. Prospective compliance with MACT should not form a basis for concluding that the Application is incomplete. In addition, based upon our own discussions with FDEP, we believe they will concur that case-by-case MACT does not apply to the NGS Application.

HCEPC COMMENT 3. Styrene emitting facilities have been and continue to be a source of odor complaints from citizens in Hillsborough County. A preliminary computer model was run by EPC. According to the model, the odor threshold will be exceeded at the nearest residence for over 8 continuous hours. Over a 15 minute time interval the odor threshold is doubled at the nearest residence. Section 1-3.22.3, Rules of the Environmental Protection Commission of Hillsborough County (EPC), prohibits the discharge into the atmosphere of any pollutant which causes or tends to cause or to contribute to an objectionable odor. Section 1-3.23, Rules of the EPC states, "No person shall store, pump, handle, process, load, or use in any process or installation volatile organic compounds or organic solvents without applying known and existing vapor emission control devices or systems as may be necessary". What control devices are proposed to meet this requirement?

RESPONSE: NGS is sensitive to the EPC's concern regarding potential odor issues that may result from an increase in air emissions from the facility. The EPC, however, has used subjective "odor threshold values," which are not enforceable limits, as opposed to permissible exposure limits ("PELs"), which are enforceable, for purposes of comparison. EPC should note that the modeling results included in the Application demonstrate compliance with the PELs. Further, it should be noted that in order to further address the EPC's concern regarding odor levels, NGS' revised permit Application, to be submitted following this correspondence, will include facility and process modifications which will demonstrate compliance with both the PELs and Florida's Ambient Air Reference Concentrations.

Mr. Ben Kalra's November 16, 1999 Correspondence

In its November 16, 1999 letter signed by Mr. Ben Kalra, EPC advised NGS that the owner or operator of an air pollution source must obtain a construction permit prior to beginning construction. The Florida Administrative Code ("FAC"), at 62-210.200, incorporates the following pertinent definitions:

"Construction" is defined, in pertinent part, as, "[t]he act of performing on-site fabrication, erection, installation or modification of an emissions unit or facility of a permanent nature . . ."

"Emissions unit" is defined as, "[a]ny part or activity of a facility that emits or has the potential to emit any air pollutant."

"Facility" is defined as, "[a]ll of the emissions units which are located on one or more contiguous or adjacent properties, and which are under the control of the same person (or persons under common control)."

NGS has advised the EPC that it will be expanding its physical plant to create a warehouse/storage area. Although this is the building which houses the emission units, the activity is not an on-site fabrication, erection, installation or modification of an emissions unit or the facility. Moreover, expansion of the plant will not result in the addition of new emissions units. Furthermore, FAC 62-4.040(1) exempts from the requirements of Chapter 62-4 "Permits," structural changes which will not change the quality, nature or quantity of air contaminant emissions. The planned activity will not result in any air emissions nor will it **change the quality, nature or quantity of air contaminant emissions from** the NGS plant. Accordingly, NGS will be moving forward with the planned addition to the physical plant.

Mr. Richard C. Kirby, IV, P.E.

01/24/00

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Mr. Richard C. Kirby IV's November 16, 1999 Correspondence

In the November 16, 1999 letter signed by Mr. Richard C. Kirby IV, EPC advised that NGS will be required to conduct an emissions compliance test. This matter was also discussed at the November 24, 1999 meeting and the EPC agreed that this request is premature. Consequently, the EPC's statement that it will hold in abeyance the processing of NGS' permit modification application until the EPC receives and approves of the test report will not be applied to the NGS Application. Accordingly, it is our understanding that this requirement is not applicable at this time and NGS is not required to conduct the emissions compliance testing prior to issuance of the construction permit.

The NGS revised permit Application will be provided to EPC this week, including revisions reflecting our subsequent conference call with you, wherein we advised of NGS' intent to pursue alternate operating scenarios (atomized spray and flow coat processes) and an increase in facility stack height. In the interim, if you have any other questions, please do not hesitate to call me or Ronald J. Schott of this office.

Very truly yours,

A handwritten signature in black ink, appearing to read "Eric J. Nemeth", with a stylized flourish at the end.

Eric J. Nemeth

EJN:lt

Enclosure

cc: Mr. Paul Herrmann
Mr. Ken Sorah
Mr. Peter Keller

DRAFT

Gatsby Spa Inc., Plant City, FL - ISCST3 Styrene Impacts^a

Scenario ^b	Averaging Period	1991 Maximum ($\mu\text{g}/\text{m}^3$)	Percent of Odor Threshold ($\mu\text{g}/\text{m}^3$)	Percent of FRACs ($\mu\text{g}/\text{m}^3$)	Percent of PELs ($\mu\text{g}/\text{m}^3$)
Scenario 1	1-hour	1952	305	--	0.2
	8-hour	839	131	39	0.2
	24-hour	460	72	91	--
	annual	68	11	68	--
Scenario 2	1-hour	1844	288	--	0.2
	8-hour	752	117	35	0.2
	24-hour	300	47	59	--
	annual	58	9	56	--
Scenario 3	1-hour	1583	247	--	0.2
	8-hour	692	108	32	0.2
	24-hour	299	47	59	--
	annual	53	8	53	--

^a Impacts are compared to the following threshold values:

Odor Threshold = 640 $\mu\text{g}/\text{m}^3$

FRACs = 2130 $\mu\text{g}/\text{m}^3$ (8-hr); 507 $\mu\text{g}/\text{m}^3$ (24-hr); 100 $\mu\text{g}/\text{m}^3$ (annual)

PELs: TWA = 100 ppm (433230 $\mu\text{g}/\text{m}^3$); Ceiling = 200 ppm (866470 $\mu\text{g}/\text{m}^3$)

^b Scenario 1 = Atomized Spray Application with 45% Styrene Content Resin Used in Stage II Booth, Stack Heights = 18.5 m (+22 ft)

Scenario 2 = Flow Coater Application with 45% Styrene Content Resin Used in Stage II Booth

Scenario 3 = Flow Coater Application with 35% Styrene Content Resin Used in Stage II Booth

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Direct Fax: 888-325-9596
E-Mail: rschott@ealaw.com

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APR 13 2000

BUREAU OF AIR REGULATION

April 7, 2000

Via Facsimile and Overnight Delivery

Mr. Steven Pak
Environmental Protection Commission of Hillsborough County
1410 North 21st Street
Tampa, Florida 33605

**Re: New Gatsby Spas, Inc.
Plant City, Florida
Title V Air Permit No.**

Dear Mr. Pak:

As you know, this office represents New Gatsby Spas, Inc. ("NGS") regarding its facility located at 4408 Airport Road, Plant City, Florida. We are in receipt of the March 7, 2000 letter (the "Correspondence") from the Environmental Protection Commission of Hillsborough County ("EPC") regarding NGS' application to amend its Title V Air Permit, which letter was received by NGS on March 10, 2000. In accordance with EPC's request, we are herewith providing NGS' response to the EPC's request for additional information.

As you are aware, the Correspondence raises numerous substantive issues with which NGS cannot agree. To resolve these issues, NGS will be meeting with EPC and Florida DEP representatives. The anticipated date of this meeting is April 17, 2000.

In order to reserve our rights, please accept this correspondence as NGS' disagreement with, or denial of, all comments or general allegations set forth by EPC in the Correspondence. Following the April 17th meeting, we will provide EPC with specific comments to all remaining issues in the Correspondence.

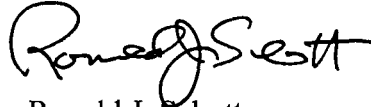
Mr. Steven Pak

04/07/00

Page 2

We look forward to meeting with you. If you have any questions, or require any further information, please feel free to call me.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ronald J. Schott". The signature is fluid and cursive, with the first name "Ronald" and last name "Schott" being clearly legible.

Ronald J. Schott

RJS/aj

cc: Mr. Kenneth Sorah
Eric J. Nemeth, Esq.
Ms. Cindy Phillips, Florida DEP

Meeting Agenda and Presentation Materials
New Gatsby Spas, Inc. (NGS) Plant City Florida / HCEPC, FLDEP
April 17, 2000

- 1.0 Introductions
- 2.0 Purpose of Meeting
- 3.0 Project Overview / Application History
- 4.0 Presentation of NGS Response to Questions Contained in EPC's March 7, 2000 Letter
- 5.0 Discussion and Consensus on Plan for Permit Approval
- 6.0 Action Items
- 7.0 Timeline

2.0 Purpose of Meeting

- Explain Project Scope for which permit amendment is being sought.
- Present NGS response and position on significant issues raised in EPC's March 7, 2000 Revised Permit Application Response Letter
- Present NGS regulatory conclusions with respect to 112(g) Case-by-Case MACT
- Present NGS emissions inventory basis, alternatives reviewed, and options for refinement
- Present NGS regulatory conclusions with respect to PSD and odor
- Achieve consensus and commitment from EPC on required actions for permit approval

3.0 Project Overview / Application History

- 1) Project consists of addition of warehouse space and resin storage tanks and movement of tool room. No additional spray booths, production lines or tool booths are included. Increased production is based solely on increased hours of production.
- 2) A pre-application meeting was held between EPC and NGS representatives on October 13, 1999. Specific items presented and reviewed included:
 - Project description
 - Emissions calculation methodology (FRP Model)
 - Regulatory analysis performed for the project (112(g), PSD, FL SIP, etc.)
 - Permit application forms content
 - Proposed Title V operating permit revision
 - Suggested permit language for future operational flexibility

Meeting conclusions:

- EPC would likely perform air dispersion modeling to evaluate styrene odor impacts to the surrounding community. EPC had identified odor as the major issue of concern to the agency.
 - EPC guidance was to use the OSHA permissible exposure limit ("PEL"), the only enforceable ambient air limits, and nearest residence, as modeling criteria.
 - No guidance was provided by the EPC regarding emissions calculation methodologies or emission factors. It was acknowledged that DEP had no "approved" approach for fiberglass reinforced plastics (FRP) industry emissions inventory.
 - NGS requested use of actual emissions testing and resulting total VOC emissions as limiting criteria. Given NGS' interest in possibly using lower styrene content resins and low-VOC emission coating techniques, or vapor suppressed resins. EPC indicated they could not approve "bubble" permit provisions. EPC confirmed that including multiple operating scenarios is acceptable.
- 3) Application to Modify Air Emissions Units and Request Title V Operating Permit Revision received by EPC on or about October 18, 1999. In the November 12, 1999 letter:
- 4) Incompleteness determination letter and request for additional information received from EPC on November 12, 1999. In the November 12, 1999 letter:
- EPC indicates that requested increase in allowable emissions within 4% of the PSD major source threshold is "too close" based on the uncertainty of emission estimates using emission factors/FRP model approach. EPC proposes that the most conservative (highest) emission factors be used.
 - EPC requests information on what NGS proposes for compliance with the yet to be proposed FRP industry MACT standard.
 - EPC requests information on what pollution controls are proposed for the project pursuant to a general EPC volatile organic compound ("VOC") control provision.
 - EPC T-Screen modeling indicated exceedance of the styrene odor threshold at the nearest residence.
 - EPC advised that NGS would be required to conduct an emission compliance test (i.e., November 16, 1999 letter).
- 5) Meeting: In response to EPC's November correspondence, NGS met with the EPC on November 24, 1999. All EPC information requests were discussed and NGS's response provided. EPC and NGS agreed that resubmittal of the application would be preferable to submitting change pages only. This would also facilitate the roll-in of the two alternate operating scenarios; one involving atomized spray and the other use of low flow coat spray guns. Specific discussion items:

- Prevention of Significant Deterioration ("PSD") threshold – NGS agreed to roll back the requested emissions increase by approximately 8 tpy to address the EPC concern on emission factor accuracy and magnitude of NGS emissions increase.
 - Odor issue – NGS indicated that a modeling analysis would be included with the revised application to demonstrate no significant odor impacts at the nearest residence, or, in the alternative, to propose measures to control the odor.
 - 112(g) – EPC indicated that the FL DEP (Cindy Phillips) felt that the project might be subject to 112(g) Case-by-Case MACT. Rick Kirby of the EPC did not agree with FL DEP determination at that time.
 - Compliance testing requirement – EPC acknowledged that this request was premature. Testing would not be required prior to issuance of the construction permit.
- 6) Communications between Radian International ("Radian") modeling team and EPC and FL DEP, December 1999. Telephone conversations confirm that no official modeling protocol has been established for odor analysis modeling.
- 7) Facsimile copy of 3 line Email from Cindy Phillips, DEP to Rick Kirby, EPC received by Radian January 2000. Email indicated DEP's position that the NGS project would be subject to 112(g) and PSD. No supporting analysis to support position was provided.
- 8) Revised Application to Modify Air Emissions Units and Request Title V Operating Permit Revision submitted to EPC February 7, 2000.
- 9) Meeting with Ms. Phillips, DEP on March 9, 2000 at NGS. The meeting consisted of a plant tour and brief discussion on 112(g) MACT applicability. Ms. Phillips advised that FL DEP felt the Facility is subject to 112(g) MACT.
- 10) Incompleteness determination letter and request for additional information dated March 7, 2000 received by the Facility on March 10, 2000.
- 11) General response to EPC's March 7, 2000 letter submitted advising of desire to meet.

4.0 Presentation of NGS Response to Questions Contained in EPC's March 7, 2000 Letter

Question 1 - "Your application includes construction of...."

Corrections to EPC's understanding of project scope:

- a) The new bulk storage tank is proposed to facilitate use of alternate resin formulations (i.e., allow experimentation with low styrene/styrene suppressed

resins). The tank volume is 8,700 gallons. This tank is not necessary to achieve the facility production capacity.

- b) The purpose of the three new resin mixing tanks is 1) to allow the facility to increase the daily production workforce shifts and 2) to accomplish the same objective as described under (a) above.
- c) Mold preparation booth. Under current operations, mold preparation occurs in the production booths (e.g., Stage I or Stage II Booth). This requires that the line be periodically shut down to allow for mold preparation. Project scope is to install an existing (dismantled) booth in the production building for use in mold preparation. Actual number of molds made in 1999 = 7-8. Potential proposed for project, approximately 30/yr. Potential VOC emissions from this source are below 1 tpy.
- d) NGS is replacing the two existing atomized spray guns in the Stage I and II Booths with flow coating guns. (A total of four flow coating guns will be purchased, with two serving as backup.)
- e) The building expansion costs of \$859,000 is established by back-up documentation to be provided by NGS.
- f) The percentage increase requested in production or material usage is not the driving factor of permissibility of NGS' expansion, it is demonstration that controls are not required due to PSD or MACT triggers and that odor issues are addressed. Although the material usage decreased from 456 to 438%, spa production did not change because spa production is not a permit condition.
- g) The non-atomized spray guns are the same as the flow coaters. These are new spray guns designed to reduce over-spray and styrene emissions from the resin application process. They will replace the existing two atomized spray guns in the Stage I and Stage II Spray Booths.
- It is important to understand that the primary mechanism for achieving the proposed production target (48,750 spas/yr) is increasing the annual hours of plant operation (e.g., increased shifts per day), not physical modifications to the facility or equipment.

Question 1 and 3 – Construction of a Major Source

The EPC has asserted that the proposed changes by NGS constitute "Construction of a major source" as defined in 40 CFR 63.41. NGS has concluded that the proposed facility modifications do not constitute "Construction of a Major Source" for the following reasons:

- From the preamble to 40 CFR 63.40 et seq. (The "Preamble"), "Construction" refers to two types of sources: 1) Major-emitting construction at a green field site and 2) Construction of a new process or production unit at an existing site where the process or production unit is itself major-emitting.
- 1) The project clearly does not constitute construction of a new major-emitting plant on a greenfield site. A "greenfield site" is defined at 40 CFR 63.41 as a contiguous area under common control that is an undeveloped site. This site is under the common control of NGS and it is developed, therefore, it is not a greenfield site. Whether or not the construction of new warehouse space and

building expansion meet the definition of "construction" as stated in Rule 62-210.200, these structures do not constitute a major-emitting source. NGS does not agree that the building expansion or the new warehouse space meet the definition of "construction" at Rule 62-210.200.

- The new equipment proposed, as part of the plant modification do not constitute a "process or production unit."

- 2) "Process or production unit" is defined as "Any collection of structures and/or equipment that processes, assembles, applies, or otherwise uses material inputs to produce or store an intermediate or final product."

- From the Preamble: "The draft final rule contained separate definitions of 'process' and 'production unit.' Under the draft language, storage tanks would have been considered processes or production units in some situations. Because the final rule consolidates the two definitions, the EPA has changed the definition of process or production unit to include the storage of materials, where storage is the primary function of the facility (e.g., tank farms)."

- The bulk storage tank, new resin mix tanks, mold preparation spray booth and non-process related building expansion / paving activities do not separately or as a group constitute a process or production unit as defined by EPA. These units, separately or as a group, also do not constitute a major-emitting source (i.e., if defined as a process or production unit, case-by-case MACT would still not apply).

- The replacement of two atomized spray guns in the existing Stage I and II Booths with flow-coating guns is not a new process or production unit. These lower emitting guns will simply replace the two atomized guns currently used in the process. Two additional flow-coating guns will also be purchased to serve as backup. Only two guns will be used at any one time in the two production booths, as is currently the case.

- Method of operation 1 and 2 (MOA 1 and MOA 2) are not cumulative, they are mutually exclusive. The facility will either implement the flow-coater guns and operate the spa manufacturing process under MOA 2 or continue with the current atomized spray guns under MOA 1.

Additional supporting basis for determining what constitutes a "Process or Production Unit" are provided in the Preamble:

- The process or production unit may be a part of the facility, which contains several such units. By requiring that the unit produce a product, the EPA intends section 112(g) to apply to units, which are discrete, not units that are just one essential part of a larger function.
- Key factors in defining process or production unit are: 1) What are the intermediate or final products? 2) Do the new equipment and/or structures constitute a collection of equipment and/or structures that produce such a product? 3) To what extent are the new equipment and structures discrete – can they produce an intermediate or final product independently, in substantial degree, from the existing equipment or structures? Does it make sense, from an engineering standpoint, to control the process or production unit separately from the rest of the manufacturing process?

- As described above, the installation of resin tanks and warehouse space and/or the replacement of spray guns and a mold booth individually, or in the aggregate, cannot produce an intermediate or final product

From the March 13, 1997 Q&A

- Q9: A facility is adding a major process unit. Is the entire facility subject to 112(g)?
- A: No, only the new major process unit is subject to review under 112(g) not the entire facility.

Debottlenecking

From the Preamble:

A new process or production unit at a major source must itself inherently be major-emitting; the EPA does not intend that a new process or production unit causing increased emissions at another unit downstream be covered by this rule.

From the March 13, 1997 Q&A

- Q4: Are increases in emissions downstream from the new source considered when determining if the new source meets the major source threshold?
- A: No.

Question 2 – construction reconstruction and equipment additions since July 1, 1997

EPC will be asked to explain this request in more detail and NGS will discuss post July 1997 charges to the extent they are relevant to ongoing discussions.

Question 4 – Reconstruction

In 40 CFR EPC has suggested that the changes proposed by NGS constitutes "Reconstruction of a major source" pursuant to 40 CFR 63.41.

§63.41, *Reconstruct a major source* is defined as: the replacement of components at an existing process or production unit that in and of itself emits or has that potential to emit 10 tons per year of any HAP or 25 tons per year of any combination of HAP whenever:

- (1) The fixed capital cost of the new components exceeds 50 percent of the fixed capital cost that would be required to construct a comparable process or production unit; and
 - (2) It is technically and economically feasible for the reconstructed major source to meet the applicable maximum achievable control technology emission limitation for new sources established under this subpart.
- The NGS Project does not constitute reconstruction. The cost of the modification to the spa manufacturing process at Gatsby is below 50% of the cost of constructing a new spa manufacturing process. \$859K vs. \$2.11MM. The

\$859,000 was provided as a very conservative estimate of upper end costs. In truth, the warehouse construction costs showed not to be included since it is not part of the production unit. NGS Representatives will provide more detailed cost accounting for the capital cost estimates.

- Method of Operation 2 (MOA 2) is an independent scope element from the proposed facility production increase. Under this scenario, NGS is simply replacing the existing two atomized spray guns with flow-coating guns to reduce over-spray and styrene emissions from the application process. No other equipment are required to facilitate this gun replacement. No additional capacity will be added to the spray operations as a result of this operating scenario.
- As mentioned earlier, the two potential operating scenarios (MOA 1 and MOA 2) are not cumulative; they are mutually exclusive (i.e., either one or the other will be operated at any given time, not both).

Question 5 – FRP Model Inadequacy & Dispersion Modeling Analysis

a) FRP Model Variable Ranges

- The FRP Model was chosen as the most reliable and accurate emissions inventory tool for the NGS spa manufacturing process. It is acknowledged that the model has shortcomings. Nine variables are required to be quantified to derive an emission factor. Other emission factors and sources were reviewed and presented to EPC in an effort to obtain guidance on an “approved” approach. No such guidance was provided. Other emission factor sources reviewed and presented in the original permit application:
 - CFA Unified Emission Factors (UEF)
 - Florida Interim Guidance Memorandum Emission Factors
 - Current NGS Title V Permit Emission Factor Basis
 - EPA AP-42
- In some cases, as pointed out by EPC, variables contained in the FRP model were assigned values outside of the range of values used by RTI to derive the model correlations. In the case of thickness of resin application, the correlation indicates reduced emissions per unit available styrene under thicker application. The model defaults to the highest value in the “normal” range. Therefore, the estimate generated by the FRP model in this case is conservative, as it is based on a thickness of 70 mils, as opposed to 1000 mils and 219 mils for the Stage II and Tooling Booth, respectively.
- The FRP Model inputs for the gelcoat application process also contained one variable outside the “normal” model range, styrene content. It is assumed that the mathematical correlation (presumed linear) is still reasonably valid at this higher styrene content. The total potential emissions from the gelcoat operation are minimal with respect to the spray lay-up process (< 0.50 tpy).

b) Thickness is determined using site-specific measurements. The model input values represent averages.

- c) Spray gun distance to mold is estimated based on site-specific observations and measurements. The model input values are averages.
- d) Dry material off mold is estimated based on site-specific observations and measurements. The model input values are averages.
- e) Cup gel time is measured on site with a specialized device for that purpose. The measurements are made to ensure conformance with the vendor specified gel time.
- f) Application rate is determined by the gun output rate.
- g) Air velocity is determined by calculation based on the booth volume and fan flow rate.
- h) Although requested, no "normal" modeling protocol was provided by EPC or DEP for odor analysis modeling.
- i) Guidance from EPC indicated the appropriate procedure was to model impacts at the nearest residences. Impacts were evaluated at the nearest residential communities in each direction from the facility. It may be unreasonable to place 1000 receptors at these locations.
- j) EPC is requested to provide its explanation of "worst case" conditions.

Question 6 – Odor Analysis

NGS requests guidance on what threshold(s) and protocol are necessary for EPC to approve the dispersion modeling analysis for odor impacts. Also, what is the enforceability associated with odor threshold vs. PEL vs. FRAC?

Question 7 – Continuous Monitoring Provisions

- NGS currently has a sophisticated materials management system on order. This system will be utilized to record and report as necessary actual material usage rates.
- NGS Representatives to describe how frequently the facility is likely to switch between MOA 1 and MOA 2, although it is believed that at most, it would occur a few times each year.

Question 8 – PSD Trigger and Emissions Inventory

- All facility VOC emissions were accounted for and quantified in the emissions inventory presented in the NGS permit application.
- NGS offered sample data from other facilities to demonstrate actual emissions or from this facility, but was refused by EPC six months ago.
- Discussion on potential source testing protocols, other requirements

Question 9 – Woodworking Operations

- These operations are described in the NGS permit application.
- All woodworking VOC material usage and mass balance derived emissions estimates are included in the NGS permit application.

Question 10 – Proposed Material Usage Limits

The potential to emit under MOA 1 exceeds the PSD threshold at the maximum production rate of 48,750 spas/yr. The PTE for MOA 2 at the same production level is substantially below the major PSD threshold. Therefore, the proposed material usage limitations for MOA 1 represent a roll-back to keep the PTE below the PSD major source trigger.

Question 11 – Minor Omissions and Errors

NGS requests that EPC specify any further questions or issues on the permit application content at the meeting.

5.0 Discussion and Consensus on Plan for Permit Approval

6.0 Action Items

7.0 Timeline

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EDWARDS & ANGELL, LLP
A Massachusetts Limited Liability Partnership
Including Professional Corporations

COUNSELLORS AT LAW

SINCE 1894

PARTNER IN CHARGE
Christine M. Marx

RECEIVED

MAR 29 2000

51 JOHN F. KENNEDY PARKWAY
SHORT HILLS, NJ 07078-5008
(973) 376-7700
FAX (973) 376-3380

EPC & HC
AIR MANAGEMENT

Ronald J. Schott, Esq.
Direct Dial: (973) 921-5239
Email: rschott@ealaw.com

March 28, 2000

Via Overnight Delivery

Mr. Richard Kirby, IV, P.E.
Hillsborough County Environmental Protection Commission
Air Management Division
1410 North 21st Street
Tampa, Florida 33605

Re: **New Gatsby Spas, Inc.**
Plant City, Florida
Air Permit No: 0570468-005-AV
Administrative Permit Corrections

Dear Mr. Kirby:

Pursuant to our recent telephone conversation and in accordance with your instructions, and pursuant to the provisions of Florida Administrative Code ("FAC") Sections 62-210 and 62-213, New Gatsby Spas Ins. ("Gatsby") hereby requests administrative permit corrections to its Title V Air Operating Permit No. 0570468-005-AV (the "Permit"). In support of this request, enclosed please find completed DEP Form No. 62-210.900(1), pages 1 through 3. The administrative permit corrections requested by Gatsby consist of: (i) designating Mr. Kenneth Sorah, President of Gatsby, as the responsible official for Title V air permitting issues, and (ii) updating/correcting the facility telephone and facsimile numbers. A result of these administrative permit corrections will be that Mr. Sorah will be authorized to execute certifications required under the Title V Air Permit Program for the Gatsby facility.

Mr. Sorah meets the requirements to qualify as a "responsible official" set forth at FAC 62-210.200 (247)(a), as he is the President of the Gatsby corporation.

Mr. Richard Kirby
March 28, 2000
Page 2

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If you have any questions, or require any further information, please feel free to call me.

Very truly yours,



Ronald J. Schott

RJS/ps
Enclosure

cc: Mr. Kenneth Sorah
Eric J. Nemeth, Esq.

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Department of Environmental Protection

Division of Air Resources Management

APPLICATION FOR AIR PERMIT - TITLE V SOURCE

See Instructions for Form No. 62-210.900(1)

I. APPLICATION INFORMATION

Identification of Facility

1. Facility Owner/Company Name: NEW GATSBY SPAS, INC.	
2. Site Name: NEW GATSBY SPAS, INC.	
3. Facility Identification Number: 0570468 [] Unknown	
4. Facility Location: PLANT CITY Street Address or Other Locator: 4408 AIRPORT ROAD City: PLANT CITY County: HILLSBOROUGH Zip Code: 33567-1112	
5. Relocatable Facility? [] Yes [X] No	6. Existing Permitted Facility? [X] Yes [] No

Application Contact

1. Name and Title of Application Contact: RONALD J. SCHOTT, ESQ. COUNSEL TO NEW GATSBY SPAS, INC.	
2. Application Contact Mailing Address: Organization/Firm: EDWARDS & ANGELL, LLP Street Address: 51 JOHN F. KENNEDY PARKWAY City: SHORT HILLS State: N.J. Zip Code: 07078-5006	
3. Application Contact Telephone Numbers: Telephone: (973) 376 - 7700 Fax: (973) 376 - 3380	

Application Processing Information (DEP Use)

1. Date of Receipt of Application:	
2. Permit Number:	
3. PSD Number (if applicable):	
4. Siting Number (if applicable):	

BEST AVAILABLE COPY**Purpose of Application****Air Operation Permit Application**

This Application for Air Permit is submitted to obtain: (Check one)

- ☐ Initial Title V air operation permit for an existing facility which is classified as a Title V source.
- ☐ Initial Title V air operation permit for a facility which, upon start up of one or more newly constructed or modified emissions units addressed in this application, would become classified as a Title V source.

Current construction permit number: _____

- ☐ Title V air operation permit revision to address one or more newly constructed or modified emissions units addressed in this application.

Current construction permit number: _____

Operation permit number to be revised: _____

- ☐ Title V air operation permit revision or administrative correction to address one or more proposed new or modified emissions units and to be processed concurrently with the air construction permit application. (Also check Air Construction Permit Application below.)

Operation permit number to be revised/corrected: _____

- ☒ Title V air operation permit revision for reasons other than construction or modification of an emissions unit. Give reason for the revision; e.g., to comply with a new applicable requirement or to request approval of an "Early Reductions" proposal.

Operation permit number to be revised: 0570468-005-AV

Reason for revision: Administrative permit correction to designation of "responsible official" and correction to Telephone and Fax numbers.

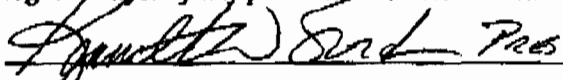
Air Construction Permit Application

This Application for Air Permit is submitted to obtain: (Check one)

- ☐ Air construction permit to construct or modify one or more emissions units.
- ☐ Air construction permit to make federally enforceable an assumed restriction on the potential emissions of one or more existing, permitted emissions units.
- ☐ Air construction permit for one or more existing, but unpermitted, emissions units.

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Owner/Authorized Representative or Responsible Official

1. Name and Title of Owner/Authorized Representative or Responsible Official: KENNETH SORAH, PRESIDENT
2. Owner/Authorized Representative or Responsible Official Mailing Address: Organization/Firm: NEW GATSBY SPAS, INC. Street Address: 4408 AIRPORT ROAD City: PLANT CITY State: FLORIDA Zip Code: 33567
3. Owner/Authorized Representative or Responsible Official Telephone Numbers: Telephone: (813) 754-4122 Fax: (813) 752-5716
4. Owner/Authorized Representative or Responsible Official Statement: <i>I, the undersigned, am the owner or authorized representative*(check here [], if so) or the responsible official (check here [x], if so) of the Title V source addressed in this application, whichever is applicable. I hereby certify, based on information and belief formed after reasonable inquiry, that the statements made in this application are true, accurate and complete and that, to the best of my knowledge, any estimates of emissions reported in this application are based upon reasonable techniques for calculating emissions. The air pollutant emissions units and air pollution control equipment described in this application will be operated and maintained so as to comply with all applicable standards for control of air pollutant emissions found in the statutes of the State of Florida and rules of the Department of Environmental Protection and revisions thereof. I understand that a permit, if granted by the Department, cannot be transferred without authorization from the Department, and I will promptly notify the Department upon sale or legal transfer of any permitted emissions unit.</i>  Signature Date 5/28/00

* Attach letter of authorization if not currently on file.

Professional Engineer Certification NOT APPLICABLE

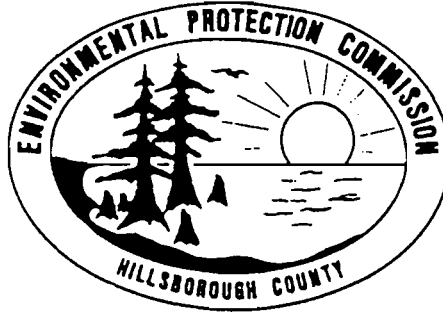
1. Professional Engineer Name: Registration Number:
2. Professional Engineer Mailing Address: Organization/Firm: Street Address: City: State: Zip Code:
3. Professional Engineer Telephone Numbers: Telephone: () - Fax: () -

COMMISSION

PAT FRANK
CHRIS HART
JIM NORMAN
JAN PLATT
THOMAS SCOTT
RONDA STORMS
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EXECUTIVE DIRECTOR

ROGER P. STEWART



ADMINISTRATIVE OFFICES, LEGAL &
WATER MANAGEMENT DIVISION
1900 - 9TH AVENUE
TAMPA, FLORIDA 33605
TELEPHONE (813) 272-5960
FAX (813) 272-5157

AIR MANAGEMENT DIVISION
TELEPHONE (813) 272-5530

WASTE MANAGEMENT DIVISION
TELEPHONE (813) 272-5788

WETLANDS MANAGEMENT DIVISION
TELEPHONE (813) 272-7104

March 7, 2000

CERTIFIED MAIL # 7099 3400 0004 3913 0118

Kenneth W. Sorah
President/CEO
New Gatsby Spas, Inc.
4408 Airport Road
Plant City, FL 33567

Re: Hillsborough County - AP
DEP File No. 0570468-008-AC

Dear Mr. Sorah:

Please be advised that the Environmental Protection Commission of Hillsborough County (EPC), as delegated by the Florida Department of Environmental Protection (DEP), has completed their initial review of the (application/additional information) received on October 18, 1999, and found it to be incomplete. In order to complete the review process the following additional information is being requested pursuant to Chapter 62-4.055, F.A.C.:

1. Your application includes construction of:
 - a) One new bulk resin storage tank (8000 gallons) that will provide additional resin storage capacity necessary to achieve full production capacity.
 - b) Three new resin mixing day tanks. We appreciate that NGS intends to comply with the anticipated Reinforced Plastic Composites Production NESHAP.
 - c) One mold preparation spray booth. We have noted that this booth will be used to prepare master mold (tooling) and you propose to discontinue/dismantle one existing booth that is being used for similar purpose.
 - d) Section 4.2 of application indicates that NGS has planned for two flow coaters.
 - e) One (?) building. The application mentioned in Section 4.2 that \$859,000 expenses includes the cost for non-process-related for paving and building.
 - f) Warehouse space expansion. We have noted your statement that it is designed to allow the facility to achieve its full operating potential (48750 spas per year.) The actual spa production per Appendix B was 10700. The proposed increase in the production was 456% and in Appendix B it

has been changed to 438% and proportionally the material usage decreased. We observe that the requested number of the spas to be manufactured has not been changed. Please explain situation.

- g) Two non-atomized guns to be used with flow coaters (proposed to be converted from existing atomized guns).

These above emission units constitute construction of a major source as defined in 40 CFR 63.41, and the permitting authority determines that New Gatsby Spas (NGS) is an affected source under 40 CFR 63, Subpart B. The permitting authority deems that the level of control achievable by control technology proposed by NGS is not equivalent to the level of control would be provided by MACT (Maximum Achievable Control Technology) as defined in 40 CFR 63.41. Please describe appropriate control equipment to meet the regulation.

Pursuant to 40 CFR 63.41 the definition of process or production unit includes the structures and/or equipment, that processes assemblies, applies, or otherwise uses material inputs to produce or store an intermediate or final product. Therefore, the fabrication, erection or installation of the additional items listed in paragraph 1.a) through 1.f), and any associated expansion in the building, production floor producing assemblies, subassemblies, storage areas, or any collection of structures constitute new process or new production units. On the same note item 1.g) may also be considered as an additional emission unit. The estimated and requested HAP emissions per Appendix B are Method MOA 1: 235 TPY and Method MOA 2: 79.3 TPY. Thus, the new process or these new production units in and of themselves emit or have potential to emit in excess of 10 tons per year of any individual HAP (styrene) or 25 tons per year of any combination of HAP. In this situation, the facility requires a 112(g) MACT determination. The permitting authority has made no previous determination that the existing emission control equipment represented best available control technology (BACT), lowest achievable emission rate (LAER) under 40 CFR part 51 or 52, toxics-best available control technology (T-BACT), or MACT based on State air toxic rules for styrene. Please propose MACT for this project.

2. What construction, reconstruction, or equipment addition has occurred since July 1, 1997 (including the 1998 modification)?

3. Pursuant to Rule 62-210.200, F.A.C., the permitting authority deems that proposed expansion of the building and construction of the warehouse satisfies the definition of the construction. Based upon the location of the building and/or warehouse the construction may be deemed as a construction at greenfield site

as defined in 40 CFR 63.41. Please support your claim as regards to the greenfield site.

4. Based upon following reasons the permitting authority believes that 'Reconstruction of a major source' as defined in 40 CFR 63.41 might have been triggered:

- a) Setting up of 'Method of operation 2 -- MOA 2' as described in Attachment H includes i) two flow coaters, and ii) two non-atomized guns. We anticipate that the MOA 2 may also include i) a set of assembly tools, jigs and fixtures involved in setting up of the MOA 2, ii) changes in the emission collection and exhaust system, iii) changes in the material handling system, iv) construction of additional building and warehouse areas, and v) installation of any necessary auxiliary equipment. As explained in paragraph 1 these changes constitute new process or production unit(s).
- b) The application shows that the proposed modification cost is estimated at \$859,000 and the cost of constructing a new spa manufacturing process at \$2,110,100. The ratio of $859,000/2,110,100 = 0.407$. We believe that you must have put a diligent effort to estimate the cost. However, we do not have the detailed cost analysis. We request you to submit the itemized breakdown of the estimated cost of expansion and itemized breakdown of the estimated cost of a new spa manufacturing process. Please also submit vendor or contractor quotes, and/or other relevant supporting document for the cost estimates.

5. Based upon following reasons the permitting authority deems the FRP model submitted by NGS inadequate and continues to perceive odor to be an issue:

- a) The parameters assumed by NGS to run the dispersion modeling analysis are out of a typical range or design range of FRP modeling, particularly when you consider that the FRP modeling methodology is representative of conditions at the site. What justification can you provide to use the FRP model when the values of 218.75 mils and 1,000 mils given for the Stage II Booth and Tooling Booth, respectively, are out of the normal range used for the FRP Model (A styrene content of 53% for gelcoat application is also out of the normal range for the FRP Model.)
- b) How are the thicknesses determined? What percent variation is there during actual production?
- c) How is the distance from spray gun to mold maintained at 32 inches?
- d) How is the percentage of dry material off mold per material sprayed determined?

- e) How is the cup gel time measured and/or monitored?
- f) How is the application rate determined?
- g) How is the air flow velocity determined?
- h) The model has considered only one year (1991) meteorological data. Normally, the modeling analysis is based on the latest meteorological data for 5 years. Please resubmit the model using the appropriate meteorological data.
- i) Normally, the modeling analysis includes 1000 receptors and you have used only 12 receptors, please use more receptors as recommended by the modeling methodology and resubmit the analysis.
- j) The exhaust temperature used for the model is 295.5° K. This temperature is equal to 72.5 ° F. We understand that you assumed the temperature to be average ambient temperature. We also understand the model is sensitive to the temperature. Please explain how the average air temperature is determined. Please resubmit the modeling analysis using the worst case condition(s).

6. The FLATWG's odor threshold is founded upon odorant detectability and the sensory perception of odor. We believe that citizen first senses an objectionable odor due to the odor characteristic of a chemical and then he/she complains. PEL is pertinent to the exposure to a toxic or hazardous chemical when the health risk factor being evaluated. At this juncture the permitting authority is focussing on the odor issue. We are requesting that you must consider the odor threshold column for your response and provide EPCHC reasonable assurance. Please refer to EPCHC Chapter 1-3.23 and describe your remedial action.

7. Describe how continuous compliance with the restrictions on materials usage will be assured in each alternative method of operation. How frequently will one method of operation be switched to the other?

8. Based upon the resin usage (Table III-2, page 2 of 5, resin appl.) and miscellaneous material usage (Table III-1, page 1 of 6, material usage) requested by the NGS, the permitting authority believes that PSD threshold has been triggered. NGS have not provided the details of the 321 tons of VOC emissions. The requested facility emissions are slightly below the PSD threshold and we are requiring an accurate count of the VOC emissions. Please include all potential VOC emissions that facility emits. It is being noted that accurate emission factors are not available to estimate the emissions from the resin. There is a possibility that that the permittee could be in compliance with the material restrictions, but easily trigger the PSD. We suggest

New Gatsby Spas, Inc.
March 7, 2000
Page 5

you may use actual site test emission data to provide EPCHC a reasonable assurance to estimate the emission factor. The testing must be performed using EPA Method and total enclosure.

9. Please describe the woodworking operations in details including the usage of (if any):

- a) Adhesives
- b) Base coat
- c) Application of graining inks
- d) Glazing coats or other opaque finishing materials

Estimate the VOC emissions from the woodworking operation.

10. Please refer to attachment H. Maximum requested resin quantities are as follows:

- a) Method 1 3,885,767 lbs/yr
- b) Method 2 4,089,862 lbs/yr

Please explain why the material usage for the two methods is different when each of the methods is intended to produce (say) 48750 spas. Please state the number 48750 represents the number of spas to be shipped out or the number of spas shipped plus the process rejection.

11. There are a few minor omissions and errors in the application that could be looked upon later or you may revise your application as deemed necessary.

"NOTICE! Pursuant to the provisions of Chapter 62-4.070, F.A.C. and Section 120.600 F.S., if the EPC does not receive a response to this request for information within 90 days of the date of this letter, the EPC will issue a final order denying your application. You need to respond within 30 days after you receive this letter, responding to as many of the information requests as possible and indicating when a response to any unanswered question will be submitted. If the response will require longer than 90 days to develop, an application for new construction should be submitted when completed information is available. Or for operating permits, you should develop a specific time table for the submission of the requested information for EPC review and consideration. Failure to comply with a time table accepted by the EPC will be grounds for the EPC to issue a Final Order of Denial for lack of timely response. A denial for lack of information or response will be unbiased as to the merits of the application. The applicant can reapply as soon as the requested information is available."

New Gatsby Spas, Inc.
March 7, 2000
Page 6

If you have any questions, please feel free to contact Ben Kalra
at (813) 272-5530.

Sincerely,

Richard C Kirby IV

Richard C. Kirby, IV, P.E.
Chief, Air Permitting Section

cag

cc: Jerry Kissel, SW DEP
Eric Nemeth, Esq., Edward & Angell
Peter A. Keller, P.E., Radian International

INTEROFFICE MEMORANDUM

Date: 06-Mar-2000 10:58am
From: Jeff Koerner TAL
KOERNER_J
Dept: Air Resources Management
Tel No: 850/414-7268 GIC 069

To: Bihari Kalra TPA (KALRA_B @ A1 @ EPIC66)
CC: Richard Kirby TPA (KIRBY_R @ A1 @ EPIC66)
CC: Cindy Phillips TAL (PHILLIPS_C)

Subject: New Gatsby Spas

Ben,

I read your draft that requested additional information for this project. Although I agree with many of the statements that were made, I think you would be better served to phrase them as very specific requests for additional information. Of particular interest with regard to PSD applicability of course, are the emission factors presented in the application. I believe the applicant needs to provide very detailed, site specific supporting information in order to allow the use of some of the much lower emission factors. The Department cannot issue a "hollow" permit that establishes a facility-wide bubble under which to operate. It is the applicant's responsibility to convince you that the lower emission factors are more representative of the way New Gatsby Spas operates its business. In my opinion, the concern with this project is that the applicant has not really committed to any type of pollution control or prevention techniques. The applicant should be able to provide a reasonable method for validating (not just calculating) the lower emissions factors in order to ensure compliance and prevent triggering PSD.

Good luck!

Jeff

TO: Ben Kalra, EPCHC
FROM: Cindy Phillips, FDEP Bureau of Air Regulation
RE: New Gatsby Spas, Inc.
Permit Application 0570468-005
DATE: March 2, 2000

I have reviewed the referenced application that EPCHC received on February 7, 2000.

I disagree with the applicant's response that a case-by-case MACT Determination is not needed.

Please include the following comments/questions in your request for additional information.

1. Describe how continuous compliance with the restrictions on materials usage will be assured in each alternative method of operation. How frequently will one method of operation be switched to the other?
2. What construction, reconstruction, or equipment addition has occurred since July 1, 1997 (including the 1998 modification)?
3. The addition of a spray booth, two flow coaters, and supporting equipment to increase production which results in HAP/styrene emissions in excess of 25/10 tons per year requires a 112(g) MACT determination. Please propose MACT (Maximum Achievable Control Technology) for this project.
4. Please provide an itemized breakdown of the estimated \$859,000 cost of expansion. Please provide an itemized breakdown of the estimated \$2,110,100 cost of constructing a new spa manufacturing process.
5. The following questions concern the FRP Model:
 - a. How is the distance from spray gun to mold maintained at 32 inches?
 - b. How are the thicknesses determined? What percent variation is there during actual production? What justification can you provide to use the FRP model when the values of 218.75 mils and 1,000 mils given for the Stage II Booth and Tooling Booth, respectively, are out of the normal range used for the FRP Model. (A styrene content of 53% for gelcoat application is also out of the normal range for the FRP Model.)
 - c. How is the percentage of dry material off mold per material sprayed determined?
 - d. How is the cup gel time measured and/or monitored?
 - e. How is the application rate determined?
 - f. How is the average air temperature determined?
 - g. How is the air flow velocity determined?

INTEROFFICE MEMORANDUM

Date: 29-Feb-2000 04:45pm
From: Jeff Koerner TAL
KOERNER_J
Dept: Air Resources Management
Tel No: 850/414-7268 GIC 069

To: Richard Kirby TPA (KIRBY_R @ A1 @ EPIC66)
CC: Cindy Phillips TAL (PHILLIPS_C)
CC: Alvaro Linero TAL (LINERO_A)

Subject: New Gatsby Permit Modification

Rick,

As we discussed this afternoon, I was asked to briefly review the application for this project and provide comments regarding PSD and construction. I'm sure you are well aware of many of these items, but I'll repeat them anyway.

1. The facility's current allowable VOC emissions are 79 TPY based on the DEP emissions factors. The total facility emissions after completion of the project would be 321 TPY, which would make this facility a PSD major source. Because the proposed project emissions are only 242 TPY, the modification is not in and of itself a major modification (>250 TPY). However, future modifications of 40 TPY or more will trigger PSD and require BACT determination. Interestingly, the emissions only from the flow coating option are about 170 TPY. Combined with the current allowable emissions of 79 TPY, the total facility emissions would be 248 TPY, just below the PSD applicability threshold.

2. The basis of the emission factors for this project is the "FRP" model. The applicant seems to indicate that the model provides a more accurate estimate for a specific process. However, at least one styrene emission factor is approximately half of the Department's recommended emission factor. Why is there such a discrepancy? What has changed at the facility that would decrease these emissions? What additional precautions does this facility take to minimize emissions during each process? The methods a facility uses to manage an FRP process can greatly affect the emissions, as evidenced by the wide range in AP-42 emission factors. In fact, I believe this facility was required to obtain a construction permit modification because of newly reported higher emission factors. It appears that the Department's emission factors were the basis of past permitting actions, the current "allowables" identified in this application, and emissions data in the Annual Operating Reports submitted by the applicant. What has physically changed or what new methods of operation have been implemented to ensure emissions will remain at the low end of the range? In my opinion, the applicant has not yet provided reasonable assurance that the facility is capable of operating at the lower emission factor levels. Test data specific to the given facility would be helpful.

3. The applicant has requested material usage restrictions to ensure that the project will not trigger the PSD threshold of 250 TPY. However, these restrictions are again based on suspect emission factors. If the emission factors are not accurate, the permittee could be in compliance with the material restrictions, but easily trigger the PSD threshold.

4. You should carefully consider the limits and averaging periods for this

project. Because the facility plans to quadruple its production with little or no controls, it seems reasonable to require a 365 day rolling total to determine compliance. It also seems reasonable to require frequent validation of the emission factors. The purpose is to avoid setting up the following scenario:

Example: The proposed project results in VOC emissions of 17.2 pounds of VOC per spa unit. At the end of the first year, the actual emissions are 300 TPY, however the facility only built 20,000 spas. The facility is actually averaging 30 pounds per spa unit. This would be an indicator that the emission factors were inaccurate and that the basis for the permit was flawed.

5. I recommend checking the definitions cited by the applicant for construction and reconstruction in the CFR. I believe a "logical" argument may be made that quadrupling the production of a facility is at least equal to constructing a single new process line. From PSD experience, an estimate of \$900,000 for this project compared to \$2,100,000 for a new process line is close enough to 50% to request supporting documentation and vendor quotes. You mentioned that two other similar operations owned by this company were to be shut down and production moved to this site. This appears to be adding at least two more production lines. In addition, there seems to be enough new equipment to be considered either construction or reconstruction.

6. Consider the actual time needed to install the tanks, mixers, flow coating, and other miscellaneous equipment. They could probably complete construction within 4 to 6 months.

7. You mentioned several odor complaints related to this facility. Depending on the number and frequency, you could request the applicant to publish a Notice of Application. This option is available for projects with heightened public interest. Your agency could also choose to publish the notice. Just a thought ...

These comments are just from my quick review this afternoon of the limited information. Let me know if you need anything else.

Good luck!

Jeff

INTEROFFICE MEMORANDUM

Date: 28-Feb-2000 02:27pm
From: Cindy Phillips TAL
PHILLIPS_C
Dept: Air Resources Management
Tel No: 850/921-9534

To: kalra@epcjanus.epchc.org

CC: Chris Carlson TAL

(CARLSON_C)

Subject: Gatsby - Modeling

Ben, I asked one of our Meteorologists, Chris Carlson, to look over Gatsby's modeling. He said that we typically ask for 5 years of meteorological data and Gatsby only provided one year's worth. Also, Gatsby only modeled at 7 receptors instead of a whole grid (about 1000 receptors.)

If you have any questions, please give Chris a call at SC 291-9537.