

Jeb Bush
Governor

Department of Environmental Protection

Twin Towers Office Building
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

David B. Struhs
Secretary

November 6, 2003

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Mr. Terry McNew
Vice President of Manufacturing
Sea Ray Boats
2600 Sea Ray Boulevard
Knoxville, Tennessee 37914

Re: Exemption of Temporary Used Boat Repair Activity
Merritt Island Facility/Cape Canaveral Plant

Dear Mr. McNew:

Enclosed please find the Exemption of Temporary Used Boat Repair Activity as we have discussed.

I understand that, prior to the expiration of this exemption, Sea Ray may be interested in submitting operating data such as number of boats repaired, emissions, material usage, number and size of holes repaired to demonstrate that additional boats may be repaired and still be below the emissions levels identified herein. There is nothing prohibiting Sea Ray from submitting such information and requesting the Department issue a new exemption. The Department would evaluate such a request in accordance with all applicable rules and laws.

If you have any questions, please contact me at 850/921-9503.

Sincerely,

Trina L. Vielhauer, Chief
Bureau of Air Regulation



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Sea Ray Boats
2600 Sea Ray Boulevard
Knoxville, Tennessee 37914

Re: Exemption of Temporary Used Boat Repair Activity
Merritt Island Facility/Cape Canaveral Plant

Dear Mr. McNew:

The Department has reviewed the letter dated October 11, 2003 from your consultant, Golder Associates, and considered the information presented by your representatives at our meeting of October 21 regarding the temporary used boat repair project at the Cape Canaveral Plant.

I. Determination of Exemption

The Department may determine that certain activities are exempt from the permit requirements of Chapter 62-4 of the Florida Administrative Code (F.A.C.). Such activities include "any existing or proposed installation which the Department shall determine does not or will not cause the issuance of air or water contaminants in sufficient quantity, with respect to its character, quality or content, and the circumstances surrounding its location, use and operation, as to contribute significantly to the pollution problems within the State, so that the regulation thereof is not reasonably justified. Such a determination is agency action and is subject to Chapter 120, F.S. Such determination shall be made in writing and filed by the Department as a public record. Such determination may be revoked if the installation is substantially modified or the basis for the exemption is determined to be materially incorrect." (Paragraph 62-4.040, F.A.C.)

Based upon the findings stated below and subject to the Conditions for Exemption in II, below, the Department has determined the temporary boat repair activities described below are exempt from construction permitting pursuant to 62-4.040, F.A.C.

According to the information provided by Sea Ray, the company will perform water related repairs that are covered under warranty on Brunswick Boat Group boats that have been in service for various periods of time. The first step will involve placing boats in the large building located at 1200 Sea Ray Drive and making small holes in the hulls. The water will be vacuumed out and the holes will be repaired with fiberglass, and associated resins, gel coats, epoxys and catalysts.

According to Sea Ray's estimate dated October 22, approximately 45 boats per year will be repaired in this manner for a limited amount of time beginning November 1, 2003. Annual emissions will be on the order of 0.65 ton per year (TPY) of volatile organic compounds (VOC) of which 0.47 TPY will be HAPS in the form of styrene. Total HAPS will not exceed 0.63 TPY.

"More Protection, Less Process"

Printed on recycled paper.

The bulk of the currently permitted operations are at 100, 200, and 350 Sea Ray Drive in Merritt Island. These consist of fiberglass boat manufacturing as well as product development and research. The existing Title V Operation permit allows 406 TPY of VOC of which 308 TPY are styrene. A recent permit (since expired) issued under the rule for the Prevention of Significant Deterioration of Air Quality at Paragraph 62-212.400, F.A.C. had authorized fiberglass boat manufacturing at 1200 Sea Ray Drive with emissions (prior to capture and control) of 211 TPY of VOC emissions including 125 TPY of styrene. By comparison with the emissions from the existing boat manufacturing operations, the emissions from the proposed used boat repair project will be minimal. They will also be minimal compared with the magnitude of emissions that would have been allowed by the expired construction permit for boat manufacturing at 1200 Sea Ray Drive even after capture and control.

Based on the information provided, the Department hereby determines that the proposed temporary used boat repair project will not cause the issuance of air or water contaminants in sufficient quantity, with respect to its character, quality or content, and the circumstances surrounding its location, use and operation, as to contribute significantly to the pollution problems within the State. Therefore the installation is exempt from permitting per Paragraph 62-4.040, F.A.C., subject to the Conditions for Exemption identified in paragraph II, below.

II. Conditions for Exemption:

A. Project Description

Sea Ray Boats will perform water related, warranty repairs on Brunswick Boat Group brand boats that have been in service for various periods of time. The first step will involve placing boats in the large building located at 1200 Sea Ray Drive and making small holes in the hulls. The water will be vacuumed out and the holes will be repaired with fiberglass. (Letter dated October 11, 2003. Ken Kosky, Golder Associates to Len Kozlov, DEP)

Additional information regarding the repairs is as follows:

- Typical hole size is 2 to 3 inches but may, in a worst case scenario, include up to 6 holes per boat at 3'x3' in size
- From 5 to 15 holes will be drilled per boat depending on the amount of water
- Boat sizes range from 30 to 63 feet in length
- Boats are from about 2 to 7 years old
- Resin is applied by hand (not as done in boat production)
- Gel coat is applied by portable 2-quart size spray (not production size)

(Electronic communication October 16. Ken Kosky, Golder Associates to Len Kozlov, DEP)

Emissions

Emissions estimates prepared by Sea Ray's consultant are given in attached Table 1. The estimates are very low compared with the Significant Emission Rate of 40 tons per year of VOC that would otherwise require Sea Ray to apply for a construction permit pursuant to the Rules for the Prevention of Significant Deterioration at Paragraph 62-212.400, F.A.C.

B. Conditions

The boat repair operations shall comply with the following conditions:

1. Sea Ray may make repairs covered by warranty on up to 45 Brunswick Boat Group brand boats per consecutive 12 month period rolled monthly at the existing large building located at 1200 Sea Ray Drive.
2. If more than 45 Brunswick Boat Group brand boats per 12 month period, rolled monthly are repaired, or the conditions of this exemption are not met, Sea Ray must apply to the Department for a construction permit.
3. The boat repair operations shall be conducted per the above Project Description.
4. Only the described boat repair operations shall be allowed by this exemption
5. The total emissions for VOC shall not exceed 0.65 tons per year, styrene shall not exceed 0.47 tons per year and total HAPS shall not exceed 0.63 tons per year. The VOC, styrene and HAPS limitations shall be on a consecutive 12 month rolling total rolled monthly
6. The boat repair operation shall be subject to applicable requirements of 40 CFR 63, Subpart VVVV adopted by the Department as Paragraph 62-204.800(11)(b)68, F.A.C.
7. Record keeping is to be maintained on a daily basis for VOCs, styrene and HAPS using a mass balance method. In addition, Sea Ray must maintain records on the number and size of holes required for each boat repaired.
8. The log and documents shall be kept at the facility and made available to the Department. Documentation of each chemical reclaimed will use a mass balance method to determine usage/emissions (the amount used minus the amount collected for disposal or recycle).
9. Supporting documentation (chemical usage tracking logs, MSD sheets, purchase orders, EPA "As Supplied" data sheets, EPA Method 24 and 24A, etc.) shall be kept for each chemical and associated products which includes sufficient information to determine usage rates and emissions.
10. Boat production and research operations permitted at 100, 200 and 350 Sea Ray Drive by the Title V Air Operation Permit 0090093-004-AV are prohibited at 1200 Sea Ray Drive unless Sea Ray applies for and receives an Air Construction permit. (Letter dated February 28, 2003. Randal Clunie, Sea Ray Boats to Howard Rhodes, DEP)
11. This exemption expires on October 31, 2006 or upon the timely and complete application for a Revision or Renewal of the Title V Operation Permit incorporating this project and these conditions, whichever occurs first.

A person whose substantial interests are affected by the proposed permitting exemption may petition for an administrative proceeding (hearing) under Sections 120.569 and 120.57 of the Florida Statutes (F.S.). The petition must contain the information set forth below and must be filed (received) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida, 32399-3000. Petitions filed by the permit applicant or any of the parties listed below must be filed within 21 days of receipt of this exemption decision. A petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. The failure of any person to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, F.S., or to intervene in this proceeding and participate as a party to it. Any subsequent intervention will be only at the approval of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

A petition that disputes the material facts on which the Department's action is based must contain the following information: (a) The name and address of each agency affected and each agency's file or identification number, if known; (b) The name, address, and telephone number of the petitioner, the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for

service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests will be affected by the agency determination; (c) A statement of how and when petitioner received notice of the agency action or proposed action; (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate; (e) A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action; (f) A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action; and (g) A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action. A petition that does not dispute the material facts upon which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by Rule 28-106.301, F.A.C.

Because the administrative hearing process is designed to formulate final agency action, the filing of a petition means that the Department's final action may be different from the position taken by it in this notice. Persons whose substantial interests will be affected by any such final decision of the Department on the application have the right to petition to become a party to the proceeding, in accordance with the requirements set forth above. Mediation is not available in this proceeding.

In addition to the above, a person subject to regulation has a right to apply for a variance from or waiver of the requirements of particular rules, on certain conditions, under Section 120.542, F.S. The relief provided by this state statute applies only to state rules, not statutes, and not to any federal regulatory requirements. Applying for a variance or waiver does not substitute or extend the time for filing a petition for an administrative hearing or exercising any other right that a person may have in relation to the action proposed in this notice of intent.

The application for a variance or waiver is made by filing a petition with the Office of General Counsel of the Department, 3900 Commonwealth Boulevard, Mail Station #35, Tallahassee, Florida 32399-3000. The petition must specify the following information: (a) The name, address, and telephone number of the petitioner; (b) The name, address, and telephone number of the attorney or qualified representative of the petitioner, if any; (c) Each rule or portion of a rule from which a variance or waiver is requested; (d) The citation to the statute underlying (implemented by) the rule identified in (c) above; (e) The type of action requested; (f) The specific facts that would justify a variance or waiver for the petitioner; (g) The reason why the variance or waiver would serve the purposes of the underlying statute (implemented by the rule); and (h) A statement whether the variance or waiver is permanent or temporary and, if temporary, a statement of the dates showing the duration of the variance or waiver requested.

The Department will grant a variance or waiver when the petition demonstrates both that the application of the rule would create a substantial hardship or violate principles of fairness, as each of those terms is defined in Section 120.542(2), F.S., and that the purpose of the underlying statute will be or has been achieved by other means by the petitioner.

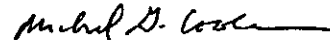
Persons subject to regulation pursuant to any federally delegated or approved air program should be aware that Florida is specifically not authorized to issue variances or waivers from any requirements of any such federally delegated or approved program. The requirements of the program remain fully enforceable by the Administrator of the EPA and by any person under the Clean Air Act unless and until the Administrator separately approves any variance or waiver in accordance with the procedures of the federal program.

This decision is final and effective on the date filed with the clerk of the Department unless a petition is filed in accordance with the above paragraphs or unless a request for extension of time in which to file a petition is filed within the time specified for filing a petition pursuant to Rule 62-110.106, F.A.C., and the petition conforms to the content requirements of Rules 28-106.201 and 28-106.301, F.A.C. Upon timely

filing of a petition or a request for extension of time, this order will not be effective until further order of the Department.

Any party to this decision (order) has the right to seek judicial review of it under Section 120.68, F.S., by filing a notice of appeal under Rule 9.110 of the Florida Rules of Appellate Procedure with the clerk of the Department of Environmental Protection in the Office of General Counsel, Mail Station #35, 3900 Commonwealth Boulevard, Tallahassee, Florida, 32399-3000, and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The notice must be filed within thirty days after this order is filed with the clerk of the Department.

Executed in Tallahassee,



Michael G. Cooke, Director
Division of Air Resource Management

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this PERMIT EXEMPTION including the Conditions of Exemption was sent by certified mail (*) and copies were mailed by U.S.

Mail before the close of business on November 7th, 2003 to the person(s) listed:

Terry McNew, Sea Ray Boats*
Dennis Wilson, Sea Ray Boats*
Randy Clunie, Sea Ray Boats*
Isam Yunis*
Clarence Rowe*
Chair, Brevard County BCC*
Mayor, Merritt Island*
Len Kozlov, DEP CD
Ken Kosky, Golder Associates
Angela Morrison, Esq., HGS
Patricia Comer, Esq., DEP OGC

Clerk Stamp

FILING AND ACKNOWLEDGMENT

FILED, on this date, pursuant to §120.52, Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

Victoria Gibson / November 7, 2003
(Clerk) (Date)

Attachments: Conditions of Exemption
Table 1. Maximum Estimated Emissions
Letter from Golder Associates dated October 11, 2003

Table 1. Maximum Estimated Emissions for Cape Canaveral Boat Repair (Revised 10/22/03).

Material	Usage/boat (gal)	lbs/boat	Ingredients	% Ingredient	Emission Factor	Emissions (lbs)
MEKP catalysts (clear & red catalysts)	0.5	4.5855	Other VOCs	1.70%	100.00%	0.08
MEKP catalysts (clear & red catalysts)	0.5	4.5855	Dimethyl Phthalate	43.00%	na	negl
MEKP catalysts (clear & red catalysts)	0.5	4.5855	Methyl Ethyl Ketone	2.00%	100.00%	0.09
Total Resins (Skin Resin & Bulk Resin)	1	9.171	Styrene	34.20%	11.00%	0.35
Gunk	0.5	4.5855	Styrene	16.00%	11.00%	0.08
Gel Coat (Artic White WG-LE-1949))	17.5	195.454	Styrene	22.00%	48.00%	20.64
Gel Coat (Artic White WG-LE-1949))	17.5	195.454	Methyl Methacrylate	4.50%	48.00%	4.22
Gel Coat (Artic White WG-LE-1949))	17.5	195.454	Other VOCs	0.26%	100.00%	0.51
Epoxy (Sandless Primer Paint for bottom paint)	0.25	1.905	Methyl Isobutyl Ketone	55.00%	100.00%	1.05
Epoxy (Sandless Primer Paint for bottom paint)	0.25	1.905	Other VOCs	15.60%	100.00%	0.30
Epoxy (Sandless Primer Paint for bottom paint)	0.25	1.905	MDI	10.00%	na	negl
Epoxy (Bottom Paint)	2	18.36	2-butoxyethanol	5.00%	100.00%	0.92
Epoxy (Bottom Paint)	2	18.36	Other VOCs	2.48%	100.00%	0.46

Total: 60.25

VOCs: 28.68 lbs per boat
 45 boats/year

 1290.76 lbs/year
 0.65 tons/year

Styrene: 21.07 lbs per boat
 45 boats/year

 947.95 lbs/year
 0.47 tons/year

NOTE: Acetone will be the only clean-up solvent to use in the Cape Canaveral facility; acetone is not a VOC or HAP.
 (DEP's Note: This table was prepared by Golder Associates)

Golder Associates Inc.

6241 NW 23rd Street, Suite 500
Gainesville, FL 32653-1500
Telephone (352) 336-5600
Fax (352) 336-6603



October 11, 2003

993-7596

Florida Department of Environmental Protection-Central District
3319 Maguire Boulevard, Suite 232
Orlando, Florida 32803

Attention: Mr. Leonard T. Kozlov, P.E.

RE: Sea Ray Boats, Inc.-Merritt Island Facility
Title V Permit 0090093-004-AV

Dear Len:

Thanks for getting back to me last Friday afternoon. As we discussed, Sea Ray Boats desires to perform repairs on existing boats at the Cape Canaveral facility. The Cape Canaveral facility was issued an Air Construction/Prevention of Significant Deterioration (PSD) permit (0090093-003-AC/PSD-FL-274). This air construction permit expired on January 31, 2003 and the facility has not been operated as permitted by the Department. The facility was permitted for the production of fiberglass boats.

Sea Ray desires to use the Cape Canaveral Plant in performing water related repairs on existing Sea Ray boats. These boats have been in service for various periods and there is a need to remove water and make repairs. The procedure will involve placing the boats in the large Cape Canaveral building and making small holes in the hulls. Water will be vacuumed out and left to dry. Once the water is removed the holes will be repaired with fiberglass. This will result in minor emissions of volatile organic compounds (VOCs) and HAPs (styrene). The maximum number of boats that will be repaired will be 10 per month and repairs will likely last no greater than two years. The maximum VOC emissions from repairing 10 boats per month have been estimated to be less than 4 tons/year. Table 1 presents the calculations. The emission activity is separate and distinct from the current operations at the Merritt Island Facility and that permitted for the Cape Canaveral Plant.

While the Cape Canaveral facility has been determined to be part of Sea Ray's Merritt Island Facility, the planned activity is less than 5 tons/year and an exemption appears to be provided pursuant to Rule 62-210.300(3)(b) as a generic exemption. The exemption from construction permitting, required pursuant to Rule 62-210.300 (1) and PSD approval, required pursuant to Rule 62-212.400 is based on the following rule language: "emissions unit or pollutant-emitting activity shall be exempt from the permitting requirements of this chapter, Chapter 62-212, F.A.C., and Chapter 62-4, F.A.C., if it satisfies the applicable criteria of Rule 62-210.300(3)(a) or (b) F.A.C." It is recognized that being associated with a Title V facility, the emissions are not exempt from the conditions in the Title V Permit as stated in the rule language. Any emission of VOCs and HAPs would be included in the record-keeping and reporting required for the entire Merritt Island Facility.

Sea Ray would like to start repairing boats within the next several weeks. An amendment to the Title V application will be submitted to identify the Cape Canaveral Plant as an insignificant emissions unit. This would appear to be supported by Rule 62-210.300 (3) which states: "Emissions units and pollutant-emitting activities exempt from permitting under this rule shall not be exempt from the permitting requirements of Chapter 62-213, F.A.C., if they are contained within a Title V source; however, such emissions units and activities shall be considered insignificant for Title V purposes provided they also meet the criteria of Rule 62-213.300(2)(a)1. or 62-213.430(6)(b), F.A.C." However, as indicated above, the emission from the activity will be accounted for under the facility-wide VOC and HAPs emission limits.

It would also appear boat repairs can be started while the Title V amendment is being processed. This is supported in Rule 62-213.420(1)(a)2. that allows filing a permit application 180 days after commencing operation.

Please review this information. I will call you Monday to discuss.

Sincerely,

GOLDER ASSOCIATES INC.

Kennard F. Kosky, P.E.
Principal

kfk

cc: Randy Clunie, Sea Ray Boats, Inc.

Document7

Gibson, Victoria

From: Vielhauer, Trina
Sent: Friday, November 07, 2003 9:27 AM
To: Gibson, Victoria
Subject: FW: sea ray

This is the email.

-----Original Message-----

From: Kozlov, Leonard
Sent: Thursday, November 06, 2003 1:56 PM
To: Vielhauer, Trina
Subject: RE: sea ray

Trina,

I do not see a 'cc' to EPA on the exemption. In addition you have copied the Mayor of Merritt Island. There is no such person. Merritt Island is not an incorporated town or city. They are part of the county.

Len

-----Original Message-----

From: Vielhauer, Trina
Sent: Thursday, November 06, 2003 1:10 PM
To: Kozlov, Leonard; Garfein, Vivian
Subject: sea ray

Here is the final version that is going out right now. You'll be cc'd so you'll have the signed versions, too.

Trina