

STATE OF MISSOURI

PERMIT BOOK



DEPARTMENT OF NATURAL RESOURCES

MISSOURI AIR CONSERVATION COMMISSION

PERMIT TO CONSTRUCT

Under the authority of RSMo 643 and the Federal Clean Air Act the applicant is authorized to construct the air contaminant source(s) described below, in accordance with the laws, rules and conditions as set forth herein.

Permit Number: **062010-005** Project Number: 2010-03-063

Parent Company: Blue Chip Logistics, LLC

Parent Company Address: P.O. Box 3299, Walnut Creek, CA 94598

Installation Name: Blue Chip Midwest, LLC

Installation Address: 14916 Highway 177, Jackson, MO 63755

Location Information: Cape Girardeau County, S5, T32N, R14E

Application for Authority to Construct was made for:
The installation of a wood pallet service center. This review was conducted in accordance with Section (5), Missouri State Rule 10 CSR 10-6.060, *Construction Permits Required*.

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- Standard Conditions (on reverse) are applicable to this permit.
 - Standard Conditions (on reverse) and Special Conditions are applicable to this permit.

JUN 2 2010

EFFECTIVE DATE

A handwritten signature in black ink, appearing to read "James Kavanagh".

DIRECTOR OR DESIGNEE
DEPARTMENT OF NATURAL RESOURCES

STANDARD CONDITIONS:

Permission to construct may be revoked if you fail to begin construction or modification within two years from the effective date of this permit. Permittee should notify the Air Pollution Control Program if construction or modification is not started within two years after the effective date of this permit, or if construction or modification is suspended for one year or more.

You will be in violation of 10 CSR 10-6.060 if you fail to adhere to the specifications and conditions listed in your application, this permit and the project review. In the event that there is a discrepancy between the permit application and this permit, the conditions of this permit shall take precedence. Specifically, all air contaminant control devices shall be operated and maintained as specified in the application, associated plans and specifications.

You must notify the departments' Air Pollution Control Program of the anticipated date of start up of this (these) air contaminant source(s). The information must be made available within 30 days of actual startup. Also, you must notify the Department of Natural Resources Regional office responsible for the area within which you are located within 15 days after the actual start up of this (these) air contaminant source(s).

A copy of this permit and permit review shall be kept at the installation address and shall be made available to Department of Natural Resources' personnel upon request.

You may appeal this permit or any of the listed special conditions to the Administrative Hearing Commission (AHC), P.O. Box 1557, Jefferson City, MO 65102, as provided in RSMo 643.075.6 and 621.250.3. If you choose to appeal, you must file a petition with the AHC within 30 days after the date this decision was mailed or the date it was delivered, whichever date was earlier. If any such petition is sent by registered mail or certified mail, it will be deemed filed on the date it is mailed. If it is sent by any method other than registered mail or certified mail, it will be deemed filed on the date it is received by the AHC.

If you choose not to appeal, this certificate, the project review and your application and associated correspondence constitutes your permit to construct. The permit allows you to construct and operate your air contaminant source(s), but in no way relieves you of your obligation to comply with all applicable provisions of the Missouri Air Conservation Law, regulations of the Missouri Department of Natural Resources and other applicable federal, state and local laws and ordinances.

The Air Pollution Control Program invites your questions regarding this air pollution permit. Please contact the Construction Permit Unit at (573) 751-4817. If you prefer to write, please address your correspondence to the Missouri Department of Natural Resources, Air Pollution Control Program, P.O. Box 176, Jefferson City, MO 65102-0176, attention: Construction Permit Unit.

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SPECIAL CONDITIONS:

The permittee is authorized to construct and operate subject to the following special conditions:

The special conditions listed in this permit were included based on the authority granted the Missouri Air Pollution Control Program by the Missouri Air Conservation Law (specifically 643.075) and by the Missouri Rules listed in Title 10, Division 10 of the Code of State Regulations (specifically 10 CSR 10-6.060). For specific details regarding conditions, see 10 CSR 10-6.060 paragraph (12)(A)10. "Conditions required by permitting authority."

Blue Chip Midwest, LLC
Cape Girardeau County, S5, T32N, R14E

1. Control Device Requirement – Particulate Filter
 - A. Blue Chip Midwest, LLC shall control PM₁₀ emissions from all paint booths (EP-01 and EP-02) using particulate filters as specified in the permit application. The filter(s) shall be operated and maintained in accordance with the manufacturer's specifications.
 - B. Replacement particulate filters for the paint booths shall be kept on hand at all times. The particulate filters shall be made of fibers appropriate for operating conditions expected to occur (i.e. temperature limits, acidic and alkali resistance, and abrasion resistance).
 - C. Blue Chip Midwest, LLC shall maintain an operating and maintenance log for the paper filters which shall include the following:
 - 1) Incidents of malfunction, with impact on emissions, duration of event, probable cause, and corrective actions; and
 - 2) Maintenance activities, with inspection schedule, repair actions, and replacements, etc.
2. Operational Requirement
Blue Chip Midwest, LLC shall keep the cleaning solutions used for cleaning the paints guns at all painting stations in sealed containers whenever the materials are not in use. Blue Chip Midwest, LLC shall provide and maintain suitable, easily read, permanent markings on all inks, solvent and cleaning solution containers used with this equipment.
3. Record Keeping Requirement
Blue Chip Midwest, LLC shall maintain all records required by this permit for not less than five (5) years and shall make them available immediately to any Missouri Department of Natural Resources' personnel upon request. These records shall include Material Safety Data Sheets (MSDS) for all materials used.

Mr. Bob Gossert
Manager
Blue Chip Midwest, LLC
14916 Highway 177
Jackson, MO 63755

RE: New Source Review Permit - Project Number: 2010-03-063
Installation ID: 031-0122

Dear Mr. Gossert:

Enclosed with this letter is your permit to construct. Please study it carefully. Also, note the special conditions, if any, on the accompanying pages. The document entitled, "Application for Authority to Construct," is part of the permit and should be kept with this permit in your files. Operation in accordance with these conditions, your new source review permit application and with your operating permit, if applicable, is necessary for continued compliance. The reverse side of your permit certificate has important information concerning standard permit conditions and your rights and obligations under the laws and regulations of the State of Missouri.

Blue Chip Mid-West (Blue Chip) is a wood pallet service center located at 14916 State Highway 177, Jackson, Missouri. The facility inspects, repairs, and maintains wood pallets. The operations performed at Blue Chip mainly consist of repairing and painting wood pallets. The following table list the emissions points at the Blue Chip facility.

Table 1: Facility Emission Points

EP-01:	Paint Booth - Blue Paint
EP-02:	Paint Booth - Blue Paint
EP-03:	Open Air - White Paint
EP-04:	Open Air - White Paint
EP-05:	Wood Chipper

There are two painting operations at the Blue Chip facility the first being a surface coating operation the second being a stencil painting operation. The surface coating operation consists of two, particulate filtered controlled, paint booths (EP-01 and EP-02) spraying Kelly-Moore blue paint on four sides of the pallet. The particulate filter was given a control efficiency of 99.48%. This control efficiency was determined using the manufactures data provided by the applicant. The maximum hourly application rate (MHDR) of the surface coating is 5.64 gallons of Kelly-Moore blue per hour. The stencil painting operation consists of spraying Kelly-Moore white on two sides of the pallet through company logo stencil. The stencil painting operation consists of two painting stations (EP-03 and EP-04). The stencil painting operation is not done within a paint booth therefore the only control efficiency associated with this painting process is the building control of 3.75%. The MHDR of the stencil painting operation is 0.51 gallons of Kelly-Moore white paint per hour. Both Kelly-Moore paints contain no hazardous air pollutants (HAP) within the paint, making volatile organic compounds (VOC) and particulate matter less than ten microns in

Mr. Bob Gossert
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aerodynamic diameter (PM_{10}) the pollutants of concern. Blue Chip also uses an electric wood chipper to dispose of damaged wood components. The pollutant of concern for the wood chipper is PM_{10} . The wood chipper is outside and has no control devices to control PM_{10} emissions.

The mass balance approach was used to calculate the potential uncontrolled emissions of both painting operations. There currently is no emission factor for a wood chipper so the FIRE emission factor for log debarking (SCC 3-07-008-01) was determined the most representative and used to calculate the emissions from the wood chipper. The total potential uncontrolled emissions were calculated to be 52.20 tons of PM_{10} per year and 4.92 tons of VOC per year. The PM_{10} potential uncontrolled emissions are greater than the de minimis levels therefore requiring the control device to be federally enforceable. This is accomplished by issuing a Section (5) construction permit. The potential controlled emissions were calculated to be 7.59 tons of PM_{10} per year and 4.92 tons of VOC per year.

You are still obligated to meet all applicable air pollution control rules, Department of Natural Resources' rules, or any other applicable federal, state, or local agency regulations. Specifically, you should avoid violating 10 CSR 10-6.045 Open Burning Requirements, 10 CSR 10-3.090 Restriction of Emission of Odors, and 10 CSR 10-6.170 Restriction of Particulate Matter to the Ambient Air Beyond the Premises of Origin.

A copy of this letter should be kept with the unit and be made available to Department of Natural Resources' personnel upon verbal request. If you have any questions regarding this determination, please contact Gerad Fox at the Departments' Air Pollution Control Program, P.O. Box 176, Jefferson City, MO 65102 or by telephone at (573) 751-4817. Thank you for your time and attention to this matter.

Sincerely,

AIR POLLUTION CONTROL PROGRAM

Kendall B. Hale
Permits Section Chief

KBH:gfl

c: Southeast Regional Office
PAMS File: 2010-03-063

Permit Number: