



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

AE-17J

MAR 30 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Harry Todd, Vice President of Manufacturing
Kalsec, Incorporated
3713 West Main Street
Kalamazoo, Michigan 49006

Re: Notice of Violation and Finding of
Violation EPA-5-09-MI-08

Dear Mr. Todd:

The U.S. Environmental Protection Agency is issuing the enclosed Notice of Violation and Finding of Violation (NOV/FOV) to Kalsec, Inc. (you) under Section 113(a)(1) of the Clean Air Act, 42 U.S.C. §7413(a)(1). We find that you are violating the Michigan State Implementation Plan (SIP) and emission limit conditions of your Title V operating permit at your Kalamazoo, Michigan facility.

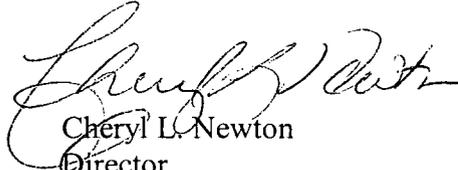
Section 113 of the Clean Air Act gives us several enforcement options. These options include issuing an administrative compliance order, issuing an administrative penalty order, and bringing a judicial civil or criminal action.

We are offering you an opportunity to confer with us about the violations alleged in the NOV/FOV. The conference will give you an opportunity to present information on the specific findings of violation, any efforts you have taken to comply, and the steps you will take to prevent future violations.

Please plan for your facility's technical and management personnel to attend the conference to discuss compliance measures and commitments. You may have an attorney represent you at this conference.

The contact in this matter is Mr. James Zimny. You may call him at (312) 886-6086 to request a conference. You should make the request as soon as possible, but no later than 10 calendar days after you receive this letter. We should hold any conference within 30 calendar days of your receipt of this letter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Cheryl L. Newton".

Cheryl L. Newton
Director

Air and Radiation Division

cc: Mary Douglas, Air Quality Division Supervisor
Michigan Department of Environmental Quality

**United States Environmental Protection Agency
Region 5**

IN THE MATTER OF:

Kalsec, Inc.
Kalamazoo, Michigan

Proceedings Pursuant to
the Clean Air Act,
42 U.S.C. §§ 7401 *et seq.*

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**NOTICE OF VIOLATION AND
FINDING OF VIOLATION**

EPA-5-09-MI-08

NOTICE OF VIOLATION AND FINDING OF VIOLATION

Kalsec, Inc. (you or Kalsec) owns and operates the Kalamazoo facility at 3713 West Main Street, Kalamazoo, Michigan. The U.S. Environmental Protection Agency is sending this Notice of Violation and Finding of Violation (NOV/FOV) to you for violations of the Michigan State Implementation Plan (SIP) and emission limit conditions of your Title V operating permit. A list and explanation of the violated requirements is provided below. The listed violations constitute violations of the Clean Air Act (the Act).

Section 113 of the Act, 42 U.S.C. § 7413, provides you with the opportunity to request a conference with us to discuss the violations identified in this NOV/FOV. This conference will provide you a chance to present information on the identified violations, any efforts you have taken to comply, and the steps you will take to prevent future violations. Please plan for the facility's technical and management personnel to take part in these discussions. You may have an attorney represent and accompany you at this conference.

Explanation of Violations

The following regulatory background, factual background, and violations are relevant to this NOV/FOV:

Regulatory Background

1. Effective May 3, 1994, EPA approved Michigan Administrative Code R 336.202, "Annual Reports," as part of the federally enforceable Michigan SIP at *59 Fed. Reg. 10752* (March 8, 1994).
2. Effective July 3, 2002, EPA approved Michigan Administrative Code R 336.1702, "General Provisions for New Sources of Volatile Organic Compound Emissions," as part of the federally enforceable Michigan SIP at *71 Fed. Reg. 31093* (June 1, 2006).

3. Michigan Administrative Code R 336.202 provides that a commercial, industrial, or governmental source of emission of an air contaminant must provide an annual report to the department, if the department believes that information on the quantity and composition of an air contaminant emitted from the source is necessary for the proper management of the air resources.
4. Michigan Administrative Code R 336.1702(a) provides that a person who is responsible for any new source of volatile organic compound emissions shall not cause or allow the emission of volatile organic compound emissions from the new source in excess of the lowest maximum allowable emission rate of the following:
 - (a) The maximum allowable emission rate listed by the department on its own initiative or based upon the application of the best available control technology.
5. U.S. EPA granted final interim approval to the Michigan Title V operating permit program on January 10, 1997. 62 Fed. Reg. 1387. The Michigan Title V program was granted final full approval by U.S. EPA on December 4, 2001. 66 Fed. Reg. 62949. See 40 C.F.R. Part 70, Appendix A.
6. 40 C.F.R. § 70.1(b) provides that all sources subject to the regulations at Part 70 shall have a permit to operate that assures compliance by the source with all applicable requirements.
7. Michigan Administrative Code R 336.1212(6), part of Michigan's Title V program, requires that each stationary source subject to the requirements of this rule report the emissions, or the information necessary to determine the emissions, of each regulated air pollutant.
8. Michigan Administrative Code R 336.1213(1)(a), part of Michigan's Title V program, requires that each renewable operating permit shall include all of the following general provisions: A person shall comply with all conditions of the renewable operating permit. Any permit noncompliance constitutes a violation of the act and is grounds for enforcement action, for permit revocation or revision, or for denial of the renewal of a renewable operating permit. All terms and conditions of a renewable operating permit that are designated in the permit as federally enforceable pursuant to subrule (5) of this rule, are enforceable by the administrator of the "United States environmental protection agency" and by citizens under the provisions of the "clean air act".
9. 40 CFR § 52.23 provides, among other things, that a person who fails to comply with any approved regulatory provision of a SIP is in violation of and subject to an enforcement action under Section 113 of the Act.

Factual Background

10. Kalsec owns and operates the Kalamazoo facility located at 3713 West Main Street, Kalamazoo, in Kalamazoo County, Michigan.
11. Kalsec is a manufacturer of spice, herb, hop, and vegetable extracts for use in food, beverage, and pharmaceutical applications.

12. Kalsec currently operates under Renewable Operating Permit No. MI-ROP-A1191-2004a issued by the Michigan Department of Environmental Quality on August 16, 2004, as required by Title V of the Federal Clean Air Act of 1990.
13. Kalsec's Title V permit sets the following permit limits:
 - a. 47.3 tons per year of VOC from the FGCOMB emission unit (Part D, FGCOMB, Emission Limit #6)
 - b. 19.1 pounds of VOC per hour, averaged on a monthly basis for the FGCOMB emission unit (Part D, FGCOMB, Emission Limit #5)
14. On July 21, 2008, under the authority of Section 114 of the Act, 42 U.S.C. 7414, EPA sent an Information Request to Kalsec requesting stack testing and other air emission records.
15. On August 13, 2008, EPA received Kalsec's response to EPA's July 21, 2008, information request.
16. The materials which Kalsec provided to EPA on August 13, 2008, included emission calculations reported to the Michigan Department of Environmental Quality (MDEQ), capital expenditures on the extraction emission unit.
17. On October 8, 2008, Kalsec conducted the requested stack testing for total volatile organic compounds (VOC) from the FGCOMB stack and the Flame Arrestor Extraction Stack.
18. On January 20, 2009, under the authority of Section 114 of the Act, 42 U.S.C. 7414, EPA sent an Information Request to Kalsec requesting solvent purchase/usage records and further details on projects upgrading emission unit EU41-EXT-01.
19. On February 10, 2009, EPA received Kalsec's response to EPA's January 20, 2009, information request.
20. Preliminary calculations performed by EPA using solvent purchase/usage records, indicate that emission factors used by Kalsec to report VOC air emissions are severely underestimated.
21. Based upon the calculations performed by EPA, Kalsec has exceeded its permitted limit of 47.3 tons per year of VOC from the FGCOMB emission unit.
22. Kalsec has also exceeded the permitted emission limit of 19.1 pounds of VOC per hour, averaged on a monthly basis for the FGCOMB emission unit.

Violations

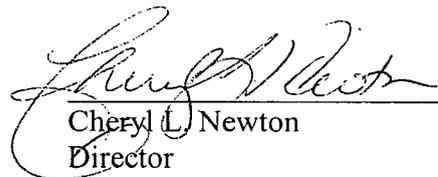
23. Kalsec has exceeded the emission limit identified in Renewal Operating Permit MI-ROP-A191-2004a, Part D, FGCOMB, Emission Limit #6, VOC emission limit of 47.3 tons per year, which violates Michigan Administrative Code R 336.1213(1)(a).

24. Kalsec has exceeded the emission limit identified in Renewal Operating Permit MI-ROP-A191-2004a, Part D, FGCOMB, Emission Limit #5, VOC emission limit of 19.1 pounds per hour, which violates Michigan Administrative Code R 336.1213(1)(a).
25. Kalsec's batch emission factors do not accurately represent actual VOC emissions and therefore, Kalsec has been reporting severely underestimated VOC emissions, which violates Michigan Administrative Code R 336.1212(6) and R 336.202.

Environmental Impact of Violations

Emission of volatile organic compounds contributes to the formation of ground-level ozone and smog. Breathing ozone can trigger a variety of health problems including chest pain, coughing, throat irritation, and congestions. It can worsen bronchitis, emphysema, and asthma. Ground-level ozone also can reduce lung function and inflame the linings of the lungs. Repeated exposure may permanently scar lung tissue. Ground-level ozone can have detrimental effects on plants and ecosystems. These effects include: interfering with the ability of sensitive plants to produce and store food, making them more susceptible to certain diseases, insects, other pollutants, competition and harsh weather; damaging the leaves of trees and other plants, negatively impacting the appearance of urban vegetation, national parks, and recreation areas; and reducing crop yields and forest growth, potentially impacting species diversity in ecosystems.

3/27/09
Date


Cheryl L. Newton
Director
Air and Radiation Division

CERTIFICATE OF MAILING

I, Tracy Jamison, certify that I sent a Notice of Violation and Finding of Violation,

No. EPA-5-09-MI-08, by Certified Mail, Return Receipt Requested, to:

Harry Todd, Vice President of Manufacturing
Kalsec, Incorporated
3713 West Main Street
Kalamazoo, Michigan 49006

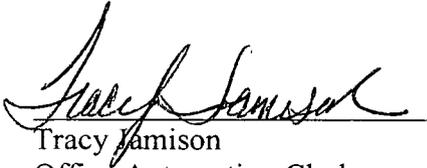
I also certify that I sent copies of the Notice of Violation and Finding of Violation

by first class mail to:

Mary Douglas
District Supervisor
Michigan Department of Environmental Quality, Air Quality Division
7953 Adobe Road
Kalamazoo, Michigan 49009-5026

Tom Hess
Enforcement Unit Chief
Michigan Department of Environmental Quality, Air Quality Division
P.O. Box 30242
Lansing, Michigan 48909

on this 30 day of March 2009.


Tracy Jamison
Office Automation Clerk
AECAS, (MI/WI)

CERTIFIED MAIL RECEIPT NUMBER: 7001 0320 0005 8919 2911