



JAN 26 2012

Jack Springer
Malibu Boats
One Malibu Court
Merced, CA 95340

**Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: N-1101305**

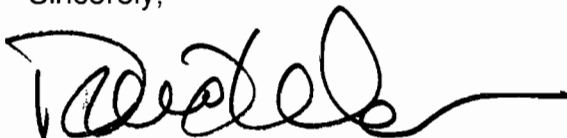
Dear Mr. Springer:

Enclosed for your review and comment is the District's analysis of Malibu Boats's application for Emission Reduction Credits (ERCs) resulting from a reduction in the use of VOC containing materials, at One Malibu Court in Merced. The quantity of ERCs proposed for banking is 13,753 pounds in the first calendar quarter, 22,879 pounds in the second calendar quarter, 14,803 pounds in the third calendar quarter and 14,093 pounds in the fourth calendar quarter.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day public comment period which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Mark Schonhoff of Permit Services at (209) 557-6448.

Sincerely,



David Warner
Director of Permit Services

DW:MJS/st

Enclosures

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



JAN 26 2012

Mike Tollstrup, Chief
Project Assessment Branch
Stationary Source Division
California Air Resources Board
PO Box 2815
Sacramento, CA 95812-2815

Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: N-1101305

Dear Mr. Tollstrup:

Enclosed for your review and comment is the District's analysis of Malibu Boats's application for Emission Reduction Credits (ERCs) resulting from a reduction in the use of VOC containing materials, at One Malibu Court in Merced. The quantity of ERCs proposed for banking is 13,753 pounds in the first calendar quarter, 22,879 pounds in the second calendar quarter, 14,803 pounds in the third calendar quarter and 14,093 pounds in the fourth calendar quarter.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day public comment period which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Mark Schonhoff of Permit Services at (209) 557-6448.

Sincerely,

David Warner
Director of Permit Services

DW:MJS/st

Enclosure

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585



JAN 26 2012

Gerardo C. Rios (AIR 3)
Chief, Permits Office
Air Division
U.S. E.P.A. - Region IX
75 Hawthorne Street
San Francisco, CA 94105

Re: Notice of Preliminary Decision - Emission Reduction Credits
Project Number: N-1101305

Dear Mr. Rios:

Enclosed for your review and comment is the District's analysis of Malibu Boats's application for Emission Reduction Credits (ERCs) resulting from a reduction in the use of VOC containing materials, at One Malibu Court in Merced. The quantity of ERCs proposed for banking is 13,753 pounds in the first calendar quarter, 22,879 pounds in the second calendar quarter, 14,803 pounds in the third calendar quarter and 14,093 pounds in the fourth calendar quarter.

The notice of preliminary decision for this project will be published approximately three days from the date of this letter. Please submit your written comments on this project within the 30-day public comment period which begins on the date of publication of the public notice.

Thank you for your cooperation in this matter. If you have any questions regarding this matter, please contact Mr. Mark Schonhoff of Permit Services at (209) 557-6448.

Sincerely,

David Warner
Director of Permit Services

DW:MJS/st

Enclosure

Seyed Sadredin
Executive Director/Air Pollution Control Officer

Northern Region
4800 Enterprise Way
Modesto, CA 95356-8718
Tel: (209) 557-6400 FAX: (209) 557-6475

Central Region (Main Office)
1990 E. Gettysburg Avenue
Fresno, CA 93726-0244
Tel: (559) 230-6000 FAX: (559) 230-6061

Southern Region
34946 Flyover Court
Bakersfield, CA 93308-9725
Tel: 661-392-5500 FAX: 661-392-5585

Merced Sun-Star
Merced Sun-Star

**NOTICE OF PRELIMINARY DECISION
FOR THE PROPOSED ISSUANCE OF
EMISSION REDUCTION CREDITS**

NOTICE IS HEREBY GIVEN that the San Joaquin Valley Unified Air Pollution Control District solicits public comment on the proposed issuance of Emission Reduction Credits to Malibu Boats for a reduction in the use of VOC containing materials, at One Malibu Court in Merced. The quantity of ERCs proposed for banking is 13,753 pounds in the first calendar quarter, 22,879 pounds in the second calendar quarter, 14,803 pounds in the third calendar quarter and 14,093 pounds in the fourth calendar quarter.

The analysis of the regulatory basis for this proposed action, Project #N-1101305, is available for public inspection at http://www.valleyair.org/notices/public_notices_idx.htm and the District office at the address below. Written comments on this project must be submitted within 30 days of the publication date of this notice to **DAVID WARNER, DIRECTOR OF PERMIT SERVICES, SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT, REGION'S ADDRESS.**

**ERC Application Evaluation
Project # 1101305
Application # N-942-1**

Engineer: Mark Schonhoff
Date: January 23, 2012

Company Name: Malibu Boats
Mailing Address: One Malibu Court
Merced, CA 95340

Contact Name: Jack Springer
Phone: (209) 383-7469

Date Application Received: March 30, 2010
Date Application Deemed Complete: September 17, 2010

I. Summary:

The applicant is proposing to receive the following quantities of Emission Reduction Credits (ERC's) for reductions in VOC emissions due to the discontinuation of boat manufacturing at the facility. The facility will continue to perform warranty work and build small parts. Boat manufacturing will be transferred to facilities outside of California.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total (annual)
VOC (lb)	13,753	22,879	14,803	14,093	65,528

II. Applicable Rules:

Rule 2301: Emission Reduction Credit Banking (Adopted September 19, 1991)
Amended March 11, 1992; Amended December 17, 1992)

III. Location of Reductions:

One Malibu Court
Merced, CA

IV. Method of Generating Reductions:

The ERC's will be generated by reducing the usage of VOC containing materials in the following operations. The District has issued Authorities to Construct, that once converted to Permits to Operate, will require the emission limits assumed in the reduction calculations.

Permit Number	Description
N-3941-1	Gelcoat Application Operation
N-3941-2	Gelcoat Application Operation
N-3941-3	Polyester Resin & Adhesive Application Operations
N-3941-4	Gelcoat Application Operation
N-3941-5	Polyester Resin & Adhesive Application Operations

V. ERC Calculations:

A. Assumptions and Emission Factors:

Assumptions:

The gelcoat and resin VOC emissions consisted solely of monomers.

The facility currently manufactures complete boats and parts for boats. Therefore, defining the facility's production rate for the Baseline Period determination would not be practical. The VOC emissions will be utilized as a surrogate for production rate.

Emission Factors:

The emission factors are summarized below. Refer to appendix A of this document for detailed calculations.

Resins & Gelcoats

Material	Category	Emission Factor (lb VOC/10 ³ lb)
Optiplus 040-8094	Resin (non-atomized)	56.3
Imedge 100BK201	Pigmented Gelcoat	131.1
Imedge 100RH540	Pigmented Gelcoat	147.7
Imedge 100YH895	Pigmented Gelcoat	150.1
SprayCore 1055LS	Tooling Resin (non-atomized)	27.4
Imedge Barrier Coat 200LK202	Pigmented Gelcoat	132.6
Patch Aid (970XJ037)	Pigmented Gelcoat	261.5
Valspar 5799A90073	Pigmented Gelcoat	145.4
Valspar 5799B90020	Pigmented Gelcoat	144.7
Valspar 5799E90056	Pigmented Gelcoat	143.9
Valspar 5799L90035	Pigmented Gelcoat	171.7
Valspar 5799R90052	Pigmented Gelcoat	147.0
Eastman 733-2246	Resin (non-atomized)	41.3
Polycor 945B023	Tooling Gelcoat (non-atomized)	280.5
Polycor 945GA104	Tooling Gelcoat (non-atomized)	276.3
ArmorFlex 953BK162	Pigmented Gelcoat	229.3
ArmorFlex 953LK160	Pigmented Gelcoat	181.6
Buffback 954BJ232	Pigmented Gelcoat	229.3
Buffback 954LJ261	Pigmented Gelcoat	211.1
ArmorFlex 963LK160	Pigmented Gelcoat	122.4
ArmorFlex 963LK188	Pigmented Gelcoat	126.0
ArmorFlex 963RK139	Pigmented Gelcoat	123.1
ArmorFlex 963RK140	Pigmented Gelcoat	123.8
ArmorPlus 963WH671	Pigmented Gelcoat	134.1
ArmorFlex 963XA220	Clear Gelcoat	260.5
ArmorFlex 963XA221	Clear Gelcoat	258.6
Polycor 965BK183	Tooling Resin (non-atomized)	58.04
ArmorGuard 967BJ244	Pigmented Gelcoat	146.2
Armor Guard 967BK150	Pigmented Gelcoat	148.5
ArmorCote 991AK138	Pigmented Gelcoat	138.6
ArmorCote 991AK139	Pigmented Gelcoat	147.7
ArmorCote 991AK140	Pigmented Gelcoat	131.1

Resins & Gelcoats - Continued

Material	Category	Emission Factor (lb VOC/10 ³ lb)
ArmorCote 991BK136	Pigmented Gelcoat	151.6
ArmorCote 991BK139	Pigmented Gelcoat	152.4
ArmorCote 991GH359	Pigmented Gelcoat	153.6
ArmorCote 991GH369	Pigmented Gelcoat	151.6
ArmorCote 991LK123	Pigmented Gelcoat	136.3
ArmorCote 991LK141	Pigmented Gelcoat	145.4
ArmorCote 991LK142	Pigmented Gelcoat	147.0
ArmorCote 991NH788	Pigmented Gelcoat	146.2
ArmorCote 991NK123	Pigmented Gelcoat	135.6
ArmorCote 991NK124	Pigmented Gelcoat	133.3
ArmorCote 991NK125	Pigmented Gelcoat	140.1
ArmorCote 991NK130	Pigmented Gelcoat	132.6
ArmorCote 991PK105	Pigmented Gelcoat	141.6
ArmorCote 991RK111	Pigmented Gelcoat	139.3
ArmorCote 991RK112	Pigmented Gelcoat	140.8
ArmorCote 991RK118	Pigmented Gelcoat	138.6
ArmorCote 991RK124	Pigmented Gelcoat	143.1
ArmorCote 991WH423	Pigmented Gelcoat	154.8
ArmorCote 991YK125	Pigmented Gelcoat	137.1
ArmorCote 991YK132	Pigmented Gelcoat	137.1
Imedge 9EXFB379	Pigmented Gelcoat	129.7
Imedge 9EXFB385	Pigmented Gelcoat	137.8
Imedge 9EXFB389	Pigmented Gelcoat	136.3
Imedge 9EXFB395	Pigmented Gelcoat	140.8
IPS 300 Series	Resin Type Adhesive	58.3
Stypol LHPC-3523	Resin (non-atomized)	36.2
Stypol LHPC-4121	Resin (non-atomized)	36.1
Stypol LSPA-2201	Resin (non-atomized)	38.8
EZBOND 5787W00077	Resin (non-atomized)	32.1
Stypol LSPK-2221	Resin (non-atomized)	45.0
ITW SprayCore SC-VELR-4000	Resin (non-atomized)	37.2
ArmorStar VSXH-2200	Resin (non-atomized)	45.3

Resin & Gelcoat Additives

Material	VOC Content
Norox MEKP-9 Resin & Gelcoat Catalyst	45% by weight
Surfacing Agent (85-X3) – Gelcoat Additive	95% by weight

Material	Category	Emission Factor (lb VOC/10 ³ lb)
Patch Aid Reducer (5788C90279)	Resin (non-atomized)	132.0
Patch Aid Booster/reducer (5788C90008)	Resin (non-atomized)	155.4

Mold Materials:

Material	Category	VOC Content
Zyvex Mold Sealer GP	Mold Sealer	90% by wt
Zyvax Surface Cleaner	Mold Cleaner	90% by wt
Flex-Z	Mold Release	90% by wt

General Use Solvents:

Material	VOC Content (lb/gal)
Thermaclean Aquawash	0.07

Adhesives:

Material	VOC Content
3M Fastbond 100	5 g/l (0.04 lb/gal)
Keyston Bros.ADH4011	250 g/l (2.1 lb/gal) ¹
Westech (MBA-01)	50 g/l (0.42 lb/gal) ²

¹ The VOC content of this material was discounted from 467 g/l to 250 g/l as explained in section VI.E of this document.

² The VOC content of this material was discounted from 80 g/l to 50 g/l as explained in section VI.E of this document.

Waxes:

Material	VOC Content (lb/gal)
3M Finesse- It-It Wax	17% by weight
3M Marine Ultra Paste Wax	33.8% by weight

B. Baseline Period Determination and Data:

Baseline Period Determination:

Per section 3.8 of District Rule 2201, the Baseline Period for calculating AER's should be the two year period immediately preceding the ERC application unless another period is deemed more representative of normal source operation. District policy APR-1810 was consulted for further guidance regarding proper Baseline Period selection. The policy states that for reductions authorized by a previous Authority-to-Construct, the baseline Period shall be selected from a period prescribed in Rule 2201 immediately preceding the Authority-to-Construct application date. The Authority-to Construct application was received on March 30, 2010. ERC's are issued on a quarterly basis therefore, the District will consider only full calendar quarters in its Baseline Period analysis. Since January 1 to March 30 of 2010 is not a full calendar quarter, the analysis will begin with the previous complete calendar quarter (quarter 4 of 2009).

To determine whether an alternative Baseline Period is appropriate it is District practice to average five years (20 calendar quarters) of production data and compare that average to the average production rate during the two consecutive years (8 complete calendar quarters) immediately preceding the application for the ATC's authorizing the reductions. If those averages are not equal, then the District may concur that the two years immediately preceding the ATC application date is not representative of normal source operation.

If an alternative Baseline Period is deemed appropriate, the District will examine every 8 consecutive calendar quarter period within the five year period described above and will define the Baseline Period as the 8 consecutive calendar quarters whose production rate was closest to the five year average production rate.

This process essentially defines normal source operation as the average production rate during that five year period and defines the baseline period as the two consecutive years, within that period, whose average production rate is closest to the five year average production rate.

The table below includes three columns. The first identifies the calendar quarter, the second shows the VOC emissions during that calendar quarter³ and the third shows the difference between the production rate during the previous 8 calendar quarters and the average 5 year production rate. Positive values indicate that the

³ As stated in section VI.A of this document, emission rate is being used a surrogate for production rate.

8 calendar quarter average was higher than the 5 year average and negative values indicate the 8 calendar quarter average was less than the 5 year average.

For example, the total emissions for the 8 calendar quarters ending with the fourth calendar quarter of 2006 (Quarter 1 of 2005 through Quarter four of 2006) were 205,034, making the average emissions for that period 25,629 pounds per quarter. The difference between the average quarterly emissions for that period and the 5 year average of 19,711 lb/quarter is 5,918 lb/quarter.

Calendar Quarter	VOC Emissions (lb)	8 Quarter Difference from 5 Year Average (lb)
Q1 2005	25,619	---
Q2 2005	23,719	---
Q3 2005	23,966	---
Q4 2005	23,143	---
Q1 2006	26,704	---
Q2 2006	26,645	---
Q3 2006	24,825	---
Q4 2006	30,413	5,918
Q1 2007	36,792	7,315
Q2 2007	32,321	8,390
Q3 2007	20,233	7,923
Q4 2007	20,790	7,629
Q1 2008	24,606	7,367
Q2 2008	18,280	6,321
Q3 2008	14,881	5078
Q4 2008	12,331	2,818
Q1 2009	6,576	-959
Q2 2009	2,120	-4,734
Q3 2009	166	-7,242
Q4 2009	92	-9,830
5 year Average	19,711	---

As can be seen, the 8 consecutive calendar quarter period whose production rate is closest to the five year average production rate is Quarter 1 of 2009 back to, and including Quarter 2 of 2007.

The Baseline Period will therefore be Quarter 2 of 2007 through Quarter 1 of 2009.

Baseline Period Data:**Gelcoats and Resins:**

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Optiplus 040-8094	2007	---	0	0	0
	2008	0	0	960	960
	2009	0	---	---	---
	Avg	0	0	480	480
Imedge 100BK201	2007	---	0	0	0
	2008	7,430	0	0	7,492
	2009	0	---	---	---
	Avg	3,715	0	0	3,746
Imedge 100RH540	2007	---	0	0	568
	2008	572	0	0	0
	2009	0	---	---	---
	Avg	286	0	0	284
Imedge 100YH895	2007	---	0	0	693
	2008	792	0	0	0
	2009	0	---	---	---
	Avg	396	0	0	347
SprayCore 1055LS	2007	---	10,090	5,500	6,500
	2008	0	18,000	0	2,500
	2009	0	---	---	---
	Avg	0	14,045	2,750	4,500
Imedge Barrier Coat 200LK202	2007	---	0	0	0
	2008	0	19,500	9,800	7,840
	2009	0	---	---	---
	Avg	0	9,750	4,900	3,740
Patch Aid (970XJ037)	2007	---	17	40	48
	2008	88	96	72	32
	2009	16	---	---	---
	Avg	52	57	56	40
Valspar 5799A90073	2007	---	0	0	0
	2008	0	315	450	480
	2009	0	---	---	---
	Avg	0	158	225	240

Gelcoats and Resins – Continued:

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Valspar 5799B90020	2007	---	0	0	0
	2008	0	9,470	10,500	0
	2009	5,005	---	---	---
	Avg	2,503	4,735	5,250	0
Valspar 5799E90056	2007	---	0	0	0
	2008	0	180	990	0
	2009	315	---	---	---
	Avg	158	90	495	0
Valspar 5799L90035	2007	---	0	0	0
	2008	0	358	0	0
	2009	180	---	---	----
	Avg	90	179	0	0
Valspar 5799R90052	2007	---	0	0	0
	2008	0	1,260	1,845	1,350
	2009	90	---	---	---
	Avg	45	630	923	675
Eastman 733-2246	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	0
Polycor 945B023	2007	---	450	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	225	0	0
Polycor 945GA104 (MBG0a)	2007	---	0	0	45
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	23
ArmorFlex 953BK162	2007	---	10,781	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	5,391	0	0
ArmorFlex 953LK160	2007	---	3,291	2,237	1,890
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	1,646	1,119	945

Gelcoats and Resins – Continued:

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Buffback 954BJ232	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	0
Buffback 954LJ261	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0		0
ArmorFlex 963LK160	2007	---	0	0	0
	2008	1,345	1,494	907	824
	2009	463	---	---	---
	Avg	904	747	454	412
ArmorFlex 963LK188	2007	---	1,237	1,403	795
	2008	778	920	0	0
	2009	52	---	---	---
	Avg	415	1,079	702	398
ArmorFlex 963RK139	2007	---	1,579	196	905
	2008	983	250	143	69
	2009	0	---	---	---
	Avg	492	915	170	487
ArmorFlex 963RK140	2007	---	4,256	3,389	2,939
	2008	4,496	303	0	793
	2009	51	---	---	---
	Avg	2,274	2,280	1,695	1,866
ArmorPlus 963WH671	2007	---	0	0	00
	2008	0	0	0	4,434
	2009	9,030	---	---	---
	Avg	4,515	0	0	2,217
ArmorFlex 963XA220	2007	---	720	1,306	1,080
	2008	2,670	0	0	0
	2009	0	---	---	---
	Avg	1,335	360	653	540
ArmorFlex 963XA221	2007	---	0	0	0
	2008	0	0	1,805	200
	2009	269	---	---	---
	Avg	135	0	903	100
Polycor 965BK183	2007	---	450	469	449
	2008	405	450	1,291	458
	2009	0	---	---	---
	Avg	203	450	880	454

Gelcoats and Resins – Continued:

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
ArmorGuard 967BJ244 (MBG01)	2007	---	13,130	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	6,565	0	0
Armor Guard 967BK150	2007	---	12,120	12,120	20,200
	2008	24,240	3,925	4,545	11,093
	2009	4,040	---	---	---
	Avg	14,140	8,023	8,333	15,647
ArmorCote 991AK138 (MBG02)	2007	---	1,625	876	836
	2008	920	1,001	396	697
	2009	0	---	---	---
	Avg	460	501	636	767
ArmorCote 991AK139 (MBG02a)	2007	---	559.0	1,094	0
	2008	0	0	501	42
	2009	0	---	---	---
	Avg	0	280	798	21
ArmorCote 991AK140 (MBG02b)	2007	---	911	845	498
	2008	746	0	0	0
	2009	0	---	---	---
	Avg	373	456	423	249
ArmorCote 991BK136 (MBG03)	2007	---	93	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	47	0	0
ArmorCote 991BK139	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	0
ArmorCote 991GH359	2007	---	102	0	153
	2008	0	254	291	250
	2009	0	---	---	---
	Avg	0	178	146	202

Gelcoats and Resins – Continued:

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
ArmorCote 991GH369	2007	---	249	911	742
	2008	0	244	706	167
	2009	0	---	---	---
	Avg	0	247	809	455
ArmorCote 991LK123 (MBG04)	2007	---	710	458	565
	2008	0	391	0	109
	2009	91	---	---	---
	Avg	46	551	229	337
ArmorCote 991LK141	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	0
ArmorCote 991LK142 (MBG04b)	2007	---	106	0	0
	2008	0	200	0	0
	2009	0	---	---	---
	Avg	0	153	0	0
ArmorCote 991NH788	2007	---	1,082	959	513
	2008	558	92	708	281
	2009	0	---	---	---
	Avg	279	587	834	397
ArmorCote 991NK123 (MBG05)	2007	---	1,366	1,258	1,482
	2008	298	354	495	146
	2009	0	---	---	---
	Avg	149	860	877	814
ArmorCote 991NK124 (MBG05a)	2007	---	104	522	0
	2008	749	195	276	75
	2009	0	---	---	---
	Avg	375	150	399	38
ArmorCote 991NK125	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	0

Gelcoats and Resins – Continued:

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
ArmorCote 991NK130	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	0
ArmorCote 991PK105	2007	---	45	47	193
	2008	238	96	342	0
	2009	0	---	---	---
	Avg	119	71	195	97
ArmorCote 991RK111 (MBG08)	2007	---	151	0	0
	2008	0	347	0	0
	2009	0	---	---	---
	Avg	0	249	0	0
ArmorCote 991RK112	2007	---	0	0	0
	2008	540	0	0	0
	2009	0	---	---	---
	Avg	270	0	0	0
ArmorCote 991RK118 (MBG08b)	2007	---	0	0	351
	2008	190	0	0	0
	2009	51	---	---	---
	Avg	121	0	0	176
ArmorCote 991RK124 (MBG08c)	2007	---	103	0	0
	2008	149	262	49	50
	2009	0	---	---	---
	Avg	75	131	25	25
ArmorCote 991WH423 (MBG06)	2007	---	27,840	20,900	23,197
	2008	17,960	11,600	16,218	5,322
	2009	0	---	---	---
	Avg	8,980	19,720	18,559	14,260
ArmorCote 991YK125 (MGB07)	2007	---	1,663	1,155	1,066
	2008	752	702	255	0
	2009	0	---	---	---
	Avg	376	1,183	705	533

Gelcoats and Resins – Continued:

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
ArmorCote 991YK132 (MBG07a)	2007	---	767	963	0
	2008	0	597	0	327
	2009	0	---	---	---
	Avg	0	682	482	164
Imedge 9EXFB379	2007	---	0	0	0
	2008	1,977	0	0	616
	2009	0	---	---	---
	Avg	989	0	0	308
Imedge 9EXFB385	2007	---	0	0	0
	2008	1,080	0	0	276
	2009	0	---	---	---
	Avg	540	0	0	138
Imedge 9EXFB389	2007	---	0	0	0
	2008	855	0	0	200
	2009	0	---	---	---
	Avg	428	0	0	100
Imedge 9EXFB395	2007	---	0	0	0
	2008	450	0	0	111
	2009	0	---	---	---
	Avg	225	0	0	56
IPS 300	2007	---	1,172	780	5,583
	2008	610	666	1,993	203
	2009	199	---	---	---
	Avg	405	919	1,387	2,893
Stypol LHPC-3523 (MBR02)	2007	---	80,000	4,329.5	40,040
	2008	197,820	0	0	39,500
	2009	79,480	---	---	---
	Avg	138,650	40,000	2,465	39,770
Stypol LHPC-4121 (MBR02a)	2007	---	282,100	202,240	158,440
	2008	79,680	196,720	123,560	41,700
	2009	0	---	---	---
	Avg	39,840	239,410	162,900	100,070
Stypol LSPA-2201	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	0

Gelcoats and Resins – Continued:

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
EZBOND 5787W00077	2007	---	0	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	0	0	0
Stypol LSPK-2221	2007	---	29,280	21,600	24,480
	2008	21,660	15,000	7,500	14,500
	2009	1,000	---	---	---
	Avg	11,330	22,140	14,550	19,490
ITW SprayCore SC-VELR-4000	2007	---	9,450	6,300	1,350
	2008	900	2,700	1,000	0
	2009	0	---	---	---
	Avg	450	6,075	3,650	675
ArmorStar VSXH-2200	2007	---	0	0	5,000
	2008	1,000	2,500	3,500	4,500
	2009	500	---	---	---
	Avg	750	1,250	1,750	4,750

Gelcoat and Resin Additives:

Material	Year	Usage (pounds)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Norox MEKP-9	2007	---	8,976	5,728	6,584
	2008	7,488	5,120	3,904	2,620
	2009	1,372	---	---	---
	Avg	4,430	7,048	4,816	4,602
Patch Aid Reducer	2007	---	0	0	0
	2008	0	8	25	8
	2009	8	---	---	---
	Avg	4	4	13	4
Patch Booster (5788C90008)	2007	---	0	40.8	0
	2008	40.8	0	0	0
	2009	0	---	---	---
	Avg	20.4	0	20.4	0
85-X3 Surfacing Agent	2007	---	0	0	0
	2008	0	37.5	37.5	0
	2009	37.5	---	---	---
	Avg	18.8	18.8	18.8	0

Mold Material:

Material	Year	Usage (lb)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Zyvax Mold Sealer GP	2007	---	0	0	131.5
	2008	0	58.4	0	58.4
	2009	0	---	---	---
	Avg	0	29.2	0	95.0
Zyvax Surface Cleaner	2007	---	0	0	0
	2008	239.6	8	0	
	2009	0	---	---	---
	Avg	119.8	4	0	0
Flex-Z Mold Release	2007	---	163.5	39.4	24
	2008	0	0	8	24
	2009	0	---	---	---
	Avg	0	81.8	24	24

General Use Solvents:

Material	Year	Usage (gallons)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Thermaclean Aquawash	2007	---	94.8	31.7	86.6
	2008	54.9	0	54.9	0
	2009	0	---	---	---
	Avg	27.5	47.4	43.3	43.3

Adhesives:

Material	Year	Usage (gallons)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
3M Fastbond 100	2007	---	170	0	0
	2008	0	0	0	0
	2009	0	---	---	---
	Avg	0	85	0	0
Keyston Bros.ADH4011	2007	---	18.1	9.2	12
	2008	50.0	56.9	6.3	19.6
	2009	0.3	---	---	---
	Avg	25.2	37.5	7.8	15.8
Westech (MBA01)	2007	---	2,186	1,214.5	1,457.4
	2008	1214.4	971.5	728.6	485.8
	2009	242.8	---	---	---
	Avg	728.6	1578.8	971.6	971.6

Waxes:

Material	Year	Usage (lb)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
3M Finesse-It II Wax	2007	---	0	0	0
	2008	0	0	0	0
	2009	206.2	---	---	---
	Avg	103.1	0	0	0
3M Marine Ultra Paste Wax	2007	---	0		0
	2008	0	0	0	0
	2009	2.9	---	---	---
	Avg	1.5	0	0	0

C. Historical Actual Emissions:

Resins & Gelcoats

Material & Emission Factor	Usage & HAE (lb)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Optiplus 040-8094 EF = 56.3 lb/10 ³ lb	Usage	0	0	480	480
	HAE	0	0	27	27
Imedge 100BK201 EF = 131.1 lb/10 ³ lb	Usage	3,715	0	0	3,746
	HAE	487	0	0	491
Imedge 100RH540 EF = 147.7 lb/10 ³ lb	Usage	286	0	0	284
	HAE	42	0	0	42
Imedge 100YH895 EF = 150.1 lb/10 ³ lb	Usage	396	0	0	347
	HAE	59	0	0	52
SprayCore 1055LS EF = 27.4 lb/10 ³ lb	Usage	0	14,045	2,750	4,500
	HAE	0	385	75	123
Imedge Barrier Coat 200LK202 EF = 132.6 lb/10 ³ lb	Usage	0	9,750	4,900	3,740
	HAE	0	1,293	650	496
Patch Aid (970XJ037) EF = 261.5 lb/10 ³ lb	Usage	52	57	56	40
	HAE	14	15	15	10
Valspar 5799A90073 EF = 145.4 lb/10 ³ lb	Usage	0	158	225	240
	HAE	0	23	33	35
Valspar 5799B90020 EF = 144.7 lb/10 ³ lb	Usage	2,503	4,735	5,250	0
	HAE	362	685	760	0
Valspar 5799E90056 EF = 143.9 lb/10 ³ lb	Usage	158	90	495	0
	HAE	23	13	71	0
Valspar 5799L90035 EF = 171.7 lb/10 ³ lb	Usage	90	179	0	0
	HAE	15	31	0	0
Valspar 5799R90052 EF = 147.0 lb/10 ³ lb	Usage	45	630	923	675
	HAE	7	93	136	99
Eastman 733-2246 EF = 41.3 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
Polycor 945B023 EF = 280.5 lb/10 ³ lb	Usage	0	225	0	0
	HAE	0	63	0	0
Polycor 945GA104 (MBG0a) EF = 276.3 lb/10 ³ lb	Usage	0	0	0	23
	HAE	0	0	0	6
ArmorFlex 953BK162 EF = 229.3 lb/10 ³ lb	Usage	0	5,391	0	0
	HAE	0	1,236	0	0
Buffback 954BJ232 EF = 229.3 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
Total – This Page		1,009	3,837	1,767	1,381

Gelcoats and Resins – Continued:

Material & Emission Factor	Usage & HAE (lb)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
ArmorFlex 953LK160 EF = 181.6 lb/10 ³ lb	Usage	0	1,646	1,119	945
	HAE	0	299	203	172
Buffback 954LJ261 EF = 211.1 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
ArmorFlex 963LK160 EF = 122.4 lb/10 ³ lb	Usage	904	747	454	412
	HAE	111	91	56	50
ArmorFlex 963LK188 EF = 126.0 lb/10 ³ lb	Usage	415	1,079	702	398
	HAE	52	136	88	50
ArmorFlex 963RK139 EF = 123.1 lb/10 ³ lb	Usage	492	915	170	487
	HAE	61	113	21	60
ArmorFlex 963RK140 EF = 123.8 lb/10 ³ lb	Usage	2,274	2,280	1,695	1,866
	HAE	282	282	210	231
ArmorPlus 963WH671 EF = 134.1 lb/10 ³ lb	Usage	4,515	0	0	2,217
	HAE	605	0	0	297
ArmorFlex 963XA220 EF = 260.5 lb/10 ³ lb	Usage	1,335	360	653	540
	HAE	348	94	170	141
ArmorFlex 963XA221 EF = 258.6 lb/10 ³ lb	Usage	135	0	903	100
	HAE	35	0	234	26
Polycor 965BK183 EF = 58.04 lb/10 ³ lb	Usage	203	450	880	454
	HAE	12	26	51	26
ArmorGuard 967BJ244 (MBG01) EF = 146.2 lb/10 ³ lb	Usage	0	6,565	0	0
	HAE	0	960	0	0
Armor Guard 967BK150 EF = 148.5 lb/10 ³ lb	Usage	14,140	8,023	8,333	15,647
	HAE	2,100	1,191	1,237	2,324
ArmorCote 991AK138 (MBG02) EF = 138.6	Usage	460	501	636	767
	HAE	64	69	88	106
ArmorCote 991AK139 (MBG02a) EF = 147.7 lb/10 ³ lb	Usage	0	280	798	21
	HAE	0	41	118	3
ArmorCote 991AK140 (MBG02b) EF = 131.1 lb/10 ³ lb	Usage	373	456	423	249
	HAE	49	60	55	33
ArmorCote 991BK136 (MBG03) EF = 151.6 lb/10 ³ lb	Usage	0	47	0	0
	HAE	0	7	0	0
ArmorCote 991BK139 EF = 152.4 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
ArmorCote 991GH359 EF = 153.6 lb/10 ³ lb	Usage	0	178	146	202
	HAE	0	27	22	31
Total – This Page		3,719	3,396	2,553	3,550

Gelcoats and Resins – Continued:

Material & Emission Factor	Usage & HAE (lb)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
ArmorCote 991GH369 EF = 151.6 lb/10 ³ lb	Usage	0	247	809	455
	HAE	0	37	123	69
ArmorCote 991LK123 (MBG04) EF = 136.3 lb/10 ³ lb	Usage	46	551	229	337
	HAE	6	75	31	46
ArmorCote 991LK141 EF = 145.4 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
ArmorCote 991LK142 (MBG04b) EF = 147.0 lb/10 ³ lb	Usage	0	153	0	0
	HAE	0	22	0	0
ArmorCote 991NH788 EF = 146.2 lb/10 ³ lb	Usage	279	587	834	397
	HAE	41	86	122	58
ArmorCote 991NK123 (MBG05) EF = 135.6 lb/10 ³ lb	Usage	149	860	877	814
	HAE	20	117	119	110
ArmorCote 991NK124 (MBG05a) EF = 133.3 lb/10 ³ lb	Usage	375	150	399	38
	HAE	50	20	53	5
ArmorCote 991NK125 EF = 140.1 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
ArmorCote 991NK130 EF = 132.6 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
ArmorCote 991PK105 EF = 141.6 lb/10 ³ lb	Usage	119	71	195	97
	HAE	17	10	28	14
ArmorCote 991RK111 (MBG08) EF = 139.3 lb/10 ³ lb	Usage	0	249	0	0
	HAE	0	35	0	0
ArmorCote 991RK112 EF = 140.8 (lb/10 ³ lb)	Usage	270	0	0	0
	HAE	38	0	0	0
ArmorCote 991RK118 (MBG08b) EF = 138.6 lb/10 ³ lb	Usage	121	0	0	176
	HAE	17	0	0	24
ArmorCote 991RK124 (MBG08c) EF = 143.1 lb/10 ³ lb	Usage	75	131	25	25
	HAE	11	19	4	4
Total – This Page		200	421	480	330

Gelcoats and Resins – Continued:

Material & Emission Factor	Usage & HAE (lb)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
ArmorCote 991WH423 (MBG06) EF = 154.8 lb/10 ³ lb	Usage	8,980	19,720	18,559	14,260
	HAE	1,390	3,053	2,873	2,207
ArmorCote 991YK125 (MGB07) EF = 137.1 lb/10 ³ lb	Usage	376	1,183	705	533
	HAE	52	162	97	73
ArmorCote 991YK132 (MBG07a) EF = 137.1 lb/10 ³ lb	Usage	0	682	482	164
	HAE	0	94	66	22
Imedge 9EXFB379 EF = 129.7 lb/10 ³ lb	Usage	989	0	0	308
	HAE	128	0	0	40
Imedge 9EXFB385 EF = 137.8 lb/10 ³ lb	Usage	540	0	0	138
	HAE	74	0	0	19
Imedge 9EXFB389 EF = 136.3 lb/10 ³ lb	Usage	428	0	0	100
	HAE	58	0	0	14
Imedge 9EXFB395 EF = 140.8 lb/10 ³ lb	Usage	225	0	0	56
	HAE	32	0	0	8
IPS 300 EF = 58.3 lb/10 ³ lb	Usage	405	919	1,387	2,893
	HAE	24	54	81	169
Stypol LHPC-3523 (MBR02) EF = 36.2 lb/10 ³ lb	Usage	138,650	40,000	2,465	39,770
	HAE	5,019	1,448	89	1,440
Stypol LHPC-4121 (MBR02a) EF = 36.1 lb/10 ³ lb	Usage	39,840	239,410	162,900	100,070
	HAE	1,438	8,643	5,881	3,613
Stypol LSPA-2201 EF = 38.8 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
EZBOND 5787W00077 EF = 32.1 lb/10 ³ lb	Usage	0	0	0	0
	HAE	0	0	0	0
Stypol LSPK-2221 EF = 45.0 lb/10 ³ lb	Usage	11,330	22,140	14,550	19,490
	HAE	510	996	655	877
ITW SprayCore SC-VELR-4000 EF = 37.2 lb/10 ³ lb	Usage	450	6,075	3,650	675
	HAE	17	226	136	25
ArmorStar VSXH-2200 EF = 45.3 lb/10 ³ lb	Usage	750	1,250	1,750	4,750
	HAE	34	57	79	215
Total – This Page		8,776	14,733	9,957	8,722

Gelcoat and Resin Summary:

	Quarter 1 (lb)	Quarter 2 (lb)	Quarter 3 (lb)	Quarter 4 (lb)
Page 17	1,009	3,837	1,767	1,381
Page 18	3,719	3,396	2,553	3,550
Page 19	200	421	480	330
Page 20	8,776	14,733	9,957	8,722
Total	13,704	22,387	14,757	13,983

Gelcoat and Resin Additives:

Material & Emission Factor	Usage & HAE	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Norox MEKP-9 EF = 45% by wt	Usage (lb)	4,430	7,048	4,816	4,602
	HAE (lb)	1,994	3,172	2,167	2,071
85-X3 Surfacing Agent EF = 95% by wt	Usage (lb)	18.8	18.8	18.8	0
	HAE (lb)	18	18	18	0
Patch Aid Reducer EF = 132.0 lb/10 ³ lb	Usage (lb)	4	4	13	4
	HAE (lb)	1	1	2	1
Patch Booster (5788C90008) EF = 155.4 lb/10 ³ lb	Usage (lb)	20.4	0	20.4	0
	HAE (lb)	3	0	3	0
Total		2,016	3,191	2,190	2,072

Mold Material:

Material	Usage & HAE	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Zyvax Mold Sealer GP EF = 90% by wt	Usage (lb)	0	29.2	0	95.0
	HAE (lb)	0	26	0	86
Zyvax Surface Cleaner EF = 90% by wt	Usage (lb)	119.8	4	0	0
	HAE (lb)	108	4	0	0
Flex-Z Mold Release EF = 90% by wt	Usage (lb)	0	81.8	24	24
	HAE (lb)	0	74	22	22
Total		108	104	22	108

General Use Solvents:

Material	Usage & HAE	Usage (gallons)			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Thermaclean Aquawash EF = 0.007 lb/gal	Usage (gal)	27.5	47.4	43.3	43.3
	HAE (lb)	0	0	0	0

Adhesives:

Material		Quarter 1	Quarter 2	Quarter 3	Quarter 4
3M Fastbond 100 EF = 0.04 lb/gal	Usage (gal)	0	85	0	0
	HAE (lb)	0	3	0	0
Keyston Bros.ADH4011 EF = 2.1 lb/gal	Usage (gal)	25.2	37.5	7.8	15.8
	HAE (lb)	53	79	16	33
Westech (MBA01) EF = 0.42	Usage (gal)	728.6	1578.8	971.6	971.6
	HAE (lb)	306	663	408	408
Total		359	745	424	441

Waxes:

Material		Quarter 1	Quarter 2	Quarter 3	Quarter 4
3M Finesse-It II Wax EF = 17% by wt	Usage (lb)	103.1	0	0	0
	HAE (lb)	18	0	0	0
3M Marine Ultra Paste Wax EF = 33.8% by wt	Usage (lb)	1.5	0	0	0
	HAE (lb)	1	0	0	0
Total		19	0	0	0

Summary of HAE's:

Emissions in excess of those allowed by the permits occurred during the baseline period. The ERC quantity will be reduced by the amount of the excess emissions. As shown in section VI.E of this document, that quantity was 70 pounds during the second calendar quarter.

Material Category	Quarter 1 (lb)	Quarter 2 (lb)	Quarter 3 (lb)	Quarter 4 (lb)
Gelcoats/Resins	13,704	22,387	14,757	13,983
Gelcoat/Resin Additives	2,016	3,191	2,190	2,072
Mold Material	108	104	22	108
General Use Solvents	0	0	0	0
Adhesives	359	745	424	441
Waxes	19	0	0	0
Emission Limit Discounting	0	-71	0	0
Total	16,206	26,356	17,393	16,604

D. Actual Emission Reductions:

Per section 4.12 of Rule 2201:

$$\text{AER} = \text{HAE} - \text{PE2}$$

Where HAE is the historical actual reductions (VOC)

HAE_{VOC} (Quarter 1): 16,206 lb

HAE_{VOC} (Quarter 2): 26,356 lb

HAE_{VOC} (Quarter 3): 17,393 lb

HAE_{VOC} (Quarter 4): 16,604 lb

PE2 is the post modification potential to emit (VOC)

VOC Emission Limit (Quarter 1): 925 lb

VOC Emission Limit (Quarter 2): 935 lb

VOC Emission Limit (Quarter 3): 945 lb

VOC Emission Limit (Quarter 4): 945 lb

$$\text{AER}_{\text{VOC}} (\text{Quarter 1}) = 16,206 \text{ lb} - 925 \text{ lb} = 15,281 \text{ lb}$$

$$\text{AER}_{\text{VOC}} (\text{Quarter 2}) = 26,356 \text{ lb} - 935 \text{ lb} = 25,421 \text{ lb}$$

$$\text{AER}_{\text{VOC}} (\text{Quarter 3}) = 17,393 \text{ lb} - 945 \text{ lb} = 16,448 \text{ lb}$$

$$\text{AER}_{\text{VOC}} (\text{Quarter 4}) = 16,604 \text{ lb} - 945 \text{ lb} = 15,659 \text{ lb}$$

E. Air Quality Improvement Deduction:

Per District rule 2201, section 4.12.1, a 10% air quality improvement deduction must be applied to the AER's prior to banking. The air quality improvement deductions are as follows:

	Quarter 1 [lb]	Quarter 2 [lb]	Quarter 3 [lb]	Quarter 4 [lb]
VOC	1,528	2,542	1,645	1,566

F. Increase in Permitted Emissions:

No IPE associated with this project.

G. Bankable Emissions Reductions:

The bankable reductions are the difference between the AER's and the Air Quality Improvement Deduction.

Quarter 1 = 15,281 lb – 1,528 lb = 13,753 lb

Quarter 2 = 25,421 lb – 2,542 lb = 22,879 lb

Quarter 3 = 16,448 lb – 1,645 lb = 14,803 lb

Quarter 4 = 15,659 lb – 1,566 lb = 14,093 lb

VI. Compliance:

A. Real Reductions:

The reductions were generated by curtailing production. Had the production curtailments not occurred, the emissions for which ERC's are being proposed could still be occurring. Therefore, the reductions are real.

B. Enforceable Reductions:

The reductions for which ERC's are proposed will be generated by curtailing production. The facility has been issued Authorities to Construct (ATC's) to lower the facility-wide emission limits and the proposed ERC's are based on the reductions that would occur as a result of compliance with those ATC's. Prior to issuing the final ERC certificates, conversion of those ATC's to Permits to Operate will be required. Violating the terms of those Permits to Operate would result in enforcement action being taken therefore, the reductions are enforceable.

C. Quantifiable Reductions:

The baseline period emissions were calculated utilizing District approved emission factors and actual baseline period material usages. Therefore, the reductions are quantifiable.

D. Permanent Reductions:

As stated in section VI.B above, the ATC's authorizing the reductions for which ERC's are proposed will have to be converted to Permits to Operate prior to the issuance of the proposed ERC certificates. Should the facility require higher emission limits, Authorities to Construct that would address the validity of the ERC's would be required. Those ATC's may result in the necessity of surrendering all or a portion of the ERC's. Therefore, the reductions are permanent.

E. Surplus Reductions:

The applicant is proposing ERC's for polyester resin operations, adhesive application operations and solvent use. To determine whether or not reductions are surplus, the District must examine its current and proposed rules as well as requirements projected to apply to operations for which ERC's are proposed. The District also considers other District's rules during a surplus emission analysis. After examining all current, pending and projected regulations, the District will discount the emission factors to the level of the most stringent rule. And finally, discounting for any baseline period emission limit violations will also be performed. During this analysis, rules from the following agencies will be considered:

United States Environmental Protection Agency (USEPA)
California Air Resources Board (CARB)
San Joaquin Valley Air Pollution Control District (SJVAPCD)
South Coast Air Quality Management District (SCAQMD)
Bay Area Air Quality Management District (BAAQMD)
Sacramento Metropolitan Air Quality Management District (SMAQMD)

Below are the rules that will be considered:

Agency	Polyester Resin and Gelcoating Rule	Adhesives Rule	Solvent Rule
USEPA	40 CFR Part 63 Subpart VVVV	Subpart VVVV	No Rule
CARB	No Rule	No Rule	No Rule
SJVAPCD	4684	4653	4663
SCAQMD	1162	1168	1171
BAAQMD	Reg 8 Rule 50	Reg 8 Rule 51	Reg 8 Rule 16
SMAQMD	465	Rule 460	Rule 466

Polyester Resins and Gel Coating Rules:

The USEPA and District rules offer the option of complying with a monomer content averaging calculation as opposed to an individual monomer content limit for each material. The SCAQMD, BAAQMD and SMAQMD rules all limit the individual material monomer content. Surplussing analyses for the USEPA and District rules will be presented separately while a single surplussing analysis for the SCAQMD, BAAQMD and SMAQMD is most appropriate.

40 CFR Part 63 Subpart VVVV (National Emission Standards for Hazardous Air Pollutants for Boat Manufacturing):

This rule applies only to Major HAP sources. Although the reductions for which ERC's are proposed will be enforced by ATC's and PTO's that will result in the facility no longer being a Major HAP source, only the facility's Major HAP source status during the baseline period is relevant. Since the facility was a Major HAP source during the baseline period, the ERC's must be issued assuming compliance with this rule was met. This subpart applies to resin, gelcoating and carpet/fabric adhesives operations.

Standards for Resin and Gelcoating Operations:

The applicant has chosen the MACT Points Value option of section 63.5701 to show compliance with the requirements of this rule. This method is essentially an averaging method by which a calculated HAP emission rate over the previous 12 months is compared to a limit that is referred to as the MACT Points Value. The HAP emission rate is to be calculated as specified in section 63.5698 (equation 1) and the MACT Points Value is to be calculated utilizing equation 1 of section 63.5710. The table below shows each quarterly segment of the baseline period, the HAP emission rate, the MACT Points Value and whether or not compliance was met.

12 Months Ending	NESHAP EQ 1 HAP Limit (Tons)	NESHAP MACT Point Value (Tons)	Compliant
April 2007	61.18	56.01	Yes
May 2007	63.48	57.18	Yes
June 2007	62.40	56.62	Yes
July 2007	62.14	56.00	Yes
August 2007	60.46	54.47	Yes
September 2007	60.13	53.95	Yes
October 2007	59.13	52.77	Yes
November 2007	57.42	51.13	Yes
December 2007	54.95	48.73	Yes
January 2008	55.16	48.48	Yes
February 2008	53.25	46.62	Yes
March 2008	49.48	43.00	Yes
April 2008	48.32	41.63	Yes
May 2008	45.81	39.25	Yes
June 2008	43.05	36.78	Yes
July 2008	41.66	35.61	Yes
August 2008	40.90	35.10	Yes
September 2008	43.03	34.36	Yes
October 2008	39.04	33.51	Yes
November 2008	36.58	31.39	Yes
December 2008	36.07	30.84	Yes
January 2009	31.10	26.62	Yes
February 2009	29.03	24.70	Yes
March 2009	26.90	22.86	Yes

SJVAPCD Rule 4684 (Polyester Resin Operations, 8/18/2011):

This rule includes requirements for two types of source. The first is type of stationary source is one with potential VOC emissions of less than 2.7 tons per rolling 12-month period and the second is a source with potential VOC emissions of greater than or equal to 2.7 tons per rolling 12-month period. Although the ERC's will be generated by reducing the facility-wide potential to emit of VOC from above to below 2.7 tons per 12-month rolling period, any necessary discounting must be conducted utilizing the requirements associated with the emission limits in place during the baseline period (\geq 2.7 tons per 12-month rolling period).

Per section 5.2.2.1, the facility is required to comply with one of the following rule sections:

Section 5.2.2.4: Material Monomer Content Limits

Section 5.2.2.5: Emissions Averaging

Section 5.2.2.6: Add-On VOC Control System

Section 5.2.2.5 is intended to be equivalent to the MACT Point Value option utilized to show compliance with 40 CFR Part 63 Subpart VVVV. As shown above, compliance with the MACT Point Value option was achieved during the baseline period, therefore compliance with section 5.2.2.5 of this rule would also have been met. No baseline period emission discounting is required.

**SCAQMD Rule 1162 (Polyester Resin Operations)
BAAQMD Regulation 8 Rule 50
SMAQMD Rule 465**

These rules limit the monomer content of polyester resins and gel coats. The following table shows the monomer content of the materials that were utilized during the baseline period and the limits that would have applied if these rules applied.

Notes Regarding SCAQMD Rule 1162:

This rule applies to all polyester resin operations that operate in the SCAQMD. Section (c)(2)(A) limits the monomer content of the resins used.

The resins are utilized either as tooling resins or for boat hulls. Therefore, they are Corrosion-Resistant Materials as defined in section (b)(3) of this rule. Per the table in section (c)(2)(A) of this rule, the monomer content limit for such materials is 48%.

The gelcoats are utilized either as tooling gelcoats or for boat hulls. Therefore, they are Specialty Gelcoats as defined in section (b)(36) of this rule. Per the table in section (c)(2)(A) of this rule, the monomer content limit for such materials is 48%.

Notes Regarding BAAQMD Regulation 8 Rule 50:

This rule applies to all manufacturing, fabrication, rework, repair and touch-up of composite products made of polyester resins and gelcoats.

The resins were applied utilizing only non-atomized methods therefore, per Table 1, the monomer content limit for boat manufacturing resins is 35% by weight and the monomer limit for tooling resins is 46% by weight.

Per Table 1 of this rule, the monomer content limit for boat manufacturing gelcoats is 48% by weight.

Notes Regarding SMAQMD Rule 465:

This rule applies to all polyester resin operations and does not distinguish between resins and gelcoats.

Per section 301, the monomer content limit of non-specialty resins (including gelcoats) is 35% by weight. However, tooling resins meet the definition of specialty resins because they are subjected to corrosive agents during the molding process. The monomer content limit of specialty resins and clear gelcoats is 50% by weight. The monomer content limit of pigmented gelcoats is 45% by weight.

Material	Category	Actual Monomer Content (wt. %)	Monomer Limit (wt. %) SCAQMD Rule 1162	Monomer Limit (wt. %) BAAQMD Reg. 8 Rule 50	Monomer Limit (wt. %) SMAQMD Rule 465
Optiplus 040-8094	Tooling Resin (non-atomized)	38.4	48	46	50
Imedge 100BK201	Pigmented Gelcoat	29.8	48	48	45
Imedge 100RH540	Pigmented Gelcoat	32.0	48	48	45
Imedge 100YH895	Pigmented Gelcoat	32.3	48	48	45
SprayCore 1055LS	Tooling Resin (non-atomized)	27	48	46	50
Imedge Barrier Coat 200LK202	Pigmented Gelcoat	30.0	48	48	45
Patch Booster & PatchAid Reducer	Pigmented Gelcoat	60	48	48	45
Valspar 5799A90073	Pigmented Gelcoat	31.7	48	48	45
Valspar 5799B90020	Pigmented Gelcoat	31.6	48	48	45
Valspar 5799E90056	Pigmented Gelcoat	31.5	48	48	45
Valspar 5799L90035	Pigmented Gelcoat	35	48	48	45
Valspar 5799R90052	Pigmented Gelcoat	31.9	48	48	45
Eastman 733-2246	Resin (non-atomized)	33.5	48	35	35
Polycor 945B023	Tooling Gelcoat	46.92	48	48	50
Polycor 945GA104	Tooling Gelcoat	46.5	48	48	50
ArmorFlex 953BK162	Pigmented Gelcoat	41.6	48	48	45
ArmorFlex 953LK160	Pigmented Gelcoat	36.2	48	48	45

Material	Category	Actual Monomer Content (wt. %)	Monomer Limit (wt. %) SCAQMD Rule 1162	Monomer Limit (wt. %) BAAQMD Reg. 8 Rule 50	Monomer Limit (wt. %) SMAQMD Rule 465
ArmorFlex 953LK160	Pigmented Gelcoat	36.2	48	48	45
Buffback 954BJ232	Pigmented Gelcoat	41.6	48	48	45
Buffback 954LJ261	Pigmented Gelcoat	39.6	48	48	45
ArmorFlex 963LK160	Pigmented Gecoat	28.6	48	48	45
ArmorFlex 963LK188	Pigmented Gelcoat	29.1	48	48	45
ArmorFlex 963RK139	Pigmented Gelcoat	28.7	48	48	45
ArmorFlex 963RK140	Pigmented Gelcoat	28.8	48	48	45
ArmorPlus 963WH671	Pigmented Gelcoat	30.2	48	48	45
ArmorFlex 963XA220	Clear Gelcoat	44.9	48	48	50
ArmorFlex 963XA221	Clear Gelcoat	44.7	48	48	50
Polycor 965BK183	Tooling Resin (non-atomized)	38.9	48	46	50
ArmorGuard 967BJ244	Pigmented Gelcoat	31.8	48	48	45
Armor Guard 967BK150	Pigmented Gelcoat	32.1	48	48	45
ArmorCote 991AK138	Pigmented Gelcoat	30.8	48	48	45
ArmorCote 991AK139	Pigmented Gelcoat	32.0	48	48	45
ArmorCote 991AK140	Pigmented Gelcoat	29.8	48	48	45
ArmorCote 991BK136	Pigmented Gelcoat	32.5	48	48	45
ArmorCote 991BK139	Pigmented Gelcoat	32.6	48	48	45
ArmorCote 991GH359	Pigmented Gelcoat	32.75	48	48	45
ArmorCote 991GH369	Pigmented Gelcoat	32.5	48	48	45

Material	Category	Actual Monomer Content (wt. %)	Monomer Limit (wt. %) SCAQMD Rule 1162	Monomer Limit (wt. %) BAAQMD Reg. 8 Rule 50	Monomer Limit (wt. %) SMAQMD Rule 465
ArmorCote 991LK123	Pigmented Gelcoat	30.5	48	48	45
ArmorCote 991LK141	Pigmented Gelcoat	31.7	48	48	45
ArmorCote 991LK142	Pigmented Gelcoat	31.9	48	48	45
ArmorCote 991NH788	Pigmented Gelcoat	31.8	48	48	45
ArmorCote 991NK123	Pigmented Gelcoat	30.4	48	48	45
ArmorCote 991NK124	Pigmented Gelcoat	30.1	48	48	45
ArmorCote 991NK125	Pigmented Gelcoat	31.0	48	48	45
ArmorCote 991NK130	Pigmented Gelcoat	30.0	48	48	45
ArmorCote 991PK105	Pigmented Gelcoat	31.2	48	48	45
ArmorCote 991RK111	Pigmented Gelcoat	30.9	48	48	45
ArmorCote 991RK112	Pigmented Gelcoat	31.1	48	48	45
ArmorCote 991RK118	Pigmented Gelcoat	30.8	48	48	45
ArmorCote 991RK124	Pigmented Gelcoat	31.4	48	48	45
ArmorCote 991WH423	Pigmented Gelcoat	32.9	48	48	45
ArmorCote 991YK125	Pigmented Gelcoat	30.6	48	48	45
ArmorCote 991YK132	Pigmented Gelcoat	30.6	48	48	45
Imedge 9EXFB379	Pigmented Gelcoat	29.6	48	48	45
Imedge 9EXFB385	Pigmented Gelcoat	30.7	48	48	45
Imedge 9EXFB389	Pigmented Gelcoat	30.5	48	48	45

Material	Category	Actual Monomer Content (wt. %)	Monomer Limit (wt. %) SCAQMD Rule 1162	Monomer Limit (wt. %) BAAQMD Reg. 8 Rule 50	Monomer Limit (wt. %) SMAQMD Rule 465
Imedge 9EXFB395	Pigmented Gelcoat	31.1	48	48	45
Stypol LHPC-3523	Resin (non-atomized)	31.63	48	35	35
Stypol LHPC-4121	Resin (non-atomized)	31.6	48	35	35
Stypol LSPA-2201	Resin (non-atomized)	32.6	48	35	35
EZBOND 5787W00077	Resin (non-atomized)	30	48	35	35
Stypol LSPK-2221	Resin (non-atomized)	34.8	48	35	35
ITW SprayCore SC-VELR-4000	Resin (non-atomized)	32	48	35	35
ArmorStar VSXH-2200	Resin (non-atomized)	34.9	48	35	35

As can be seen, the monomer content of the patch Booster/Patch Aid must be discounted from 60% by weight to 45% by weight as would be required by SMAQMD Rule 465. The emission factor for this material will therefore be calculated utilizing a monomer content of 45% by weight.

Adhesives Rules:

40 CFR Part 63 Subpart VVVV

Section 63.5740 limits the HAP content of adhesive materials used for carpet and fabric to 5 percent by weight. The only material utilized in these types of operations is the Westech HS-MAC-18, HP-MAC-18 and MPEA. Section 63.5740(b) requires that the HAP content demonstration be made in accordance with section 63.5758. Section 63.5758(a)(5) states that information from the supplier or manufacturer of the material be relied upon in making this determination. The material safety data sheet for the material states that to the nearest 1%, the HAP content is zero. Information from the applicant indicates that the HAP content is actually 0.1% by weight. Therefore, the material complies with this limit.

Note: Although other adhesives were utilized, no others were used in carpet or fabric operations.

Compliance Summary:

Compliance with the requirements of this subpart was met during the baseline period. Therefore, no discounting for compliance with this rule is required.

SJVAPCD Rule 4653 (Adhesives)

The only materials that are adhesives in the traditional sense are the Westech HS-MAC-18, HP-MAC-18 and MPEA, the 3M Fastbond and the Keaston Brothers ADH 4011. The others identified as adhesives are actually polyester resins that are subject to Rule 4684.

The table below shows the material ID, its use, the applicable VOC content limit and the actual VOC content.

Material ID	Use	Rule 4653 Category	VOC Content Limit	Actual VOC Content
			g/l less water and exempts	
Westech HS-MAC-18	Carpet Installation	Floor Covering Installation	150	80
Westech HP-MAC-18	Carpet Installation	Floor Covering Installation	150	80
Westech MPEA	Carpet Installation	Floor Covering Installation	150	80
3M Fastbond 100	Foam Bonding	Plastic Foam	50	5
ADH 4011	Vinyl to Foam	Flexible Vinyl Adhesive	250	467

As can be seen, the VOC content of the flexible vinyl adhesive must be discounted to the 250 g/l SJVAPCD Rule 4653 level.

SCAQMD Rule 1168 (Adhesive and Sealant Applications)

The only materials that are adhesives in the traditional sense are the Westech HS-MAC-18, HP-MAC-18 and MPEA, the 3M Fastbond and the Keaston Brothers ADH 4011. The others identified as adhesives are actually polyester resins that are subject to Rule 4684.

The table below shows the material ID, its use, the applicable VOC content limit and the actual VOC content.

Material ID	Use	Rule 1168 Category	VOC Content Limit	Actual VOC Content
			g/l less water and exempts	
Westech HS-MAC-18	Carpet Installation	Porous Materials	50	80
Westech HP-MAC-18	Carpet Installation	Porous Materials	50	80
Westech MPEA	Carpet Installation	Porous Materials	50	80
3M Fastbond 100	Foam Bonding	Plastic Foam	50	5
ADH 4011	Vinyl to Foam	Top & Trim Adhesive	250	467

As can be seen, the VOC content of the carpet adhesive must be discounted to the 50 g/l SCAQMD Rule 1168 level. Since the carpet is not being utilized in an Architectural application (as defined in rule 1168), the carpet adhesive limit of 150 g/l cannot be used.

As can be seen, the VOC content of the vinyl to foam adhesive must be discounted to the 250 g/l SCAQMD Rule 1168 level.

BAAQMD Regulation 8 Rule 51 (Adhesive and Sealant Products):

The only materials that are adhesives in the traditional sense are the Westech HS-MAC-18, HP-MAC-18 and MPEA, the 3M Fastbond and the Keaston Brothers ADH 4011. The others identified as adhesives are actually polyester resins that are subject to Rule 4684.

The table below shows the material ID, its use, the applicable VOC content limit and the actual VOC content.

Material ID	Use	Regulation 8 Rule 51 Category	VOC Content Limit	Actual VOC Content
			g/l less water and exempts	
Westech HS-MAC-18	Carpet Installation	Outdoor Floor Covering Installation	250	80
Westech HP-MAC-18	Carpet Installation	Outdoor Floor Covering Installation	250	80
Westech MPEA	Carpet Installation	Outdoor Floor Covering Installation	250	80
3M Fastbond 100	Foam Bonding	Multi-Purpose Construction	200	5
ADH 4011	Vinyl to Foam	Top & Trim Installation	540	467

As can be seen, this rule requires no discounting.

SMAQMD Rule 460:

The only materials that are adhesives in the traditional sense are the Westech HS-MAC-18, HP-MAC-18 and MPEA, the 3M Fastbond and the Keaston Brothers ADH 4011. The others identified as adhesives are actually polyester resins that are subject to Rule 4684.

The table below shows the material ID, its use, the applicable VOC content limit and the actual VOC content.

Material ID	Use	SMAQMD Rule 460 Category	VOC Content Limit	Actual VOC Content
			g/l less water and exempts	
Westech HS-MAC-18	Carpet Installation	Porous Materials	120	80
Westech HP-MAC-18	Carpet Installation	Porous Materials	120	80
Westech MPEA	Carpet Installation	Porous Materials	120	80
3M Fastbond 100	Foam Bonding	All Other Substrates (Section 8-51-302)	250	5
ADH 4011	Vinyl to Foam	Flexible Vinyl Adhesive	250	467

As can be seen, the VOC content of the flexible vinyl adhesive must be discounted to the 250 g/l SMAQMD Rule 460 level

Summary of Adhesive Emission Factors After Rule Discounting:

Material	Surplus VOC Content	Reference
Westech HS-MAC-18	50 g/l (0.42 lb/gal)	SCAQMD Rule 1168
Westech HP-MAC-18	50 g/l (0.42 lb/gal)	SCAQMD Rule 1168
Westech MPEA	50 g/l (0.42 lb/gal)	SCAQMD Rule 1168
3M Fastbond 100	5 g/l (0.042 lb/gal)	No Discounting Necessary
ADH 4011	250 g/l (2.1 lb/gal)	SJVAPCD Rule 4653 SCAQMD Rule 1168 SMAQMD Rule 460

Solvent Cleaning Rules:

SJVAPCD Rule 4684 (Polyester Resin Operations)

This rule limits the VOC content of all organic solvents for cleaning operations to 25 g/l (0.21 lb/gal). The facility utilized only Thermaclean Aquawash during the baseline period. That material has a VOC content of 0.007 lb/gal. Therefore, no baseline emission discounting is required.

SJVAPCD Rule 4663 (Solvent Storage, Cleaning and Storage)

The operation was subject to District Rule 4684 (polyester Resin Operations) during the baseline period and was therefore exempt from this rule per section 4.3.1.3. No emissions discounting is necessary.

SCAQMD Rule 1171 (Solvent Cleaning Operations)

Section (c)(1) of this rule limits the VOC content of solvents utilized for cleaning during manufacturing processes to 25 g/l (0.21 lb/gal). The only solvent utilized during the baseline period was Thermaclean Aquawash, which has a VOC content 0.07 lb/gal. Therefore, no period baseline emission discounting is necessary.

BAAQMD Regulation 8 Rule 16 (Adhesive and Sealant products):

Section 8-51-320 of this rule includes work practice requirements that limit evaporative loss emissions but does not include solvent VOC content limits. District Rules already require that these work practices be followed, therefore, no baseline period emission discounting is necessary.

SMAQMD Rule 466 (Adhesives and Sealants):

Section 303.1 of this rule limits the VOC content of solvents utilized for cleaning during manufacturing processes to 70 g/l (0.6 lb/gal). The only solvent utilized during the baseline period was Thermaclean Aquawash, which has a VOC content 0.07 lb/gal. Therefore, no period baseline emission discounting is necessary.

Emission Limits:

N-3941-1, N-3941-2 & N-3941-3:

These permits include a combined VOC emission limit of 250 lb/day. The following table shows the days a violation of this limit occurred, the daily emissions that occurred on that day and the excess VOC emissions that occurred on that day.

Date	Emission Quantity	Excess Emissions
4/20/2007	275.71	25.7
4/21/2007	268.2	18.2
4/23/2007	261.7	11.7
4/24/2007	261.4	11.4
4/26/2007	273.6	23.6
4/27/2007	252.7	2.7
4/28/2007	269.8	19.8
Total	----	113.1

N-3941-4:

This permit includes a VOC limit of 100 lb/day. The following table shows the days a violation of this limit occurred, the daily emissions that occurred on that day and the excess VOC emissions that occurred on that day.

Date	Emission Quantity	Excess Emissions
4/19/2007	114.7	14.7
4/24/2007	105.6	5.6
4/27/2007	108.2	8.2
Total	----	28.5

N-3941-5:

This permit includes a VOC limit of 100 lb/day. Facility records show that this limit was not exceeded during the baseline period.

Permit Limit Exceedence Discounting:

	Quarter 1 (lb)	Quarter 2 (lb)	Quarter 3 (lb)	Quarter 4 (lb)
2007	---	142	0	0
2008	0	0	0	0
2009	0	---	---	---
Average	0	71	0	0

F. Timeliness:

Applications for ATC's authorizing the emission reductions for which ERC's are proposed were received on the same day as the ERC application (March 30, 2010). Therefore, the application was timely.

VII. Recommendation:

Issue an Emission Reduction Credit Certificate to Malibu Boats in the following amounts after Authorities to Construct N-3941-1-7, N-3941-2-5, N-3941-3-5 and N-3941-4-5 are converted to Permits to Operate:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
VOC (lb)	13,753	22,879	14,803	14,093

VIII. Appendices

Appendix A: Emission Factor Calculations

Appendix B: ATC's Authorizing the Reductions for which ERC's are Proposed

Appendix C: Draft Emission Reduction Credit Certificate

Appendix A

Emission Factor Calculations

Resins and Gelcoats:

Emission Factor Equations (Table 2 of Rule 4684):

Production and Tooling Resins: $0.014(\text{Resin VOC}\%)^{2.275}$
 Pigmented & Clear Gelcoats: $0.445(\text{Gelcoat VOC}\%)^{1.675}$

Material	Category	Monomer Content (wt. %)	Emission Factor Equation	Emission Factor (lb VOC/10 ³ lb)
Optiplus 040-8094	Tooling Resin (non-atomized)	38.4	$0.014(\text{Resin VOC}\%)^{2.275}$	56.3
Imedge 100BK201	Pigmented Gelcoat	29.8		131.1
Imedge 100RH540	Pigmented Gelcoat	32.0		147.7
Imedge 100YH895	Pigmented Gelcoat	32.3		150.1
SprayCore 1055LS	Tooling Resin (non-atomized)	28	$0.014(\text{Resin VOC}\%)^{2.275}$	27.4
Imedge Barrier Coat 200LK202	Pigmented Gelcoat	30.0	$0.445(\text{Gelcoat VOC}\%)^{1.675}$	132.6
Patch Aid ⁴	Pigmented Gelcoat	45		261.5
Valspar 5799A90073	Pigmented Gelcoat	31.7		145.4
Valspar 5799B90020	Pigmented Gelcoat	31.6		144.7
Valspar 5799E90056	Pigmented Gelcoat	31.5		143.9
Valspar 5799L90035	Pigmented Gelcoat	35		171.7
Valspar 5799R90052	Pigmented Gelcoat	31.9		147.0
Eastman 733-2246	Resin (non-atomized)	33.5		$0.014(\text{Resin VOC}\%)^{2.275}$
Polycor 945B023	Tooling Gelcoat (non-atomized)	46.92	$0.445(\text{Gelcoat VOC}\%)^{1.675}$	280.5
Polycor 945GA104	Tooling Gelcoat (non-atomized)	46.5		276.3

⁴ As explained in the Surplus Emission section of this document, the monomer content utilized in the emission factor calculation was calculated utilizing the discounted content of 45% by weight.

Resins and Gelcoats - Continued:

Material	Category	Monomer Content (wt. %)	Emission Factor Equation	Emission Factor (lb VOC/10 ³ lb)
ArmorFlex 953BK162	Pigmented Gelcoat	41.6	$0.445(\text{Gelcoat VOC}\%)^{1.675}$	229.3
ArmorFlex 953LK160	Pigmented Gelcoat	36.2		181.6
Buffback 954BJ232	Pigmented Gelcoat	41.6		229.3
Buffback 954LJ261	Pigmented Gelcoat	39.6		211.1
ArmorFlex 963LK160	Pigmented Gelcoat	28.6		122.4
ArmorFlex 963LK188	Pigmented Gelcoat	29.1		126.0
ArmorFlex 963RK139	Pigmented Gelcoat	28.7		123.1
ArmorFlex 963RK140	Pigmented Gelcoat	28.8		123.8
ArmorPlus 963WH671	Pigmented Gelcoat	30.2		134.1
ArmorFlex 963XA220	Clear Gelcoat	44.9		260.5
ArmorFlex 963XA221	Clear Gelcoat	44.7		258.6
Polycor 965BK183	Tooling Resin (non-atomized)	38.92		$0.014(\text{Resin VOC}\%)^{2.275}$
ArmorGuard 967BJ244	Pigmented Gelcoat	31.8	$0.445(\text{Gelcoat VOC}\%)^{1.675}$	146.2
Armor Guard 967BK150	Pigmented Gelcoat	32.1		148.5
ArmorCote 991AK138	Pigmented Gelcoat	30.8		138.6
ArmorCote 991AK139	Pigmented Gelcoat	32.0		147.7
ArmorCote 991AK140	Pigmented Gelcoat	29.8		131.1
ArmorCote 991BK136	Pigmented Gelcoat	32.5		151.6

Resins and Gelcoats - Continued:

Material	Category	Monomer Content (wt. %)	Emission Factor Equation	Emission Factor (lb VOC/10 ³ lb)
ArmorCote 991BK139	Pigmented Gelcoat	32.6	0.445(Gelcoat VOC%) ^{1.675}	152.4
ArmorCote 991GH359	Pigmented Gelcoat	32.75		153.6
ArmorCote 991GH369	Pigmented Gelcoat	32.5		151.6
ArmorCote 991LK123	Pigmented Gelcoat	30.5		136.3
ArmorCote 991LK141	Pigmented Gelcoat	31.7		145.4
ArmorCote 991LK142	Pigmented Gelcoat	31.9		147.0
ArmorCote 991NH788	Pigmented Gelcoat	31.8		146.2
ArmorCote 991NK123	Pigmented Gelcoat	30.4		135.6
ArmorCote 991NK124	Pigmented Gelcoat	30.1		133.3
ArmorCote 991NK125	Pigmented Gelcoat	31.0		140.1
ArmorCote 991NK130	Pigmented Gelcoat	30.0		132.6
ArmorCote 991PK105	Pigmented Gelcoat	31.2		141.6
ArmorCote 991RK111	Pigmented Gelcoat	30.9		139.3
ArmorCote 991RK112	Pigmented Gelcoat	31.1		140.8
ArmorCote 991RK118	Pigmented Gelcoat	30.8		138.6
ArmorCote 991RK124	Pigmented Gelcoat	31.4		143.1
ArmorCote 991WH423	Pigmented Gelcoat	32.9		154.8

Resins and Gelcoats - Continued:

Material	Category	Monomer Content (wt. %)	Emission Factor Equation	Emission Factor (lb VOC/10 ³ lb)
ArmorCote 991YK125	Pigmented Gelcoat	30.6	0.445(Gelcoat VOC%) ^{1.675}	137.1
ArmorCote 991YK132	Pigmented Gelcoat	30.6		137.1
Imedge 9EXFB379	Pigmented Gelcoat	29.6		129.7
Imedge 9EXFB385	Pigmented Gelcoat	30.7		137.8
Imedge 9EXFB389	Pigmented Gelcoat	30.5		136.3
Imedge 9EXFB395	Pigmented Gelcoat	31.1		140.8
IPS 300	Resin (non-atomized)	39	0.014(Resin VOC%) ^{2.275}	58.3
Stypol LHPC-3523	Resin (non-atomized)	31.63		36.2
Stypol LHPC-4121	Resin (non-atomized)	31.6		36.1
Stypol LHPC-4121	Resin (non-atomized)	31.6		36.1
Stypol LSPA-2201	Resin (non-atomized)	32.6		38.8
EZBOND 5787W00077	Resin (non-atomized)	30		32.1
Stypol LSPK-2221	Resin (non-atomized)	34.8		45.0
ITW SprayCore SC-VELR-4000	Resin (non-atomized)	32		37.2
ArmorStar VSXH-2200	Resin (non-atomized)	34.9		45.3

Gelcoat & Resin Additives

Material	VOC Content
Norox MEKP-9 Resin & Gelcoat Catalyst	45% by weight
Surfacing Agent (85-X3) – Gelcoat Additive	95% by weight

Material	Category	Monomer Content (wt%)	Emission Factor Equation	Emission Factor (lb VOC/10 ³ lb)
Patch Aid Reducer (5788C90279)	Resin (non-atomized)	55.84	0.014(Resin VOC%) ^{2.275}	132.0
Patch Aid Booster/reducer (5788C90008)	Resin (non-atomized)	60		155.4

Mold Materials:

Material	VOC Content
Zyvax Mold Sealer GP	90% by wt
Zyvax Surface Cleaner	90% by wt
Flex-Z Mold Release	90% by wt

General Use Solvents:

Material	VOC Content (lb/gal)
Thermaclean Aquawash	0.07

Adhesives:

The actual VOC content of the ADH-4011 is 467.8 g/l (3.9 lb/gal). However, to ensure that the reductions generated by its reduced use are surplus, as required by Rule 2301, the VOC content that will be used in the reduction calculations will be 250 g/l (2.1 lb/gal). Refer to section VI.E of this document for a discussion.

The actual VOC content of the Westech materials is 80 g/l. However, to ensure that the reductions generated by its reduced use are surplus, as required by Rule 2301, the VOC content that will be used in the reduction calculations will be 50 g/l (0.42 lb/gal). Refer to section VI.E of this document for a discussion.

Material	VOC Content
3M Fastbond 100	5 g/l (0.04 lb/gal)
Keyston Bros. ADH4011	250 g/l (2.1 lb/gal) ⁵
Westech (MB-01)	50 g/l (0.42 lb/gal) ⁶

Waxes:

Material	VOC Content (lb/gal)
3M Finesse- It-II Wax	17% by weight
3M Marine Ultra Paste Wax	33.8% by weight

⁵ The VOC content of this material was discounted from 467 g/l to 250 g/l as explained in section VI.E of this document.

⁶ The VOC content of this material was discounted from 80 g/l to 50 g/l as explained in section VI.E of this document.

Appendix B
ATC's Authorizing the Reductions for which ERC's are
Proposed



AUTHORITY TO CONSTRUCT

PERMIT NO: N-3941-1-7

ISSUANCE DATE: 02/04/2011

LEGAL OWNER OR OPERATOR: MALIBU BOATS LLC
MAILING ADDRESS: ONE MALIBU CT
MERCED, CA 95340

LOCATION: ONE MALIBU COURT
MERCED, CA

EQUIPMENT DESCRIPTION:

GEL COATING OPERATION SERVED BY A SPRAY BOOTH WITH EXHAUST FILTERS. MODIFICATION TO REDUCE THE EMISSION LIMITS SUCH THAT THE FACILITY IS NO LONGER A MAJOR SOURCE.

CONDITIONS

1. The permittee may construct or modify the equipment as authorized by this Authority to Construct at this time. Prior to operating with the modifications authorized by this Authority to Construct, the District shall receive an application for a Minor Permit Modification. [District Rule 2520, 5.3.2] Federally Enforceable Through Title V Permit
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
4. The particulate matter emissions from the stack of the paint spray booth shall not exceed 0.1 gr/dscf [District Rule 4201]
5. Exhaust fans shall be switched on prior to the start of the gel coat operation. [District Rule 2201]
6. The VOC emissions shall not exceed 15.0 pounds during any one day. [District Rule 2201]
7. The PM10 emissions shall not exceed 0.9 pounds during any one day. [District Rule 2201]
8. The facility-wide VOC emissions shall not exceed any of the following: 925 pounds during the first calendar quarter, 935 pounds during the second calendar quarter, 945 pounds during the third calendar quarter and 945 pounds during the fourth calendar quarter. [District Rule 2201]
9. Only HVLP, electrostatic, airless, or air assisted airless application equipment shall be used, and the application equipment shall be operated in accordance with the manufacturer's recommendations. [District Rule 4684]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO

10. Permittee shall demonstrate that HVLP guns manufactured prior to 1/1/96 operate between 0.1 and 10 psig air atomizing pressure, by manufacturer's published technical material or by use of a certified air pressure tip gauge. [District Rule 4684]
11. Only low VOC polyester resins and gel coats shall be used. The monomer content of low VOC resins, except specialty resins, shall not exceed 35% by weight. The monomer content of low VOC pigmented gel coats shall not exceed 45% by weight. The monomer content of low VOC specialty resins and clear gel coats shall not exceed 50% by weight. [District Rule 4684]
12. The VOC content of organic solvents used in cleaning operations shall not exceed 25 g/l (0.21 lb/gal). [District Rule 4684]
13. The operator shall store and dispose of adhesives, sealants, catalysts, thinners, fresh and spent solvents and waste solvent materials such as cloth and paper in closed, non-absorbent and non-leaking containers. The containers shall remain closed at all times except when depositing or removing the contents of the containers or when the containers are empty. [District Rule 4684]
14. Daily records of the type and quantity of all resins, gel coats, fillers, catalysts and cleaning materials (including cleaning solvents) used shall be kept. [District Rule 4684]
15. Records of the VOC content, in weight percent, of all polyester resins, gel coats and filler materials, including the weight percent of non-monomer VOC in the resins and gel coats used or stored at the stationary source shall be kept. [District Rule 4684]
16. Records of the VOC content of all cleaning materials used and stored at the stationary source shall be kept. [District Rule 4684]
17. The facility operator shall calculate and record the facility-wide VOC emissions on a calendar quarter basis. The record shall be updated at least monthly. [District Rules 2201 and 4684]
18. A daily record of the VOC and PM10 emissions from this unit shall be kept. [District Rule 2201]
19. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rules 1070 and 4684]



AUTHORITY TO CONSTRUCT

PERMIT NO: N-3941-2-5

ISSUANCE DATE: 02/04/2011

LEGAL OWNER OR OPERATOR: MALIBU BOATS LLC
MAILING ADDRESS: ONE MALIBU CT
MERCED, CA 95340

LOCATION: ONE MALIBU COURT
MERCED, CA

EQUIPMENT DESCRIPTION:

GEL COATING OPERATION SERVED BY A SPRAY BOOTH WITH EXHAUST FILTERS. MODIFICATION TO REDUCE THE EMISSION LIMITS SUCH THAT THE FACILITY IS NO LONGER A MAJOR SOURCE.

CONDITIONS

1. The permittee may construct or modify the equipment as authorized by this Authority to Construct at this time. Prior to operating with the modifications authorized by this Authority to Construct, the District shall receive an application for a Minor Permit Modification. [District Rule 2520, 5.3.2] Federally Enforceable Through Title V Permit
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
4. The particulate matter emissions from the stack of the paint spray booth shall not exceed 0.1 gr/dscf [District Rule 4201]
5. Exhaust fans shall be switched on prior to the start of the gel coat operation. [District Rule 2201]
6. The VOC emissions shall not exceed 15.0 pounds during any one day. [District Rule 2201]
7. The PM10 emissions shall not exceed 0.9 pounds during any one day. [District Rule 2201]
8. The facility-wide VOC emissions shall not exceed any of the following: 925 pounds during the first calendar quarter, 935 pounds during the second calendar quarter, 945 pounds during the third calendar quarter and 945 pounds during the fourth calendar quarter. [District Rule 2201]
9. Only HVLP, electrostatic, airless, or air assisted airless application equipment shall be used, and the application equipment shall be operated in accordance with the manufacturer's recommendations. [District Rule 4684]

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCD

DAVID WARNER, Director of Permit Services
N-3941-2-5 : Feb 4 2011 8:14AM - BCHOHOM : Joint Inspection NOT Required

10. Permittee shall demonstrate that HVLP guns manufactured prior to 1/1/96 operate between 0.1 and 10 psig air atomizing pressure, by manufacturer's published technical material or by use of a certified air pressure tip gauge. [District Rule 4684]
11. Only low VOC polyester resins and gel coats shall be used. The monomer content of low VOC resins, except specialty resins, shall not exceed 35% by weight. The monomer content of low VOC pigmented gel coats shall not exceed 45% by weight. The monomer content of low VOC specialty resins and clear gel coats shall not exceed 50% by weight. [District Rule 4684]
12. The VOC content of organic solvents used in cleaning operations shall not exceed 25 g/l (0.21 lb/gal). [District Rule 4684]
13. The operator shall store and dispose of adhesives, sealants, catalysts, thinners, fresh and spent solvents and waste solvent materials such as cloth and paper in closed, non-absorbent and non-leaking containers. The containers shall remain closed at all times except when depositing or removing the contents of the containers or when the containers are empty. [District Rule 4684]
14. Daily records of the type and quantity of all resins, gel coats, fillers, catalysts and cleaning materials (including cleaning solvents) used shall be kept. [District Rule 4684]
15. Records of the VOC content, in weight percent, of all polyester resins, gel coats and filler materials, including the weight percent of non-monomer VOC in the resins and gel coats used or stored at the stationary source shall be kept. [District Rule 4684]
16. Records of the VOC content of all cleaning materials used and stored at the stationary source shall be kept. [District Rule 4684]
17. The facility operator shall calculate and record the facility-wide VOC emissions on a calendar quarter basis. The record shall be updated at least monthly. [District Rules 2201 and 4684]
18. A daily record of the VOC and PM10 emissions from this unit shall be kept. [District Rule 2201]
19. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rules 1070 and 4684]



AUTHORITY TO CONSTRUCT

PERMIT NO: N-3941-3-5

ISSUANCE DATE: 02/04/2011

LEGAL OWNER OR OPERATOR: MALIBU BOATS LLC
MAILING ADDRESS: ONE MALIBU CT
MERCED, CA 95340

LOCATION: ONE MALIBU COURT
MERCED, CA

EQUIPMENT DESCRIPTION:

POLYESTER RESIN AND ADHESIVE APPLICATION OPERATIONS. MODIFICATION TO REDUCE THE EMISSION LIMITS SUCH THAT THE FACILITY IS NO LONGER A MAJOR SOURCE AND TO CONSOLIDATE PERMIT N-9941-5 WITH THIS PERMIT SUCH THAT THE EQUIPMENT DESCRIPTION BECOMES: CHOPPER FLOW COATER TYPE FIBERGLASS AND RESIN APPLICATION OPERATION AND ASSOCIATED ADHESIVE APPLICATION EQUIPMENT AND A HAND LAY-UP TYPE FIBERGLASS AND RESIN OPERATION AND ASSOCIATED ADHESIVE APPLICATION EQUIPMENT.

CONDITIONS

1. The permittee may construct or modify the equipment as authorized by this Authority to Construct at this time. Prior to operating with the modifications authorized by this Authority to Construct, the District shall receive an application for a Minor Permit Modification. [District Rule 2520, 5.3.2] Federally Enforceable Through Title V Permit
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
4. The VOC emissions from the chopper flow coater type fiberglass and resin application operation and the associated adhesive application operation shall not exceed 15.0 pounds during any one day. [District Rule 2201]
5. The VOC emissions from the hand lay-up type fiberglass and resin application operation and the associated adhesive application operation shall not exceed 15.0 pounds during any one day. [District Rule 2201]
6. The facility-wide VOC emissions shall not exceed any of the following: 925 pounds during the first calendar quarter, 935 pounds during the second calendar quarter, 945 pounds during the third calendar quarter and 945 pounds during the fourth calendar quarter. [District Rule 2201]

CONDITIONS CONTINUE ON NEXT PAGE

YOU **MUST** NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO

7. Only low VOC polyester resins and gel coats shall be used. The monomer content of low VOC resins, except specialty resins, shall not exceed 35% by weight. The monomer content of low VOC pigmented gel coats shall not exceed 45% by weight. The monomer content of low VOC specialty resins and clear gel coats shall not exceed 50% by weight. [District Rule 4684]
8. The VOC content of organic solvents used in cleaning operations shall not exceed 25 g/l (0.21 lb/gal). [District Rules 4653 and 4684]
9. The operator shall store and dispose of adhesives, sealants, catalysts, thinners, fresh and spent solvents and waste solvent materials such as cloth and paper in closed, non-absorbent and non-leaking containers. The containers shall remain closed at all times except when depositing or removing material or when the containers are empty. The containers shall be self closing. [District Rules 4653 and 4684]
10. Mixing containers used for VOC containing adhesives and sealants, and process related waste materials shall be kept closed at all times except when depositing or removing materials. [District Rule 4653]
11. The operator shall minimize spills of VOC containing adhesives, sealants, cleaning materials and process related waste materials. [District Rule 4653]
12. VOC containing adhesives, sealants, solvents and process related waste materials shall be transferred from one location to another only in closed containers or pipes. [District Rule 4653]
13. For the adhesives application operation, solvent cleaning shall be conducted utilizing only the following methods: (1) Wipe cleaning, (2) Application from hand held spray bottles from which the solvents are dispensed without a propellant induced force, (3) A non-atomized solvent flow method in which the solvent is collected in a container or a system that is closed except for collection openings, and if necessary, pressure relief openings, (4) Solvent flushing, in which the cleaning solvent is discharged into a container that is closed except for collection openings and, if necessary, pressure relief openings. The discharged solvent must be collected into containers without atomizing it into the open air. The solvent must be flushed through the system by air pressure, hydraulic pressure or by pumping. [District Rule 4653]
14. The operator shall keep records of the VOC content, in grams/liter, of all adhesives and solvents used and stored at the facility. [District Rule 4653]
15. The operator shall keep a copy of the manufacturer's product data sheet or material safety data sheet for each solvent used in adhesives cleaning activities. [District Rule 4653]
16. Daily records of the type and quantity of all resins, gel coats, fillers, catalysts and cleaning materials (including cleaning solvents) used shall be kept. [District Rule 4684]
17. Records of the VOC content, in weight percent, of all polyester resins, gel coats and filler materials, including the weight percent of non-monomer VOC in the resins and gel coats used or stored at the stationary source shall be kept. [District Rule 4684]
18. The operator shall maintain a current list of the solvents that are being used in solvent cleaning activities that support the adhesives application operations. The list shall include (1) the product ID and the manufacturer's name, (2) the VOC content of the solvent, in grams/liter or pounds/gallon, (3) the mix ratio and the VOC content of the solvent if the solvent is a mixture blended by the operator, (4) The Rule 4653, table 6 category for each solvent. [District Rule 4653]
19. Records of the VOC content of all cleaning materials used in the polyester resin operations and stored at the stationary source shall be kept. [District Rule 4684]
20. The facility operator shall calculate and record the facility-wide VOC emissions on a calendar quarter basis. The record shall be updated at least monthly. [District Rules 2201 and 4684]
21. A daily record of the VOC emissions from these units shall be kept. Separate records shall be kept for the chopper flow coating operation and its associated adhesives application operation and for the hand lay-up operation and its associated adhesives application operation. [District Rule 2201]
22. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rules 1070 and 4684]



AUTHORITY TO CONSTRUCT

PERMIT NO: N-3941-4-5

ISSUANCE DATE: 02/04/2011

LEGAL OWNER OR OPERATOR: MALIBU BOATS LLC
MAILING ADDRESS: ONE MALIBU CT
MERCED, CA 95340

LOCATION: ONE MALIBU COURT
MERCED, CA

EQUIPMENT DESCRIPTION:

GEL COAT OPERATION SERVED BY A SPRAY BOOTH AND A GEL COAT GUN. MODIFICATION TO REDUCE THE EMISSION LIMITS SUCH THAT THE FACILITY IS NO LONGER A MAJOR SOURCE.

CONDITIONS

1. The permittee may construct or modify the equipment as authorized by this Authority to Construct at this time. Prior to operating with the modifications authorized by this Authority to Construct, the District shall receive an application for a Minor Permit Modification. [District Rule 2520, 5.3.2] Federally Enforceable Through Title V Permit
2. No air contaminant shall be released into the atmosphere which causes a public nuisance. [District Rule 4102]
3. No air contaminant shall be discharged into the atmosphere for a period or periods aggregating more than three minutes in any one hour which is as dark as, or darker than, Ringelmann 1 or 20% opacity. [District Rule 4101]
4. The particulate matter emissions from the stack of the paint spray booth shall not exceed 0.1 gr/dscf [District Rule 4201]
5. Exhaust fans shall be switched on prior to the start of the gel coat operation. [District Rule 2201]
6. The VOC emissions shall not exceed 15.0 pounds during any one day. [District Rule 2201]
7. The PM10 emissions shall not exceed 0.9 pounds during any one day. [District Rule 2201]
8. The facility-wide VOC emissions shall not exceed any of the following: 925 pounds during the first calendar quarter, 935 pounds during the second calendar quarter, 945 pounds during the third calendar quarter and 945 pounds during the fourth calendar quarter. [District Rule 2201]
9. Only HVLP, electrostatic, airless, or air assisted airless application equipment shall be used, and the application equipment shall be operated in accordance with the manufacturer's recommendations. [District Rule 4684]

CONDITIONS CONTINUE ON NEXT PAGE

YOU MUST NOTIFY THE DISTRICT COMPLIANCE DIVISION AT (209) 557-6400 WHEN CONSTRUCTION IS COMPLETED AND PRIOR TO OPERATING THE EQUIPMENT OR MODIFICATIONS AUTHORIZED BY THIS AUTHORITY TO CONSTRUCT. This is NOT a PERMIT TO OPERATE. Approval or denial of a PERMIT TO OPERATE will be made after an inspection to verify that the equipment has been constructed in accordance with the approved plans, specifications and conditions of this Authority to Construct, and to determine if the equipment can be operated in compliance with all Rules and Regulations of the San Joaquin Valley Unified Air Pollution Control District. Unless construction has commenced pursuant to Rule 2050, this Authority to Construct shall expire and application shall be cancelled two years from the date of issuance. The applicant is responsible for complying with all laws, ordinances and regulations of all other governmental agencies which may pertain to the above equipment.

Seyed Sadredin, Executive Director / APCO

10. Permittee shall demonstrate that HVLP guns manufactured prior to 1/1/96 operate between 0.1 and 10 psig air atomizing pressure, by manufacturer's published technical material or by use of a certified air pressure tip gauge. [District Rule 4684]
11. Only low VOC polyester resins and gel coats shall be used. The monomer content of low VOC resins, except specialty resins, shall not exceed 35% by weight. The monomer content of low VOC pigmented gel coats shall not exceed 45% by weight. The monomer content of low VOC specialty resins and clear gel coats shall not exceed 50% by weight. [District Rule 4684]
12. The VOC content of organic solvents used in cleaning operations shall not exceed 25 g/l (0.21 lb/gal). [District Rule 4684]
13. The operator shall store and dispose of adhesives, sealants, catalysts, thinners, fresh and spent solvents and waste solvent materials such as cloth and paper in closed, non-absorbent and non-leaking containers. The containers shall remain closed at all times except when depositing or removing the contents of the containers or when the containers are empty. [District Rule 4684]
14. Daily records of the type and quantity of all resins, gel coats, fillers, catalysts and cleaning materials (including cleaning solvents) used shall be kept. [District Rule 4684]
15. Records of the VOC content, in weight percent, of all polyester resins, gel coats and filler materials, including the weight percent of non-monomer VOC in the resins and gel coats used or stored at the stationary source shall be kept. [District Rule 4684]
16. Records of the VOC content of all cleaning materials used and stored at the stationary source shall be kept. [District Rule 4684]
17. The facility operator shall calculate and record the facility-wide VOC emissions on a calendar quarter basis. The record shall be updated at least monthly. [District Rules 2201 and 4684]
18. A daily record of the VOC and PM10 emissions from this unit shall be kept. [District Rule 2201]
19. All records shall be maintained and retained on-site for a period of at least 5 years and shall be made available for District inspection upon request. [District Rules 1070 and 4684]

Appendix C
Draft Emission Reduction Credit Certificate

San Joaquin Valley
Air Pollution Control District

Northern Regional Office • 4800 Enterprise Way • Modesto, CA 95356-8718

Emission Reduction Credit Certificate
N-942-1

ISSUED TO: MALIBU BOATS LLC
ISSUED DATE: <DRAFT>
LOCATION OF REDUCTION: ONE MALIBU COURT
MERCED, CA

For VOC Reduction In The Amount Of:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
13,753 lbs	22,879 lbs	14,803 lbs	14,093 lbs

Conditions Attached

Method Of Reduction

- Shutdown of Entire Stationary Source
 Shutdown of Emissions Units
 Other

Reduction in quantity of use of VOC containing materials. Prior to the issuance of this certificate, Authorities to Construct N-3941-1-7, N-3941-2-5, N-3941-3-5 and N-3941-4-5 shall be converted to Permits to Operate.

Use of these credits outside the San Joaquin Valley Unified Air Pollution Control District (SJVUAPCD) is not allowed without express written authorization by the SJVUAPCD.

Seyed Sadredin, Executive Director / APCO

DRAFT

David Warner, Director of Permit Services