February 27, 2017

Shain Zenor
General Manager
Nashua Homes of Idaho, Inc.
P.O. Box 170008
Boise, Idaho 83717

RE: Facility ID No. 001-00327, Nashua Homes, Boise
    Final Permit Letter

Dear Mr. Zenor:

The Department of Environmental Quality (DEQ) is issuing Permit to Construct (PTC) No. P-2016.0027 Project 61717 to Nashua Homes located at Boise for modular structure manufacturing facility. This PTC is issued in accordance with IDAPA 58.01.01.200 through 228 (Rules for the Control of Air Pollution in Idaho) and is based on the certified information provided in your PTC application received May 6, 2016 and on all relevant comments received on DEQ’s proposed permit during the public comment period.

This permit is effective immediately and does not release Nashua Homes from compliance with all other applicable federal, state, or local laws, regulations, permits, or ordinances.

Pursuant to the Construction and Operation Notification General Provision of your permit, it is required that construction and operation notification be provided. Please provide this information as listed to DEQ’s Boise Regional Office, 1445 N. Orchard, Boise, 83706, Fax (208) 373-0287.

In order to fully understand the compliance requirements of this permit, DEQ highly recommends that you schedule a meeting with Tom Krinke, Air Quality Compliance Officer, at (208) 373-0419 to review and discuss the terms and conditions of this permit. Should you choose to schedule this meeting, DEQ recommends that the following representatives attend the meeting: your facility’s plant manager, responsible official, environmental contact, and any other staff responsible for day-to-day compliance with permit conditions.
Pursuant to IDAPA 58.01.23, you, as well as any other entity, may have the right to appeal this final agency action within 35 days of the date of this decision. However, prior to filing a petition for a contested case, I encourage you to contact Dan Pitman at (208) 373-0502 or daniel.pitman@deq.idaho.gov to address any questions or concerns you may have with the enclosed permit.

Sincerely,

[Signature]

Mike Simon
Stationary Source Program Manager
Air Quality Division

MSIDP
Permit No. P-2016.0027 PROJ 61717

Enclosures
Air Quality

PERMIT TO CONSTRUCT

Permittee: NASHUA Homes of Idaho, Inc.
Permit Number: P-2016.0027
Project ID: 61717
Facility ID: 001-00327
Facility Location:
5200 S. Federal Way
Boise, Idaho 83717

Permit Authority
This permit (a) is issued according to the “Rules for the Control of Air Pollution in Idaho” (Rules), IDAPA 58.01.01.200–228; (b) pertains only to emissions of air contaminants regulated by the State of Idaho and to the sources specifically allowed to be constructed or modified by this permit; (c) has been granted on the basis of design information presented with the application; (d) does not affect the title of the premises upon which the equipment is to be located; (e) does not release the permittee from any liability for any loss due to damage to person or property caused by, resulting from, or arising out of the design, installation, maintenance, or operation of the proposed equipment; (f) does not release the permittee from compliance with other applicable federal, state, tribal, or local laws, regulations, or ordinances; and (g) in no manner implies or suggests that the Idaho Department of Environmental Quality (DEQ) or its officers, agents, or employees assume any liability, directly or indirectly, for any loss due to damage to person or property caused by, resulting from, or arising out of design, installation, maintenance, or operation of the proposed equipment. Changes in design, equipment, or operations may be considered a modification subject to DEQ review in accordance with IDAPA 58.01.01.200–228.

Date Issued: February 27, 2017

Dan Pitman, P.E., Permit Writer

Mike Simon, Stationary Source Manager
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1 Permit Scope

Purpose

1.1 This is the initial permit to construct (PTC) for a manufacturer of modular structures. The fabrication process is contained within a large enclosure. Emission units at the facility include wood saws, planer operations, sanding operations, gluing/caulking, cleaning operations, painting, welding, small natural gas heaters and a 36 horsepower diesel engine.

<table>
<thead>
<tr>
<th>Emissions Source</th>
<th>Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood &amp; Sheet Rock Cutting/Working Operations (e.g. stationary saws, various hand saws, sanding, planing)</td>
<td>Cyclone, or filter, or limit operations to occur in an enclosure</td>
</tr>
<tr>
<td>TAP (Toxic Air Pollutant) Emission Sources-Painting, Adhesives, Caulk, Foam Insulation, welding etc.</td>
<td>Activities conducted in an enclosed building</td>
</tr>
<tr>
<td>Various Space Heaters – Natural Gas 12 units rated at 0.3 MMBtu 9 units rated at 0.25 MMBtu 2 units rated at 0.2 MMBtu 6 units rated at 0.13 MMBtu</td>
<td>None</td>
</tr>
<tr>
<td>Engine – Diesel fuel 36 Hp Isuzu, Model AA-4LE2</td>
<td>None</td>
</tr>
<tr>
<td>Welding</td>
<td>None</td>
</tr>
</tbody>
</table>
2 Manufacturing Operations

2.1 Process Description

Buildings are constructed within an enclosed structure. Operations include but are not limited to cutting and sanding of wood and sheet rock, painting and welding.

Control Device Descriptions

Emissions from cutting, sanding or otherwise shaping wood or sheet rock are controlled by limiting operations within an enclosed building, or routing emissions through a filter, or routing emissions to a cyclone.

Emission Limits

2.2 Opacity Limit

Emissions from any stack, vent, or functionally equivalent opening shall not exceed 20% opacity for a period or periods aggregating more than three minutes in any 60-minute period as required by IDAPA 58.01.01.625. Opacity shall be determined by the procedures contained in IDAPA 58.01.01.625.

Operating Requirements

2.3 Manufacturing operations, excluding painting, shall not exceed 2,500 hours per any consecutive 12 month period.

2.4 The permittee shall not use more than 2,750 pounds of welding rod per any consecutive 12 month period.

2.5 Emissions from cutting, sanding or otherwise shaping wood or sheet rock shall be controlled any one of the following: limiting operations to an enclosed building; venting emissions through a fabric filter, or venting emissions through a cyclone.

Monitoring and Recordkeeping Requirements

2.6 Each month the permittee shall monitor and record the hours of operation during which manufacturing operations occurred during the previous month and shall record the total hours of operation during the previous consecutive 12 month period.

2.7 Each month the permittee shall monitor and record the pounds of welding rod used during the previous month and shall record the total pounds of welding rod used during the previous consecutive 12 month period.

2.8 The permittee shall conduct a monthly facility wide inspection of potential sources of fugitive emissions during daylight hours and under normal operating conditions to ensure that the methods used to reasonably control fugitive emissions are effective. If fugitive emissions are not being reasonably controlled, the permittee shall take corrective action as expeditiously as practicable. The permittee shall maintain records of the results of each fugitive emissions inspection. The records shall include, at a minimum, the date of each inspection and a description of the following: the permittee’s assessment of the conditions existing at the time fugitive emissions were present (if observed), any corrective action taken in response to the fugitive emissions, and the date the corrective action was taken.
3 TAP & HAP Emissions Sources - Including Paint, Adhesive, Caulk and Welding

3.1 Process Description
Buildings are constructed within an enclosed structure. Operations include painting, caulking, gluing, and welding.

3.2 Control Device Descriptions
Emissions from spray painting are controlled by limiting operations to within an enclosure.

Emission Limits

3.3 Toxic Air Pollutant (TAP) Limits
Each calendar day emissions of TAPs from the facility, including but not limited to TAPs emissions from paints, foam, thinner, adhesives, caulk, and welding shall not exceed the EL (lb/hr) multiplied by 24 (for TAPs listed in both IDAPA 58.01.01.585 and 586) or the acceptable ambient concentration (mg/m$^3$) (for TAPs listed in IDAPA 58.01.01.585) or the acceptable ambient concentration for carcinogens (µg/m$^3$) (for TAPs listed in IDAPA 58.01.01.586).

3.4 HAP Limits
Emissions of any single Hazardous Air Pollutant (HAP) from the entire facility shall not equal or exceed 10 tons per any consecutive 12-calendar month period.
Emissions of any combination of HAPs from the entire facility shall not equal or exceed 25 tons per any consecutive 12-calendar month period.

3.5 Odors
In accordance with 58.01.01.776.01 the permittee shall not allow, suffer, cause, or permit the emission of odorous gases, liquids, or solids to the atmosphere in such quantities as to cause air pollution.

Operating Requirements

3.6 Spray painting operations shall occur within an enclosure and the permittee shall only paint building components that are assembled at the facility.

3.7 The permittee shall not use methylene chloride (MeCl) to remove dried paint.

3.8 The permittee shall not perform spray application of coatings that contain chromium, lead, manganese, nickel, or cadmium, to a plastic and/or metal substrate on a part or product as those terms are defined at 40 CFR 63 Subpart HHHHHH (Paint Stripping and Miscellaneous Surface Coating Operations MACT).

Monitoring and Recordkeeping Requirements

3.9 Material Usage Records
The permittee shall monitor and record daily the usage of all TAP and HAP containing materials, that emit air pollution, that are used in the manufacturing process including but not limited to paints, foam, thinner, adhesives, welding rod and caulk. The permittee shall also monitor the hours of operation of the generator.
3.10 TAPs Emissions Monitoring Requirements

Using the material usage records, the permittee shall monitor and record the individual TAP (as listed in IDAPA 58.01.01.585 and 586) emissions from paints, foam, thinner, adhesives, caulk, and welding in order to demonstrate compliance with the TAPs emissions limits permit condition. All emissions calculations shall remain on-site in accordance with the General Provisions.

If any of the individual daily TAP emission rate exceeds 24 times the screening emissions level (EL) specified in IDAPA 58.01.01.585 and 586, a modeling analysis shall be conducted to demonstrate compliance with the acceptable ambient concentration (mg/m3) (for TAPs listed in IDAPA 58.01.01.585) or the acceptable ambient concentration for carcinogens (µg/m3) (for TAPs listed in IDAPA 58.01.01.586). Documentation of all calculations and modeling analysis shall be maintained on-site in accordance with General Provisions.

3.11 HAP Emissions Monitoring Requirements

Using the material usage records, each month the permittee shall monitor and record the individual and total HAP emissions from the entire facility during the most recent consecutive 12-month period in order to demonstrate compliance with the HAP emissions limits in this permit. All emissions calculations shall be maintained on-site in accordance with the General Provisions.

3.12 Odors

The permittee shall maintain records of all odor complaints received. The permittee shall take appropriate corrective action as expeditiously as practicable. The records shall include, at a minimum, the date that each complaint was received and a description of the following: the complaint, any corrective action taken, and the date the corrective action was taken.

Reporting Requirements

3.13 Reporting Requirement

Each year the permittee shall submit a report by May 1st on all TAP modeling analyses that have been conducted during the previous 12 month period. The report shall document the analyses with sufficient detail, including documentation of all calculations and electronic copies of modeling files, so that DEQ can verify the analysis. The report shall be sent to:

DEQ State Office
Air Quality Division
1410 N. Hilton
Boise, ID 83706

The report shall be titled: NASHUA Homes of Idaho, Inc. – Permit Required Modeling Report.
4 Diesel Engine

4.1 Process Description

Nashua operates a 36 horse-power Isuzu, Model AA-4LE2, diesel engine that was manufactured after April 1, 2006.

4.2 Control Device Descriptions

Emissions from the engine are uncontrolled.

Standards of Performance for New Stationary Compression Ignition (CI) Internal Combustion Engines (ICE) – 40 CFR 60 Subpart III

The purpose of permit conditions 4.3 through 4.8 is to incorporate the New Source Performance Standards for Stationary Compression Ignition Internal Combustion Engines.

4.3 40 CFR 60.4204 - Emission Standards

In accordance with 40 CFR 60.4204 the permittee shall meet the following emissions standards listed in Table 1 of 40 CFR 60 Subpart III.

- None Methane Hydrocarbons plus nitrogen oxides emissions shall not exceed 7.1 grams per horse-power hour.
- Carbon Monoxide emissions shall not exceed 4.1 grams per horse-power hour.
- Particulate Matter emissions shall not exceed 0.6 grams per horse-power hour.

4.4 40 CFR 60.4206 – How Long Do the Standards Apply

Owners and operators of stationary compression ignition engines must operate and maintain stationary engines that achieve the emission standards as required in §§60.4204 over the entire life of the engine.

4.5 40 CFR 60.4207 – Fuel Requirements

In accordance with 40 CFR 60.4207(a), fuel purchased on or after October 1, 2010 for use in the stationary CI ICE shall meet the following per-gallon standard [derived from 40 CFR 80.510(b), which is incorporated by reference into 40 CFR 60.4207(a)]:

(1) Sulfur content.
   (i) 15 ppm maximum for Nonroad (NR) diesel fuel.

(2) Cetane index or aromatic content, as follows:
   (i) A minimum cetane index of 40; or

   (ii) A maximum aromatic content of 35 volume percent.

4.6 40 CFR 60.4211 – Compliance Requirements

- In accordance with 40 CFR 60.4211(a), the permittee must comply with the emission standards by operating and maintaining the stationary engine according to the manufacturer's emission-related written instructions. In addition, owners and operators may change only those emission-related settings that are permitted by the manufacturer. The permittee must also meet the requirements of 40 CFR parts 89, and/or 1068, as they apply.
• In accordance with 40 CFR 60.4211(b)(1) the permittee must comply with the emission standards by purchasing an engine certified according to 40 CFR part 89 or 40 CFR part 94, as applicable, for the same model year and maximum engine power. The engine must be installed and configured according to the manufacturer's specifications.

• In accordance with 40 CFR 60.4211(b)(3) the permittee must comply with the emission standards by keeping records of engine manufacturer data indicating compliance with the standards.

4.7 NSPS 40 CFR 60, Subpart A – General Provisions

The permittee shall comply with the requirements of 40 CFR 60, Subpart A – General Provisions. A summary of applicable requirements for affected facilities is provided in Table 4.1.

Table 4.1 NSPS 40 CFR 60, Subpart A – Summary of General Provisions for Affected Facilities

<table>
<thead>
<tr>
<th>Section</th>
<th>Subject</th>
<th>Summary of Section Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.4</td>
<td>Address</td>
<td>DEQ is delegated this subpart and all requests, reports, applications, submittals, and other communications associated with 40 CFR 60. Subpart(s) shall be submitted to: Boise Regional Office Department of Environmental Quality 1445 N. Orchard St. Boise, ID 83706 Fx: (208) 373-0287 Ph: (208) 373-0550</td>
</tr>
<tr>
<td>60.7(a),(b), (c), and (f)</td>
<td>Notification and Recordkeeping</td>
<td>Notification shall be furnished of commencement of construction postmarked no later than 30 days of such date. Notification shall be furnished of initial startup postmarked within 15 days of such date. Notification shall be furnished of any physical or operational change that may increase emissions postmarked 60 days before the change is made. Records shall be maintained of the occurrence and duration of any startup, shutdown or malfunction; any malfunction of the air pollution control equipment; or any periods during which a CMS or monitoring device is inoperative. Records shall be maintained, in a permanent form suitable for inspection, of all measurements, performance testing measurements, calibration checks, adjustments and maintenance performed, and other required information. Records shall be maintained for a period of two years following the date of such measurements, maintenance, reports, and records.</td>
</tr>
<tr>
<td>60.8</td>
<td>Performance Tests</td>
<td>At least 30 days prior notice of any performance test shall be provided to afford the opportunity to have an observer to be present. Within 60 days of achieving the maximum production rate, but not later 180 days after initial startup, performance test(s) shall be conducted and a written report of the results of such test(s) furnished. Performance testing facilities shall be provided as follows: Sampling ports adequate for test methods applicable to such facility. Safe sampling platform(s). Safe access to sampling platform(s). Utilities for sampling and testing equipment. Performance tests shall be conducted and data reduced in accordance with 40 CFR 60.8(b), (c), and (f).</td>
</tr>
</tbody>
</table>
| 60.11(a), (d), (f), (g) | Compliance with Standards and Maintenance Requirements | When performance tests are required, compliance with standards is determined by methods and procedures established by 40 CFR 60.8. At all times, including periods of startup, shutdown, and malfunction, the owners and operators shall, to the extent practicable, maintain and operate any affected facility including associated air pollution control equipment in a manner consistent with good air pollution control practice for minimizing emissions. For the purpose of submitting compliance certifications or establishing whether or not a person has violated or is
<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>60.12</td>
<td>Circumvention</td>
</tr>
<tr>
<td></td>
<td>• No permittee shall build, erect, install, or use any article, machine, equipment or process, the use of which conceals an emission which would otherwise constitute a violation of an applicable standard.</td>
</tr>
<tr>
<td>60.14</td>
<td>Modification</td>
</tr>
<tr>
<td></td>
<td>• A physical or operational change which results in an increase in the emission rate to the atmosphere or any pollutant to which a standard applies shall be considered a modification, and upon modification an existing facility shall become an affected facility in accordance with the requirements and exemptions in 40 CFR 60.14.</td>
</tr>
<tr>
<td></td>
<td>• Within 180 days of the completion of any physical or operational change, compliance with all applicable standards must be achieved.</td>
</tr>
<tr>
<td>60.15</td>
<td>Reconstruction</td>
</tr>
<tr>
<td></td>
<td>• An existing facility, upon reconstruction, becomes an affected facility, irrespective of any change in emission rate in accordance with the requirements of 40 CFR 60.15.</td>
</tr>
</tbody>
</table>

4.8 Unless expressly provided otherwise, any reference in this permit to any document identified in IDAPA 58.01.01.107.03 shall constitute the full incorporation into this permit of that document for the purposes of the reference, including any notes and appendices therein. Documents include, but are not limited to Standards of Performance for New Stationary Sources (NSPS), 40 CFR Part 60.

For permit conditions referencing or cited in accordance with any document incorporated by reference (including permit conditions identified as NSPS), should there be any conflict between the requirements of the permit condition and the requirements of the document, the requirements of the document shall govern, including any amendments to that regulation.

**Engine Usage and Monitoring**

4.9 The 36 horse-power diesel fuel fired engine shall not operate more than 500 hours per year.

4.10 Each month the permittee shall monitor and record the hours of operation of the diesel engine during the previous month and shall record the total hours of operation during the previous consecutive 12 month period.
5 General Provisions

General Compliance

5.1 The permittee has a continuing duty to comply with all terms and conditions of this permit. All emissions authorized herein shall be consistent with the terms and conditions of this permit and the “Rules for the Control of Air Pollution in Idaho.” The emissions of any pollutant in excess of the limitations specified herein, or noncompliance with any other condition or limitation contained in this permit, shall constitute a violation of this permit, the “Rules for the Control of Air Pollution in Idaho,” and the Environmental Protection and Health Act (Idaho Code §39-101, et seq.)

[Idaho Code §39-101, et seq.]

5.2 The permittee shall at all times (except as provided in the “Rules for the Control of Air Pollution in Idaho”) maintain in good working order and operate as efficiently as practicable all treatment or control facilities or systems installed or used to achieve compliance with the terms and conditions of this permit and other applicable Idaho laws for the control of air pollution.

[IDAPA 58.01.01.211, 5/1/94]

5.3 Nothing in this permit is intended to relieve or exempt the permittee from the responsibility to comply with all applicable local, state, or federal statutes, rules, and regulations.

[IDAPA 58.01.01.212.01, 5/1/94]

Inspection and Entry

5.4 Upon presentation of credentials, the permittee shall allow DEQ or an authorized representative of DEQ to do the following:
- Enter upon the permittee’s premises where an emissions source is located, emissions-related activity is conducted, or where records are kept under conditions of this permit;
- Have access to and copy, at reasonable times, any records that are kept under the conditions of this permit;
- Inspect at reasonable times any facilities, equipment (including monitoring and air pollution control equipment), practices, or operations regulated or required under this permit; and
- As authorized by the Idaho Environmental Protection and Health Act, sample or monitor, at reasonable times, substances or parameters for the purpose of determining or ensuring compliance with this permit or applicable requirements.

[Idaho Code §39-108]

Construction and Operation Notification

5.5 This permit shall expire if construction has not begun within two years of its issue date, or if construction is suspended for one year.

[IDAPA 58.01.01.211.02, 5/1/94]

5.6 The permittee shall furnish DEQ written notifications as follows:
- A notification of the date of initiation of construction, within five working days after occurrence; except in the case where pre-permit construction approval has been granted then notification shall be made within five working days after occurrence or within five working days after permit issuance whichever is later;
- A notification of the date of any suspension of construction, if such suspension lasts for one year or more;
• A notification of the anticipated date of initial start-up of the stationary source or facility not more than sixty days or less than thirty days prior to such date; and
• A notification of the actual date of initial start-up of the stationary source or facility within fifteen days after such date; and
• A notification of the initial date of achieving the maximum production rate, within five working days after occurrence - production rate and date.

[IDAPA 58.01.01.211.03, 5/1/94]

Performance Testing

5.7 If performance testing (air emissions source test) is required by this permit, the permittee shall provide notice of intent to test to DEQ at least 15 days prior to the scheduled test date or shorter time period as approved by DEQ. DEQ may, at its option, have an observer present at any emissions tests conducted on a source. DEQ requests that such testing not be performed on weekends or state holidays.

5.8 All performance testing shall be conducted in accordance with the procedures in IDAPA 58.01.01.157. Without prior DEQ approval, any alternative testing is conducted solely at the permittee’s risk. If the permittee fails to obtain prior written approval by DEQ for any testing deviations, DEQ may determine that the testing does not satisfy the testing requirements. Therefore, at least 30 days prior to conducting any performance test, the permittee is encouraged to submit a performance test protocol to DEQ for approval. The written protocol shall include a description of the test method(s) to be used, an explanation of any or unusual circumstances regarding the proposed test, and the proposed test schedule for conducting and reporting the test.

5.9 Within 60 days following the date in which a performance test required by this permit is concluded, the permittee shall submit to DEQ a performance test report. The written report shall include a description of the process, identification of the test method(s) used, equipment used, all process operating data collected during the test period, and test results, as well as raw test data and associated documentation, including any approved test protocol.

[IDAPA 58.01.01.157, 4/5/00 and 4/11/15]

Monitoring and Recordkeeping

5.10 The permittee shall maintain sufficient records to ensure compliance with all of the terms and conditions of this permit. Monitoring records shall include, but not be limited to, the following: (a) the date, place, and times of sampling or measurements; (b) the date analyses were performed; (c) the company or entity that performed the analyses; (d) the analytical techniques or methods used; (e) the results of such analyses; and (f) the operating conditions existing at the time of sampling or measurement. All monitoring records and support information shall be retained for a period of at least five years from the date of the monitoring sample, measurement, report, or application. Supporting information includes, but is not limited to, all calibration and maintenance records, all original strip-chart recordings for continuous monitoring instrumentation, and copies of all reports required by this permit. All records required to be maintained by this permit shall be made available in either hard copy or electronic format to DEQ representatives upon request.

[IDAPA 58.01.01.211, 5/1/94]
Excess Emissions

5.11 The permittee shall comply with the procedures and requirements of IDAPA 58.01.01.130–136 for excess emissions due to start-up, shut-down, scheduled maintenance, safety measures, upsets, and breakdowns.

[IDAPA 58.01.01.130–136, 4/5/00]

Certification

5.12 All documents submitted to DEQ—including, but not limited to, records, monitoring data, supporting information, requests for confidential treatment, testing reports, or compliance certification—shall contain a certification by a responsible official. The certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document(s) are true, accurate, and complete.

[IDAPA 58.01.01.123, 5/1/94]

False Statements

5.13 No person shall knowingly make any false statement, representation, or certification in any form, notice, or report required under this permit or any applicable rule or order in force pursuant thereto.

[IDAPA 58.01.01.125, 3/23/98]

Tampering

5.14 No person shall knowingly render inaccurate any monitoring device or method required under this permit or any applicable rule or order in force pursuant thereto.

[IDAPA 58.01.01.126, 3/23/98]

Transferability

5.15 This permit is transferable in accordance with procedures listed in IDAPA 58.01.01.209.06.

[IDAPA 58.01.01.209.06, 4/11/06]

Severability

5.16 The provisions of this permit are severable, and if any provision of this permit to any circumstance is held invalid, the application of such provision to other circumstances, and the remainder of this permit, shall not be affected thereby.

[IDAPA 58.01.01.211, 5/1/94]