



STATE OF WASHINGTON  
**DEPARTMENT OF ECOLOGY**

Southwest Region Office  
PO Box 47775, Olympia, WA 98504-7775 • 360-407-6300

July 25, 2023

Raeanne Wolfley  
Environment, Health, and Safety Manager  
Paneltech International, LLC  
2999 John Stevens Way  
Hoquiam, WA 98550

Re: Inspection of Paneltech Permit No. ST0006202

Dear Raeanne Wolfley:

Thank you for your time during our inspection of Paneltech on June 7, 2023, in Hoquiam, WA. I am sending you a copy of our inspection report in reference to the facility's State Waste Discharge Permit No. ST0006202 for your review and files. No process wastewater issues were observed at the time of the inspection. However, there were several Best Management Practice (BMP) issues including a leaking sink and pipe. Recommended actions are detailed in the Report.

If you have any questions regarding this letter or the enclosed inspection report, please reach out to me by email at [anna.wallace@ecy.wa.gov](mailto:anna.wallace@ecy.wa.gov) or by phone at (360) 522-6216.

Sincerely,

Anna Rose Wallace, Ph.D.  
Eastern Olympic Basin  
Industrial Facility Manager  
Southwest Region Office  
Water Quality Program

Enclosures: Paneltech International, LLC Permit No ST0006202 Inspection Report  
June 7, 2023. Inspection Photo Log

cc: Max Bailey, Paneltech  
Imran Khan, Paneltech  
Will Moseley, Ecology



## Waste Discharge Compliance Inspection Report

### Section A

State Permit Number ST   000   <u>6</u>   <u>2</u>   <u>0</u>   <u>2</u>   Municipal <input type="checkbox"/> Industrial <input type="checkbox"/> IUs <input checked="" type="checkbox"/>	Permit Effective Date January 1, 2020
Recon <input type="checkbox"/> Inspection <input checked="" type="checkbox"/> Inspection <input type="checkbox"/> Unpermitted <input type="checkbox"/> Land Application <input type="checkbox"/> <div style="text-align: center;">with Samples      Facility</div>	Permit Expiration Date December 31, 2024

### Section B

Name and Location of Facility Inspected  Paneltech International, LLC 2999 John Stevens Way Hoquiam, WA 98550	County Grays Harbor	Entry Time 9:56
	Inspection Date <u>06/07/2023</u>	Exit Time 11:40
Name(s) of On-Site Representative(s)  Raeanne Wolfley  Max Bailey Imran Khan	Title(s)  Environment, Health, and Safety Manager Supervisor Plant Superintendent	Phone Number(s)  (360) 538-1480
Name, Address of Responsible Official  Dave Wentworth 2999 John Stevens Way Hoquiam, WA 98550	Phone  (360) 538-1480  Title  General Manager	Contacted  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

### Section C

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated)

S	Permit	S	Effluent/Receiving Waters	N	Compliance Schedules	S	Sludge Disposal
S	Records/Reports	S	Flow Measurement	M	Laboratory	N	Pretreatment
M	Facility Site Review	S	Self-Monitoring Program	M	Operations/Maint.	N	Other:

### Section D Summary of Findings

#### Overview of Facility:

Paneltech manufactures Overlays and PaperStone. To produce these products, Paneltech saturates paper with phenolic resins. The production process of phenolic resin includes the use of phenol and formaldehyde. The saturated paper is dried and rolled or cut to size for the final product. Overlay products are supplied to the plywood industries for manufacturing overlay plywood products. Paneltech also uses dried resin saturated paper to produce laminates.

The four waste stream sources include cooling water purge, distillate, boiler blowdown, and phenol secondary containment stormwater, which are combined in a holding tank. The batch discharge from the holding tank is sampled before it is discharged to the City of Hoquiam's (the City) sewer system. The only treatment that Paneltech has in place is to adjust pH of the process water and meet pH limits of 6.0-9.0 Standard Unit (S.U). Paneltech applies sodium hydroxide (NaOH) when the process water/effluent is acidic (low pH) to raise pH and meet the permit limit of 6.0 S.U.

**Permit:**

The current state waste discharge permit was reauthorized on December 3, 2019. The permit sets effluent limits for pH at 6.0-9.0. The other parameters – flow, BOD<sub>5</sub>, phenol and formaldehyde – are report only. Flow and pH are measured and reported with each discharge to the POTW. BOD<sub>5</sub>, phenol, and formaldehyde are reported twice per month.

**Facility Site Review:**

My colleague, Will Moseley, and I, arrived at Paneltech at 9:56 AM. We met with Raeanne Wolfley, Imran Khan and Max Bailey. I requested to see the permit, and sampling records, which Raeanne provided. They calculate the effluent in lbs and then convert to gallons using an excel spreadsheet. The facility reports batch discharges for flow and pH every time they discharge to the City which is usually once per week. They sample and report phenol and formaldehyde two times per month as per permit requirements. Paneltech sends their samples to ALS Environmental. ALS is the only laboratory who tests for formaldehyde in Washington.

After concluding our meeting in the office, we began touring the facility. Raeanne stated they have BMPs for spills, and any spill is cleaned up immediately, including spills in the secondary containment. They conduct routine leak checks on all the mixing tanks. The fumes from the resin are monitored under their air quality permit.

After we walked through the main production area (Photos 1 to 7), we went to the chemical storage area. We observed chemical crates stacked on top of each other (Photo 8). There is a bay door that leads to the train tracks in the chemical storage area that is no longer in use (Photo 9). Imran explained that they used to be a large quantity hazardous waste producer and produced hazardous waste from 14,000 to 29,000 gallons per year. However, they do not produce any hazardous waste as they recycle spills and have increased training of employees which allows more effective handling of the chemicals. Will asked how they clean the chemical storage tanks and Imran explained they use methanol to clean chemical tanks and then that waste is recycled back into the plant for use. Raeanne stated that one of the planned upgrades for the facility is changing the formaldehyde storage to a PUA (glue) tank with a capacity of 45,000 gallons.

Raeanne explained to me that the effluent from this facility is fumes that are captured from various heating processes and condensed.

Vapors that are not condensed into the process water go to the RTO and are burned off following air quality permit guidelines.

They also use city water in a closed loop system for cooling water (Photo 27).

I asked to see the process water tank which is located on the outside of the facility (Photo 11). I noticed a potential leak about 18 inches above where the process water pipe meets the tank (Photo 13). The potentially leaking pipe needs to be evaluated and addressed. Will and I also observed leak in the pipe that leads to the phenol tank (Photo 33 and Video 1). Imran stated that this is clean condensate and does not contain phenol fumes. He further hypothesized that the dripping water could be from external condensation on the pipe. This leak needs to be investigated and resolved.

On the tour into the area where they take the process water sample, we noticed a leaking sink, which is also an eye wash station (Photo 17). There were puddles of water on the floor below the sink and the two sumps were full to about 2-3 inches from the top of the catchment indicating clogged sumps (Photos 15, 17, and 24). The leaking sink and clogged sump pumps need to be addressed. There were also extension cords going through the puddles which pose a health and safety risk (Photos 15 and 16).

Imran took us upstairs and we observed the melamine storage. Melamine powder is a plasticizer, polymer that reacts with formaldehyde and is alkaline resistant. Imran explained that while the shelf life for melamine is 14 days, they have a way to keep the melamine so that it lasts 50 days. There was melamine spillage around the storage tank (Photo 21). Imran stated that melamine is not hazardous, and they use a vacuum to clean up the spills which they recycle back into the tank. Imran stated that they are working on upgrading the melamine kettle to minimize mess and automate dose. Imran said that right now it is manual and a messier process.

Imran showed us their chemical testing area. The station had some glue residue on the instruments and other items (Photo 23). I sked what pH meter they use to test the process water. Imran stated that they use the pH meter on the

bench (Photo 23). They use the same meter to measure the pH of their product and calibrate it regularly. I did not see a lab book that might be a record for pH calibration. I did not ask them to provide this at the time of the inspection.

We left this area and continued to the phenol storage tanks. The phenol is stored in rail cars. They have a permanent rail car in secondary containment that they rent (Photo 14). The second rail car is outside secondary containment and is switched out when they receive a phenol shipment. Because it is not covered, the rail car in secondary containment collects rainwater. The rainwater is pumped out of the secondary containment to the nearby storm drain. Raeanne stated that if there is any concern there might be phenol in the captured rainwater, they test it before they discharge to the storm drain. Imran stated that it is obvious there is phenol contamination by smell and sheen. If there is contamination, the rainwater is pumped out and sent to the process water tank. We observed that the hose used to pump the rainwater from phenol rail car secondary containment was discharging, to a drain labeled "sewer" (Photo 31). Additionally, the manhole cover on the drain was open and blackberry vines were growing into the tank (Photo 31).

We walked to the recirculating cooling water system that was near the phenol rail cars. Raeanne stated that they test recirculating cooling water once per quarter. There was a recirculating cooling water leaking from the apparatus, and Raeanne said it was potable water from the city (Photo 27). She further clarified that the recirculating cooling water is not part of the process water system.

As we headed around to the other side of the rail cars, we noticed a support that was being used to hold up a pipe coming off the permanent phenol storage rail car (30). The support was skewed at an angle. Will suggested that the support be secured.

While walking around the secondary containment, we noticed that the ground under the front of the rail car was wet and soggy. We asked if this might be a possible leak from secondary containment of rented rail car, however Raeanne stated that the water was probably from a leaking pipe. The City of Hoquiam was out recently trying to take care of it. There was water seeping from under the secondary containment just beneath a puddle of standing water that was inside the secondary containment (Photo 32). I recommended that they double check that the secondary containment was not leaking as well.

After touring the facility, we reconvened in the office. Raeanne said they would be open to courtesy inspections that are not official so they can improve BMPs, permit requirements, compliance etc.

## **Action Items**

### Compliance with Permit (ECY Jurisdiction)

- *Address leaking pipe (Photo 33, Video 1)* – The pipe along the back wall that was dripping needs to be repaired.
- *Address residue on process water tank pipe (Photo 13)* – The brown residue collecting around and dripping down the pipe leading into the top of the process water tank indicates a current or past leak. This issue needs to be evaluated and addressed.

### Best Management Practices (ECY Jurisdiction)

- *Clogged sump pumps (Photos 15, 17, and 24)* –The sump pumps appear to be clogged and are near full capacity indicating the pumps may not be working properly or they are clogged. They need to be cleared, drained, and properly maintained. How does Paneltech maintain their sump pumps?
- *Disposal of stormwater from phenol storage rail car (Photo 31)* – The current method raises some concerns. Please check your industrial stormwater general permit (ISGP No.WAR010088) to confirm that this is an appropriate method for discharge. When not in use, the manhole should remain closed. Additionally, how is Paneltech recording that there is not phenol in the discharge? Please refer to your ISGP to insure you are correctly monitoring the stormwater discharge. Does Paneltech have records of laboratory tests when they suspected phenol is in the stormwater? Adonia McKinzi, your ISGP manager, will follow up with an inspection.
- *Ensure the phenol rail car secondary containment is not leaking (Photo 32)* –Paneltech hypothesized that the soggy water underneath the secondary containment was possibly from a leaking pipe belonging to the City of Hoquiam. Ecology recommends that they test to make sure the secondary containment is not leaking.

### Health and Safety (Other Agency Jurisdiction)

- *Inspect Eyewashes Regularly* – All eyewash stations need to be routinely checked for operation and records of these checks maintained at each station.
- *Employ alternative access to the top of the process water and phenol tanks* – The ladder leading up to process water tank and board going from process water tank to phenol tank pose a health and safety risk. An alternative method of accessing the top of these tanks is recommended.
- *Repair Sink/Eyewash station (Photo 17)* – The leaking sink/eyewash station needs to be repaired.
- *Electrical cords running through puddles of water (Photos 15, 16 and 32)* – As general safety concern the electrical cords that are running through puddles of water in the sump pump area need to be properly routed so as not to pose an electrical hazard.

**Compliance with Permit:**

As per Aziz Mahar’s reminder during the inspection on March 17, 2021, Paneltech began submitting lab reports with their DMRs. Paneltech has not incurred any DMR violations for the duration of their permit. During the inspection on June 7, 2023, we observed some permit compliance issues regarding leaking pipes that are part of the process water system. We also observed some BMPs and health & safety issues that need improvement.

Latitude and Longitude Verified?  PARIS  GPS  Announced  Unannounced  
 46.9692 -123.8555

Name(s) and Signature(s) of Inspector(s)	Section/Phone Number	Date
Anna Rose Wallace 	SWRO/WQ (360) 522-6216	6/27/2023
Will Moseley Will Moseley	SWRO/WQ (360) -763-2787	6/28/2023
Signature of Reviewer	Section/Phone Number	Date
Steve Eberl 	SWRO/WQ (564) 999-3584	7/18/23

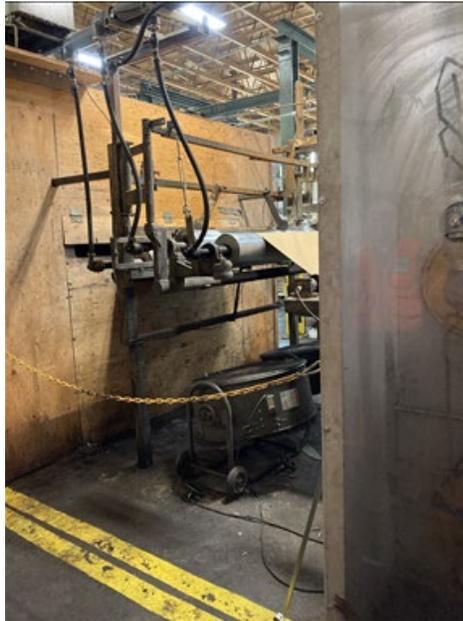
**Photo 1.** Paper drying process



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**Photo 2.** Pressing the paper into sheets



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**Photo 3.** Crane that moves paper rolls



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**Photo 4.** Paper pressing process



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**Photo 5.** Gluing operation



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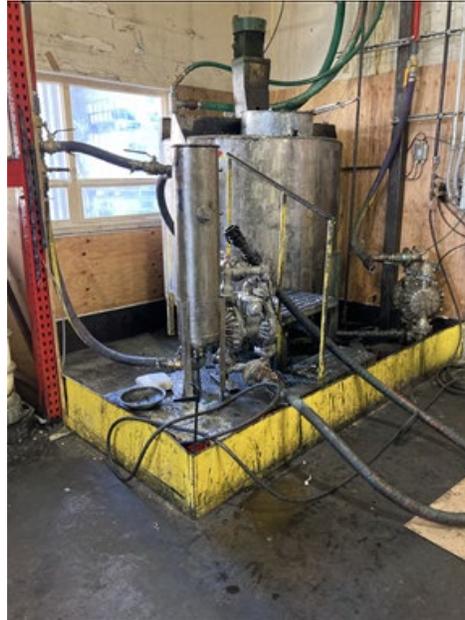
**Photo 6.** Chemical storage for immediate use



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**Photo 7.** Tank containing glue/chemicals



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**Photo 8.** Chemical storage



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**Photo 9.** Bay door that leads to train rail. Not in use



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**Photo 10.** Hot oil supply



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**Photo 11.** Process water tank. Valve to open when taking sample



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**Photo 12.** Stairs leading up to top of process water tank. What board going across phenol and process water tank. Used for a bridge?



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**Photo 13.** Pipe leading into the process water showing signs of leaking



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**Photo 14.** Rail cars holding phenol (foreground). Rented rail car in back, transfer rail car in front. Rectangular metal apparatus for cooling water (background).



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**Photo 15.** Electrical cords in puddles of water



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**Photo 16.** Electrical cords running through puddles of water



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**Photo 17.** Sump pump in left corner potentially clogged. Sink/eyewash station leaking, not being checked and maintained for operation.



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**Photo 18.** Bottom of mixing tank



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**Photo 19.** Tank for mixing/holding chemicals



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**Photo 20.** Chemical storage secondary containment. Containers without lids.



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**Photo 21.** Melamine storage kettle showing some spill



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**Photo 22.** Catch for when samples are taken to test glue. Proper secondary containment?



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**Photo 23.** Sample testing area. pH meter used for testing in house pH samples as well as effluent samples for compliance with permit



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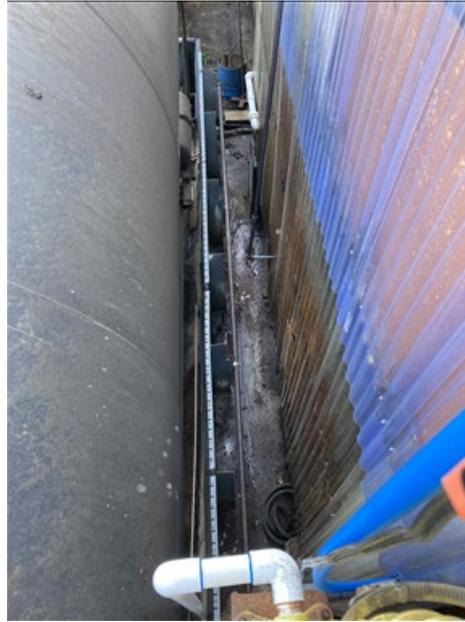
**Photo 24.** Sample collection port. Clogged sump pump



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**Photo 25.** Outdoor area between phenol tank and facility wall. Signs of water from pipe leaking above



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**Photo 26.** Drain in cement outside of the secondary containment for the phenol rail car. Facility representatives did not know the purpose.



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**Photo 27.** Recycled cooling water. Potable from POTW, apparatus was leaking from corners



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**Photo 28.** Catchment underneath phenol rail tank



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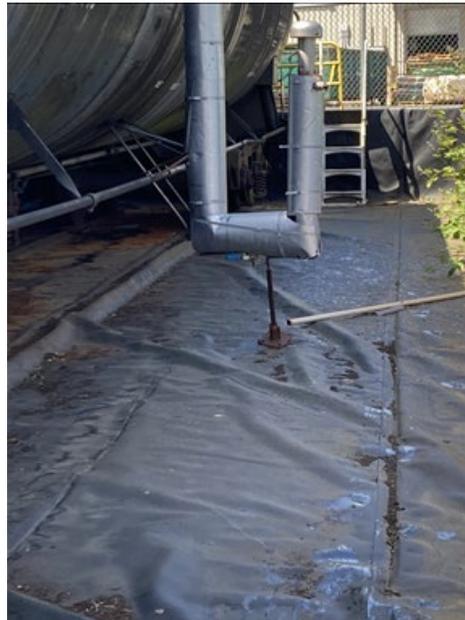
**Photo 29.** Bucket full of water showing other constituents adhered to the sides



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**Photo 30.** Support for metal piping coming off rail car is askew, potential for failure.



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**Photo 31.** Open sewer/stormwater grate. Blackberry vines growing into sewer grate.



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**Photo 32.** Water seeping from underneath phenol rail car secondary containment



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	<a href="#">Ctrl+Click HERE to view full size image</a>	
<b>Photo 33.</b> Leaking pipe at back of building	 <a href="#">Ctrl+Click HERE to view full size image</a>	Paneltech
<b>Video 1.</b> Leaking pipe at back of building	 IMG_0067.MOV  Saved to PARIS documents	Paneltech