

IOWA DEPARTMENT OF NATURAL RESOURCES

ADMINISTRATIVE CONSENT ORDER

IN THE MATTER OF:	ADMINISTRATIVE CONSENT ORDER
JWC Futures, LLC	NO. 2025-AQ-08

To: JWC Futures, LLC
Robert Martin, Owner
410 Johnson Street
Keokuk, Iowa 52632

JWC Futures, LLC
Robert Martin, Owner
18310 Byrnwood Lane
Minnetonka, Minnesota 55345

Kevin J. Kuckelman
Registered Agent
JWC Futures, LLC
401 Main Street
Keokuk, Iowa 52632

I. SUMMARY

This administrative consent order is entered into between the Iowa Department of Natural Resources (DNR) and JWC Futures, LLC (JWC Futures or the facility) for the purpose of resolving air quality violations. In the interest of avoiding litigation, the parties have agreed to the provisions below.

Any questions regarding this administrative consent order should be directed to:

Relating to technical requirements:

Ryan Stouder
Iowa Department of Natural Resources
Field Office No. 6
1023 W. Madison Street
Washington, Iowa 52353
Phone: 319-653-2135

Relating to legal requirements:

Anne Preziosi, Attorney for the DNR
Iowa Department of Natural Resources
6200 Park Avenue, Suite 200
Des Moines, Iowa 50321
Phone: 515-238-3429

Payment of penalty to:

Director of the Iowa DNR
Iowa Department of Natural Resources
6200 Park Avenue, Suite 200
Des Moines, Iowa 50321

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II. JURISDICTION

This administrative consent order is issued pursuant to the provisions of Iowa Code sections 455B.134(9) and 455B.138(1), which authorize the director to issue any order necessary to secure compliance with or prevent a violation of Iowa Code chapter 455B, Division II (air quality), and the rules promulgated or permits issued pursuant to that part; and Iowa Code section 455B.109 and 567 Iowa Administrative Code (IAC) chapter 10, which authorize the director to assess administrative penalties.

III. STATEMENT OF FACTS

1. This facility is located at 419 Exchange Street in Keokuk, Lee County, Iowa. The facility's office is located on the same city block at 410 Johnson Street. The facility is currently owned by JWC Futures. JWC Futures has owned the facility since March 8, 2024.

2. JWC Futures leased the facility to Glycerin Traders, the prior owner. Glycerin Traders is a company that specializes in taking raw glycerin and processing it into different products such as processed glycerin, reclaimed methanol and fatty acids. Glycerin Traders began its operation of the facility in 2018. The facility has not been operating since March 5, 2025.

3. Air quality construction permits were issued for the facility in 2006 and 2008 to Tri-City Energy, LLC, who owned and operated the facility at that time. In 2013, the corporation known as Tri-City Energy was dissolved. Air quality construction permits issued to Tri-City, LLC, contained the following language that makes the current owner, JWC Futures, responsible for compliance with the all air quality construction permit requirements issued for the emission units, emission points, and control equipment:

This permit is for the construction and operation of the specific emission unit(s), control equipment and emission points as described in this permit and in the application for this permit. Any owner or operator of the specified emission unit(s), control equipment or emission point, including any person who becomes an owner or operator subsequent to the date on which this permit is issued, is responsible for compliance with the provisions of this permit. No person shall construct, install, reconstruct or alter this emission unit, control equipment or emission point without the required revisions to this permit.

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4. On December 30, 2023, DNR Field Office No. 6 received multiple complaints from local citizens regarding noxious odors that were thought to be originating from the facility.

5. On January 3, 2024, Ryan Stouder and Mark Heiderscheit of DNR Field Office No. 6 investigated the odor complaints. Upon arrival at the facility, Ryan and Mark met with Keith Gilley and Todd Anderson of Glycerin Traders. Mr. Gilley confirmed that the odor was originating from the facility. Mr. Gilley provided Mr. Stouder and Mr. Heiderscheit a tour of the facility and explained the normal operating process. Additionally, Mr. Stouder emailed Dennis Zeedyk, President of Glycerin Traders, and Mr. Zeedyk further explained the situation that led to the odor complaints. According to Mr. Zeedyk, Glycerin Traders undertook a business deal to accept rolling mill oil from US Steel in Granite City, Illinois. The product originally agreed upon had a different chemical composition when it arrived at Glycerin Traders. Glycerin Traders tried various odor reduction methods but the facility was not successful in mitigating the odor. Due to odor concerns, Mr. Zeedyk stated that Glycerin Traders was no longer accepting loads from US Steel. It was noted during the complaint investigation that the facility is not in compliance with the requirement to have all appropriate air quality construction permits; the requirement to maintain records as required by issued air quality construction permits; and the requirement to maintain equipment and control equipment in a manner that would minimize emissions. While at the facility, Mr. Stouder provided resources regarding how to modify the permits and how to access technical assistance through the UNI Waste Reduction Center if needed.

6. On January 24, 2024, Mr. Stouder issued a Notice of Violation letter (NOV) to Glycerin Traders for failure to comply with the requirement to have all appropriate air quality construction permits; the requirement to maintain records as required by issued air quality construction permits; and the requirement to maintain equipment and control equipment in a manner that would minimize emissions. Additionally, the NOV described what Glycerin Traders needed to do regarding the excess emissions from the facility.

7. On January 26, 2024, Mr. Stouder and John Curtin of the DNR Air Quality Bureau conducted a follow-up visit to the facility. Mr. Gilley of Glycerin Traders provided a copy of the SDS of the rolling mill oil that Glycerin Traders had received from US Steel.

8. On February 5, 2024, Mr. Curtin sent Glycerin Traders a letter via email & certified mail on February 5, 2024, outlining the necessary modifications to the five existing DNR air quality construction permits held by the facility. The construction permits addressed in the letter were Construction Permit Nos. 06-A-1207, 06-A-1208, 06-A-1209-S1, 08-A-456, and 08-A-457. Additionally, Mr.

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Curtin outlined how the facility needs to apply for air quality construction permits for the following:

- a distillation column
- storage tanks
- bulk loading of trucks

Mr. Curtin set a deadline of March 22, 2024, for Glycerin Traders to submit the required construction permit applications. Glycerin Traders did not meet the deadline. Mr. Curtin and Mr. Stouder engaged in an email exchange with Mr. Gilley of Glycerin Traders, requesting that Glycerin Traders submit to DNR documentation regarding the rolling mill oil that was reported by Glycerin Traders to be the cause of odor that was submitted from the facility and resulted in complaints about the facility.

9. On February 8, 2024, Mr. Gilley of Glycerin Traders contacted Mr. Curtin with questions regarding acetic acid being used in the facility's process. Mr. Curtin explained that an air quality construction permit is not required for storage of acetic acid but that Glycerin Traders should notify DNR regarding the intended use of the acid as its use might need to be added into an existing air quality construction permit.

10. On March 20, 2024, Jacob Zatorski of HS&E Compliance Resources, acting as a consultant for Glycerin Traders, contacted John Curtin of DNR to request a 30-day extension to submit the required air quality construction permit applications. The 30-day extension request was granted by DNR, which made the new submission deadline April 22, 2024. Mr. Curtin stipulated that Glycerin Traders provide a progress report by April 12, 2024.

11. On April 12, 2024, Mr. Zatorski contacted Mr. Curtin regarding status of the air quality construction permit application submittal. Mr. Zatorski reported that the air emissions compliance engineer from his company was working through the permitting process. Mr. Zatorski claimed that the construction permit applications would be submitted to DNR by April 22, 2024, and that Mr. Zatorski would be in contact with the DNR Air Quality Bureau if issues arose.

12. On April 22, 2024, Mr. Zatorski provided a progress report which stated that Glycerin Traders had retained Admiral Environmental to complete the air quality construction permit application process. Mr. Zatorski stated that the construction permit application process was estimated to be completed by July 22, 2024. However, no permit applications were submitted by the April 22, 2024, deadline.

13. On April 25, 2024, Mr. Stouder of DNR Field Office No. 6 spoke with Todd Anderson, Glycerin Traders' Assistant Plant Manager at the facility.

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Mr. Anderson stated that the facility was still operating. Mr. Anderson explained that the facility was only processing glycerin waste and fatty acid waste, due to aforementioned odor complaints with regard to the rolling mill oil. Additionally, Keith Gilley of Glycerin Traders contacted Mr. Stouder to tell DNR that the delay in construction permit application submittal was due to a boiler needing to be installed and the consultants wanted to include the boiler in the air quality construction permit applications. The boiler had arrived onsite on April 24, 2024.

14. On May 21, 2024, John Curtin contacted the facility regarding the failure of Glycerin Traders to meet the April 22, 2024, deadline for submission of construction permit applications. The facility asked for an additional extension until July 25, 2024. DNR did not grant the requested extension. No construction permit applications have been submitted.

15. On November 8, 2024, Mr. Stouder of DNR Field Office No. 6 attempted to contact Keith Gilley at Glycerin Traders. Mr. Stouder was informed by the facility receptionist that Mr. Gilley no longer worked for the company. The receptionist clarified that Jacob Zatorski was still acting as the HSE consultant for the facility. Additionally, Mr. Stouder contacted Dennis Zeedyk and Jacob Zatorski asking for information on when Glycerin Traders planned to submit the required construction permit applications. Mr. Zeedyk responded to Mr. Stouder on November 11, 2024, asking for a link to get the construction permit application process started. Mr. Stouder provided the requested information.

16. On November 12, 2024, John Curtin of DNR's Air Quality Bureau followed up with Mr. Zeedyk about applying for construction permits through DNR's online permit submission system, Iowa EasyAIR. Mr. Curtin also provided contact information for the Iowa DNR Air Quality Bureau should Mr. Zeedyk have questions about the construction permit application process.

17. On November 15, 2024, DNR forwarded to EPA the information that Glycerin Traders had not yet submitted the required construction permit applications. This information was provided to the EPA inspectors planning to inspect the facility the following week. The DNR Air Quality Bureau determined that the violations would be considered Federally Reportable Violations (FRVs) due to Glycerin Traders' failure to acquire construction permits for changes made at the facility, which prevents DNR from determining the emissions being released from the facility.

18. On November 18, 2024, Ryan Stouder of DNR Field Office No. 6 issued an NOV to Glycerin Traders for failure to submit the required air quality construction permit applications by the previously established deadline. Mr. Stouder stated in the NOV that Glycerin Traders needed to submit the construction permit applications immediately.

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19. On November 19 and 20, 2024, three compliance inspectors from the EPA conducted a Clean Air Act (CAA) section 112(r) inspection at the facility. The inspectors noted multiple deficiencies.

20. On January 5, 2025, Pat Fountain, the new Glycerin Traders Plant Manager who started working at the facility in November 2024, contacted Ryan Stouder. Mr. Stouder explained that the facility needs to get into compliance as soon as possible by submitting the required construction permit applications. Mr. Stouder briefly explained how DNR has been working on getting the facility into compliance since January of 2024, and that no permit applications have been received by DNR. On January 8, 2025, Mr. Fountain again contacted Ryan Stouder regarding the air quality construction permit applications.

21. On January 21, 2025, EPA sent a letter via certified mail regarding the compliance inspection report for the CAA 112(r) inspection that occurred on November 19 and 20, 2024. The letter stated that EPA is currently reviewing the facilities compliance status and if deemed necessary EPA will take enforcement action against the facility. The letter requested that the facility acknowledge it had received the documents. On February 12, 2025, Mr. Stouder provided Mr. Fountain with EPA Region 7's contact for the CAA 112(r) inspection.

22. On March 5, 2025, Mr. Stouder visited the Glycerin Traders facility and spoke with Mr. Fountain and Mr. Anderson, both employee of Glycerin Traders. Mr. Fountain stated that on February 28, 2025, Mariana Zeedyk (wife of Dennis Zeedyk, owner of Glycerin Traders) told the facility employees that everyone, except Mr. Fountain and Mr. Anderson was being let go from the Glycerin Traders facility. Mr. Stouder was informed that on March 5, 2025, the last truck was to be filled up with loads of fat material and then the facility door would be locked. Mr. Fountain had been informed that after the final load of fat material was removed then he would no longer be paid. Mr. Stouder was told that Robert Martin of JWC Futures LLC (owner since March 8, 2024) was supposed to take over the facility on March 24, 2025.

23. On March 19, 2025, Kurt Levetzow communicated with Robert Martin, owner of JWC Futures and of the buildings, and equipment contained within the buildings, located at 419 Exchange Street and 410 Johnson Street in Keokuk, Lee County, Iowa. Mr. Martin indicated that he may sell the properties and the equipment contained therein.

IV. CONCLUSIONS OF LAW

1. Iowa Code section 455B.133 provides that the Environmental Protection Commission (Commission) shall establish rules governing the quality

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of air and emission standards. The Commission has adopted 567 IAC chapters 20-35 relating to air quality.

2. Iowa Code section 455B.134(3) provides that the director of DNR shall grant, modify, suspend, terminate, revoke, reissue or deny permits for the construction or operation of new, modified, or existing air contaminant sources and for related control equipment.

3. 567 Iowa Administrative Code 22.1(1) states unless exempted in subrule 22.1(2) or to meet the parameters established in paragraph "c" of this subrule, no person shall construct, install, reconstruct or alter any equipment or control equipment without first obtaining an air quality construction permit. 567 IAC 22.1(3) states that the owner or operator of a new or modified stationary source shall apply for a construction permit. As stated above, JWC Futures operated equipment and altered equipment, without first obtaining a required construction permit.

4. 567 Iowa Administrative Code 22.3(3) states that an air quality construction permit may be issued subject to conditions which shall be specified in writing, and may include, but are not limited to, emission limits, operating conditions, fuel specifications, compliance testing, continuous monitoring, and excess emission reporting. As stated above, JWC, as the owner of the facility, has failed to comply with certain provisions of issued air quality construction permits, and required records have not been maintained.

5. 567 Iowa Administrative Code 21.8(1) states that the owner or operator of any equipment or control equipment shall maintain and operate the equipment or control equipment at all times in a manner consistent with good practice for minimizing emissions. As stated above, equipment and control equipment at the facility has not been maintained in a proper manner that would minimize emissions and the owner or operator has failed to remedy excess emissions in an expeditious manner.

V. ORDER

THEREFORE, DNR orders and JWC Futures agrees to the following:

1. Prior to restarting the facility, JWC Futures LLC shall either directly or require via contract their lessee to do the following:
 - a) Modify Air Quality Construction Permit Nos. 06-A-1207, 06-A-1208, 06-A-1209-S1, 08-A-456 or 08-A-457 to reflect current operations; and
 - b) Obtain air quality construction permits for any unpermitted existing equipment at the facility; and

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c) In accordance with 567 IAC 22.1(1), obtain air quality construction permits before constructing or installing any new equipment.

2. If JWC Futures LLC sells or transfers the facility subject to this Administrative Consent Order, then JWC Futures LLC shall disclose in writing to the buyer that Air Quality Construction Permit Nos. 06-A-1207, 06-A-1208, 06-A-1209-S1, 08-A-456 or 08-A-457 are inaccurate and noncompliant with the law and must be modified or new ones must be obtained prior to commencing operations. JWC Futures LLC shall submit proof of this disclosure to the DNR in conjunction with ownership transfer notifications as required by 567 IAC 22.3(8).

3. Alternatively, in lieu of compliance with either paragraphs 1 or 2, JWC Futures LLC shall voluntarily request revocation of Air Quality Construction Permit Nos. 06-A-1207, 06-A-1208, 06-A-1209-S1, 08-A-456, and 08-A-457. However, if permit rescission is requested, then the affected equipment and control equipment shall not be operated without first obtaining construction permit(s).

4. If JWC Futures LLC fails to comply with any or all of the requirements of this Section V, Order, then JWC shall pay a \$4,000.00 stipulated administrative penalty.

VI. PENALTY

1. Iowa Code section 455B.146 authorizes the assessment of civil penalties of up to \$10,000.00 per day of violation for each of the air quality violations involved in this matter. More serious criminal sanctions are also available pursuant to Iowa Code section 455B.146A.

2. Iowa Code section 455B.109 authorizes the Commission to establish by rule a schedule of civil penalties up to \$10,000.00, which may be assessed administratively. The Commission has adopted this schedule with procedures and criteria for assessment of penalties in 567 IAC chapter 10. Pursuant to this chapter, the DNR has determined that the most effective and efficient means of addressing the above-cited violations is the issuance of an administrative consent order with stipulated penalties.

The stipulated penalties in this administrative consent order are for future violations of either Section V, paragraphs 1 or 2, should they occur. The stipulated administrative penalty of \$4,000.00 is determined as follows:

A. Economic Benefit – 567 IAC chapter 10 requires that DNR consider the costs

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saved or likely to be saved by noncompliance. 567 IAC 10.30(1) states that where the violator received an economic benefit through the violation or by not taking timely compliance or corrective measures, DNR shall take enforcement action which includes penalties which at least offset the economic benefit. 567 IAC 10.30(1) further states that reasonable estimates of economic benefit should be made where clear data are not available. Finally, 567 IAC 10.30(1) states that the actual or reasonably estimated economic benefit shall always be assessed. Economic benefit has been gained by failure to timely comply with air quality requirements, thus delaying the cost of compliance. For these reasons, \$2,000.00 is assessed for economic benefit.

B. Gravity of the Violation – 567 IAC 10.30(2) state that the factors to be considered in determining the gravity of the violations include but are not limited to: the actual or threatened harm to the environment; the degree to which ambient or source-specific standards are exceeded, where pertinent; and expenses or efforts by the government in detecting, documenting, or responding to a violation. The Department has spent significant staff time in assisting the facility in achieving compliance. JWC, as the owner of the facility, is required to comply with construction permits issued to the facility. An owner or operator's failure to maintain accurate construction permits undermines the integrity of the air quality program. For these reasons, \$1,000.00 is assessed for gravity.

C. Culpability – By signing this consent order, JWC is on notice of the requirement and has agreed to either obtain modified or new air quality construction permits prior to resuming operations at the facility or to affirmatively disclose construction permit flaws and requirements to a buyer. Due to this notice, JWC's failure to comply is presumed willful, warranting a \$1,000.00 administrative penalty.

VII. WAIVER OF APPEAL RIGHTS

This administrative consent order is entered into knowingly and with the consent of JWC Futures. For that reason, JWC Futures waives its right to appeal this order or any part thereof.

VIII. NONCOMPLIANCE

Failure to comply with this administrative consent order may result in the imposition of further administrative penalties or referral to the attorney general to obtain injunctive relief and civil penalties pursuant to Iowa Code section 455B.146. Compliance with Section "V. Order" of this administrative consent order constitutes

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full satisfaction of all requirements pertaining to the specific violations described in Section "IV. Conclusions of Law" of this administrative consent order.

Kayla Lyon, Director
Iowa Department of Natural Resources

[Signature] *Robert Martin*
JWC Futures, LLC

Dated this 10th day of
June, 2025.

DNR Air Quality Bureau; Field Office