IOWA DEPARTMENT OF NATURAL RESOURCES

ADMINISTRATIVE CONSENT ORDER

IN THE MATTER OF: GOLD-EAGLE COOPERATIVE	ADMINISTRATIVE CONSENT ORDER NO. 2026-AQ- 07

To:

Gold-Eagle Cooperative
Chris Boshart
General Manager
PO Box 280
515 N. Locust Street
Goldfield, Iowa 50542

Gold-Eagle Cooperative
Registered Agent
Lynn Collins Seaba
503 N. Main Street
Goldfield, Iowa 50542

I. SUMMARY

This administrative consent order is entered into between the Iowa Department of Natural Resources (DNR) and Gold-Eagle Cooperative (Gold-Eagle) 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:
David Knoll
Iowa Department of Natural Resources
Field Office 2
2300 15th Street SW
Mason City, Iowa 50401
Phone: 641-424-4073

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
6200 Park Avenue
Suite 200
Des Moines, Iowa 50321

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. Gold-Eagle owns and operates a feed mill and grain elevator in Galt, Iowa (the facility). Gold-Eagle owns and operates more than 20 agricultural related facilities in north central Iowa. The Galt physical plant consists of grain receiving, grain drying, ingredient bins, roller mills, mixers, feed loadout, and other equipment that aid in feed preparation.

SUMMARY

2. Gold-Eagle violated 567 Iowa Administrative Code (IAC) 24.2(1), which requires that equipment or control equipment be maintained and operated at all times in a manner consistent with good practice for minimizing emissions.

a. The facility operated multiple feed equipment processes without operating the required grain oiling control equipment for at least one year. The facility failed to maintain or repair the control equipment so it could be operated.
b. Emission Points (Eps) 12-1 to 12-6 (Ingredient Storage Bins) have an indicator opacity of "No Visible Emissions" in Construction Permit Nos. 13-A-018 to 13-A-023, which requires the owner or operator to promptly investigate the emission unit and make corrections to operations or equipment associated with the exceedance. The visible emissions observed by DNR staff indicate inadequate maintenance of the bin vent filter control equipment.

3. Gold-Eagle violated 567 IAC 22.1(1), which requires that air quality construction permits be obtained prior to the construction, installation, reconstruction or alteration of equipment or control equipment.

a. In 2023, the facility modified the existing grain elevator by installing a new grain dryer, as well as other grain-handling equipment, which included a new receiving pit and a truck loadout station. The facility failed to obtain any air quality construction permits for these

changes. The facility used the Small Unit Exemption for the new receiving pit.

b. DNR has determined that due to the 2023 modification, and given the grain elevator's current potential to emit for PM10, the facility should have obtained a Group 2 grain elevator permit in accordance with 567 IAC 22.10.
c. EP 16 (Grain Receiving/Two Hammermills/Feed Loadout) (Air Quality Construction Permit No. 98-A-919-S5) is related to the change to the grain elevator, and modifications were made to the emission units without making the required updates to the air quality construction permit.

CHRONOLOGY

4. On October 10, 2019, Gold-Eagle began leasing and took over operation of the facility from North Central Cooperative.

5. On January 20, 2021, an air quality inspection of the facility was conducted by DNR Field Office 2 Environmental Specialist Senior David Knoll. During this inspection, Mr. Knoll observed the following violations at the facility. Several of the deficiencies had been identified in the previous facility inspection that occurred in December of 2011.

a. EPs C-1 to C-11 (Corn Storage Bins) – The grain oiling equipment was not being operated or maintained. Records of maintenance and oil usage were not being kept.
b. EP-16 (Grain Receiving, Hammermills & Mixing, Internal Handling, Feed Loadout) – The cyclones were not being operated or properly maintained. Monitoring and recording of proper cyclone function was not taking place. Grain oiling and associated record keeping was not taking place. Grain receiving and feed loadout was not occurring inside a building.
c. EPs F-1 to F-20 (20 Finished Feed Storage Bins) – The baghouse was not being operated or properly maintained. Records regarding baghouse maintenance were not being kept. Grain oiling and associated record keeping was not taking place. Grain receiving and feed loadout was not occurring inside a building.
d. A new ingredient storage bin, the Dry Methionine Bin, and a baghouse had been installed without obtaining an air quality construction permit.
e. Plant Wide (NESHAP 7D) - The annual compliance certification statements as specified in 40 CFR § 63.11624 were not available.
f. Plant Wide (Excess Emissions) - Excess emissions likely occurred as a result of control equipment (grain oiling, cyclones, baghouses)

not being utilized. No excess emissions were calculated or reported.

6. On January 27, 2021, a Notice of Violation letter was issued for the deficiencies identified during the inspection. The letter informed the facility of possible further enforcement action. The letter requested a response within 15 days receipt.

7. On February 16, 2021, a response was received from the facility, stating maintenance was occurring on several pieces of control equipment such as grain oiling, baghouses, and cyclones in an effort to make them operational. The response noted permit applications and excess emissions calculations were also in progress.

8. On April 22, 2021, an as-built air quality construction permit was issued for the Dry Methionine Bin.

9. On May 14, 2021, the excess emissions report for violations observed during the January 20, 2021, inspection was submitted by Lisa Schmidt, Trinity Consultants, on behalf of the facility. The report calculations indicated that one emission point (EP 16) experienced excess emissions for a period of 15.25 months. All other emission points were stated to be within permit limits with no excess emissions occurring.

10. On May 18, 2021, Mr. Knoll noted discrepancies in the calculations and held a video conference with Ms. Schmidt to discuss the report and miscalculations. After reviewing the information, Ms. Schmidt agreed to revise the report and resubmit.

11. On May 18, 2021, a revised excess emissions report was submitted by Ms. Schmidt on behalf of Gold-Eagle, demonstrating that excess emissions had also occurred for a period of 15.25 months as a result not operating control equipment on EP F1-20 (twenty Finished Feed Storage Bins).

12. On November 18, 2021, Gold-Eagle submitted a compliance plan stating:

a. Grain oiling began operating on March 3, 2021, and records of oil usage and maintenance were being kept.
b. Cyclones began operating on April 14, 2021, and an airlock was installed to improve performance. Maintenance records were being kept.
c. The baghouse began operating on March 9, 2021, and the motor had been replaced twice. The bags were also changed on March 12, 2021.

d. An Air Quality Construction Permit for the Methionine Bin was received on April 22, 2021.
e. A daily compliance form had been implemented to record readings from the oiler and baghouse pressure drop. Throughout the day, operational staff check the equipment for visible leaks or other abnormalities.

13. On December 20, 2021, Administrative Consent Order No. 2021-AQ-16 was entered into between the DNR and Gold-Eagle. The administrative consent order required the following:

1. Gold-Eagle shall not operate feed mill equipment when control equipment is not functioning and emissions are being vented to the atmosphere.
2. Gold-Eagle shall contact DNR prior to knowingly operating equipment in such a manner that may lead to excess emissions.
3. Gold-Eagle shall comply with the requirements of its air quality construction permits; and, additionally, shall use its daily compliance form to keep a written record of the amount of oil applied to the grain in gallons. Also, throughout the day, operational staff shall conduct checks of grain oiling equipment, cyclones, baghouses, and bin vent filters for visual leaks and/or anything that is out of the ordinary; and
4. Gold-Eagle shall pay a penalty of $6,500.

14. On December 23, 2021, the penalty was received by DNR in full.

15. On November 13, 2025, an air quality inspection of the facility was conducted by Mr. Knoll. During this inspection, Mr. Knoll observed the following violations at the facility. Several of the deficiencies had been identified in the previous facility inspection in January of 2021.

a. Emission Points (EPs) C4 to C7 and C10 to C11 (Corn Storage Bins) – The purpose of the grain stored in these bins had been diversified. The facility was advised in 2021 that it must verify with the DNR Air Quality Bureau whether or not this change would impact permitting. The facility failed to contact DNR, as required.
b. EPs C1; C4 to C7; C10 to C11 (Corn Storage Bins) and EP 16 (Grain Receiving/Processing) - Staff reported the required grain oiling had not taken place for at least one year. Records of oil usage, facility wide grain receiving, and maintenance activities were also not available.
c. EP 16 (Grain Receiving/Two Hammermills/Feed Loadout) - Modifications were made to the emission units without making the required updates to the air quality construction permit. Monitoring

and recording of proper cyclone function was not taking place. The permit requires that Gold-Eagle monitor a parameter (e.g. pressure drop, fan amperage, etc.) on the cyclone to ensure proper operation. The sock on the loadout chute was worn and did not extend the required depth into the receiving trucks. Records of oil usage, facility wide grain receiving, and maintenance activities were also not available.

d. EPs F1 to F-20 (Finished Feed Bins) - Records of facility-wide grain receiving were not available.
e. EPs 12-1 to 12-6 (Ingredient Bins) - Opacity from the bins was estimated at 15-20% at the time of inspection and continued throughout the inspection period. The indicator opacity of no visible emissions requires the facility to promptly investigate and make corrections if emissions are observed. There was no record of action having been taken to address the emissions. Records regarding bin vent filter maintenance were not being kept.
f. EP DL-1 (Dry Methionine Bin) - Records regarding baghouse maintenance were not being kept.
g. Plant Wide (Grain Emission Sources) - Several additions and improvements to the site were made in 2023 regarding grain handling. Some of the new emission points are also utilized for grain that is processed at the feed mill. DNR Air Quality Bureau construction permitting section should have been contacted to obtain the necessary permits prior to installation. modification, and operation of these emission points.
h. Plant Wide (Administrative Consent Order) - The facility was operating in violation of Administrative Consent Order No. 2021-AQ-16 at the time of inspection. Feed mill equipment was being operated without grain oiling taking place for at least the prior year. DNR was not contacted prior to making this change. Records of the amount of oil applied were not available for any day since the administrative consent order was signed. Visible emissions were present from the ingredient bins during the inspection and were not being addressed.

16. On December 1, 2025, a Notice of Violation letter was issued for the deficiencies identified during the inspection. The letter informed the facility further enforcement action was being pursued. The letter requested a response within 15 days of receipt of the report.

17. On December 30, 2025, Terry Kist, who is the Safety Compliance Manager at the facility, emailed Mr. Knoll and stated he would provide a response to the Notice of Violation right after the first of the year.

18. On January 8, 2026, Mr. Knoll emailed Mr. Kist inquiring about the written response which had not yet been received.

19. On January 9, 2026, Mr. Kist provided a response stating the grain oiling was "working," but had frozen up due to water in the tank. Efforts to heat the tank had been unsuccessful, so oiling would not be able to occur until warmer weather. The response stated other actions such as changing vent filters, fixing inspection lid latches, and ordering new loadout socks had taken place. Mr. Kist stated he was unsure about the need for air quality construction permits for new equipment that had been installed and implied that another Gold-Eagle staff member would need to be contacted.

20. On January 9, 2026, Mr. Knoll responded to Mr. Kist, explaining that operating the feed mill without the grain oiling was a continued violation of air quality permits. Mr. Knoll requested an action plan and timeline for getting the oiling equipment operational. Mr. Knoll also advised Mr. Kist that it was Gold-Eagle's responsibility to determine the permit needs by contacting the DNR Air Quality Construction Permitting Section. Gold-Eagle then did contact DNR as directed to discuss permit requirements.

21. On February 20, 2026, Mr. Kist emailed Mr. Knoll stating that grain oiling began taking place the previous day.

22. Gold-Eagle submitted a permit application on April 9, 2026, for a Group 2 grain elevator. Gold-Eagle also submitted an application to modify EP 16 on April 10, 2026.

IV. CONCLUSIONS OF LAW

1. Iowa Code section 455B.133 provides that the Environmental Protection Commission (Commission) shall establish rules governing the quality of air and emission standards. The Commission has adopted 567 IAC chapters 20-33 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 IAC 22.1(1) requires that air quality construction permits be obtained prior to the construction, installation, reconstruction or alteration of equipment or control equipment. Gold-Eagle has failed to obtain air quality construction permits, as required and as stated above. Further, Gold-Eagle has

failed to apply to modify air quality construction permits when making changes at the facility, as required and as stated above.

4. 567 IAC 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, Gold-Eagle failed to comply with the provisions of several its air quality construction permits, including the operation of permitted equipment without operating the required control equipment, failure to maintain records, and failure to comply with permit conditions requiring no visible emissions.

5. According to the provisions of 567 IAC 21.7(2), an incident of excess emission (other than an incident of excess emission during a period of startup, shutdown, or cleaning) shall be reported to the appropriate regional office of DNR within eight hours of the onset of the incident or at the start of the first working day following the onset of the incident. According to the provisions of 567 IAC 21.7(4), an incident of excess emissions (other than an incident during startup, shutdown, or cleaning of control equipment) is a violation. If excess emissions are occurring, either the control equipment causing the excess emission shall be repaired in an expeditious manner or the process generating the emissions shall be shut down within a reasonable period of time. As stated above, Gold-Eagle has failed to report excess emissions within the allotted timeframe, and has failed to make repairs in an expeditious manner, which constitutes failure to comply with DNR rules and with the conditions of its air quality construction permits that require no visible emissions.

6. 567 Iowa Administrative Code 24.2(1) requires that equipment or control equipment be maintained and operated at all times in a manner consistent with good practice for minimizing emissions. As stated above, Gold-Eagle has failed to maintain and operate its equipment and control equipment in a manner consistent with good practice for minimizing emissions.

V. ORDER

THEREFORE, DNR orders and Gold-Eagle agrees to the following:

1. Gold-Eagle shall not operate the facility feed mill equipment when control equipment is not functioning and emissions are being vented to the outside atmosphere. Gold-Eagle shall maintain and operate its equipment and control equipment at all times in a manner consistent with good practice for minimizing emissions.

2. Gold-Eagle shall comply with the provisions of 567 IAC 21.7(2) and shall report excess emissions timely. If excess emissions are occurring, either the control equipment causing the excess emission shall be repaired in an expeditious manner or the process generating the emissions shall be shut down within a reasonable period of time, in accordance with 567 IAC 21.7(4).

3. Within 90 days of the date this Administrative Consent Order is signed by the director, Gold-Eagle shall submit to DNR as-built air quality construction permit applications for any equipment or control equipment that has been installed or modified without the required air quality construction permit.

4. Within 30 days of the date this Administrative Consent Order is signed by the director, Gold-Eagle shall pay a penalty of $10,000.00, as set forth in Section VI, below.

VI. PENALTY

Pursuant to the provisions of Iowa Code section 455B.109 and 567 IAC chapter 10, which authorize the director to assess administrative penalties, a penalty of $10,000.00 is assessed by this administrative consent order. The penalty must be paid within 60 days of the date this Administrative Consent Order is signed by the director. The administrative penalty is determined as follows:

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

Iowa Code section 455B.109 authorizes the Commission to establish by rule a schedule of civil penalties up to $10,000.00 that may be assessed administratively. The Commission has adopted this schedule with procedures and criteria for assessment of penalties through 567 IAC chapter 10. Pursuant to this rule, 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 a penalty. The administrative penalty assessed by this order is determined as follows:

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

The facility benefited financially by continuing to operate normally for more than one year without operating the grain oiler control equipment. The facility also gained by not maintaining this equipment. There were additional savings by not taking the time to track several record keeping requirements. Also, the facility saved permitting and likely consultant fees by installing new equipment without obtaining the required air quality construction permits.

For the reasons stated above, $3,000.00 is assessed for this factor.

Gravity of the Violation –Substantial civil penalties are authorized by statute for the type of violations cited in this Administrative Consent Order. Despite the high penalties authorized, DNR has decided to handle the violations administratively at this time, as the most equitable and efficient means of resolving the matter.

Operating equipment with no control equipment in place adversely impacts the DNR's air pollution control program and results in pollutant discharge to the atmosphere. Operating equipment in this manner circumvents the DNR's ability to review the potential emissions and make a determination on whether or not operating the equipment will cause adverse effects to the environment. This, in turn, prevents DNR from ensuring that the Iowa citizens' interests in clean air are protected. Gold-Eagles' failure to properly permit changes made to emission points also contributes to the above listed injuries.

For the reasons stated above, $3,500.00 should be assessed for this factor.

Culpability – Gold-Eagle owns additional feed mills in Eagle Grove and Goldfield, Iowa, and owns and operates a total of more than 20 agricultural-related facilities. Gold-Eagle entered into an Administrative Consent Order with the DNR on December 20, 2021, after a previous inspection documented multiple violations. Many of the same violations were again found when the most recent inspection took place in November of 2025. Gold-Eagle should therefore have known the of the requirement to obtain air quality construction permits, to comply with issued air quality construction permits, and should have known of the requirement to operate equipment and control equipment at all times in a manner consistent with good practice for minimizing emissions.

For the reasons stated above, $3,500.00 is assessed for this factor.

VII. WAIVER OF APPEAL RIGHTS

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

VIII. NONCOMPLIANCE

Failure to comply with this administrative consent order, including failure to timely pay any penalty, 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 full satisfaction of all requirements pertaining to the specific violations described in Section "IV. Conclusions of Law" of this administrative consent order.

Kayla Lyon

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Kayla Lyon, Director
Iowa Department of Natural Resources

Gold-Eagle Cooperative

Date: 4-24-2026

Cc: David Knoll, Field Office No. 2; John Curtin, DNR Air Quality Bureau