IOWA DEPARTMENT OF NATURAL RESOURCES
CONSENT AMENDMENT TO ADMINISTRATIVE ORDER

IN THE MATTER OF: **MAHLE ENGINE COMPONENTS USA, INC.** **ATLANTIC, IOWA** **Wastewater Facility No. 6-15-09-1-02**	**CONSENT AMENDMENT TO ADMINISTRATIVE ORDER** **NO. 2014-WW-17** **Amendment 1**

To: Martyn Hempston, President
MAHLE Engine Components USA, Inc.
One MAHLE Drive
Morristown, TN 37814

CT Corporation
400 East Court Avenue
Des Moines, IA 60309

I. SUMMARY

The Iowa Department of Natural Resources (Department) issued unilateral Administrative Order No. 2014-WW-17 (Previous Order) to MAHLE Engine Components USA, Inc. (MAHLE) on December 23, 2014 for violations of its then-National Pollutant Discharge Elimination System (NPDES) permit and for violations of certain Iowa wastewater rule requirements. The Previous Order also assessed a $10,000.00 administrative penalty (Penalty) to MAHLE.

MAHLE filed a timely notice of appeal in response to the Previous Order. Since the issuance of the Previous Order and the filing of the notice of appeal, MAHLE has connected its wastewater discharge to the City of Atlantic (City) wastewater treatment facility (WWTF) pursuant to a treatment agreement with the City. MAHLE also no longer has an NPDES permit. As such, the sole remaining outstanding issue from the Previous Order is the status of the Penalty.

Following on-going good-faith negotiations between the Department and MAHLE, the parties have agreed to the following to settle the Penalty:

> MAHLE will make a one-time payment of $5,000.00 to the Department pursuant to the terms of this Order as outlined in amended Section V, below. Additionally, MAHLE will make a one-time payment of $5,000.00 to the Cass County Conservation Board (CCBB) for a Supplemental Environmental Project (SEP), also pursuant to the terms of this consent amendment.

Upon compliance with the payment terms herein, the Department will consider this matter closed and MAHLE agrees to withdraw the appeal of the Previous Order.

Payment of penalty to:
Director of the Iowa DNR
Wallace State Office Building
502 East Ninth Street
Des Moines, Iowa 50319-0034
[Note Order Number on Payment]

Relating to legal requirements:
David Scott, Attorney
Iowa Department of Natural Resources
Legal Services Division
Wallace State Office Building
502 E. 9th St.
Des Moines, IA 50319
Phone: 515-725-8239

II. JURISDICTION

Section II of the Previous Order is incorporated herein by reference.

III. STATEMENT OF FACTS

Section III of the Previous Order is incorporated herein by reference. In addition:

20. MAHLE has eliminated NPDES permit violations by connection to the City's WWTF and entering an agreement with the City that allows MAHLE to discharge its wastewater to the City's collection system. Additionally, MAHLE no longer has an NPDES permit issued by the Department.

21. MAHLE expended significant funds to attempt to correct its previous wastewater discharge violations prior to issuance of the Previous Order but was unsuccessful.

IV. CONCLUSIONS OF LAW

Section IV of the Previous Order is incorporated herein by reference.

V. ORDER

Section V of the Previous Order is rescinded in its entirety and replaced with the following:

Therefore, the Department orders and MAHLE agrees to comply with the following requirements:

1. The Penalty for previous violations is $10,000.00. Per agreement of the parties, payment of this $10,000.00 Penalty will be divided as follows:

   a. MAHLE will pay $5,000.00 to the Department within 30 days of MAHLE's receipt of this consent amendment signed by both parties.

b. MAHLE will pay $5,000.00 to the CCCB to be used for a water quality based SEP. Payment to the CCCB will also be made within 30 days of MAHLE's receipt of this consent amendment signed by both parties.

c. MAHLE is required to provide documentation of payment to the CCCB to the Department's Legal Services Bureau within fifteen days of making the payment to CCCB.

d. If MAHLE fails to pay $5,000.00 to the CCCB within the approved time frame, the amount of $5,000.00 is due to the Department within 60 days of the date that MAHLE receives this consent amendment signed by both parties. The payment referenced in this subsection (d) would be in lieu of a payment to CCCB, not in addition to the payment to CCCB.

2. Payment to the Department should be directed to the address above and should include a cover letter and/or a copy of the signed consent amendment with the payment. Payment to the Department may also be remitted to the Department's Legal Services Bureau at the time that the consent amendment signed by MAHLE is returned to the Legal Services Bureau for signature by the Director.

3. Upon signing this consent amendment, MAHLE agrees to withdraw its appeal of the Previous Order.

VI. PENALTY

Section VI of the Previous Order is incorporated herein by reference.

VII. APPEAL RIGHTS

Section VII of the Previous Order is repealed in its entirety and replaced with the following:

This consent amendment to the Previous Order is entered into knowingly and with the consent of MAHLE. For this reason, MAHLE waives the right to appeal this consent amendment to the Previous Order

VIII. NONCOMPLIANCE

Section VIII of the Previous Order is incorporated herein by reference.

MARTYN HEMPSTON
PRESIDENT
MAHLE ENGINE COMPONENTS USA, INC.

Dated this 21st day of October, 2016

CHUCK GIPP
DIRECTOR
IOWA DEPARTMENT OF NATURAL RESOURCES

Dated this 1st day of November, 2016.

Copies to:

Angelique Strong Marks, MAHLE Industries, Incorporated, General Counsel & Corporate Secretary, 23030 MAHLE Drive, Farmington Hills, MI 48335

Environmental Health and Safety Coordinator, MAHLE Engine Components USA, Inc., 60428 Marne Rd., Atlantic, IA 50022

Jessica Montana, DNR Field Office No. 4; Eric Wikland and Wendy Heib, DNR NPDES Section, David Scott, DNR Legal Services Bureau, US EPA Region VII.

Enforcement Codes: I.B.2.b. and I.B.2.c.