

IOWA DEPARTMENT OF NATURAL RESOURCES

ADMINISTRATIVE CONSENT ORDER

IN THE MATTER OF: GOLD BOND BUILDING PRODUCTS, LLC	ADMINISTRATIVE CONSENT ORDER NO. 2022-AQ-12
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To: Gold Bond Building Products, LLC
Mike Kelley
Regional QA Manager
1548 S 22nd Street
Fort Dodge, Iowa 50501

Gold Bond Building Products, LLC
Daniel Hoenig
Plant Manager
1548 S 22nd Street
Fort Dodge, Iowa 50501

Gold Bond Building Products, LLC
Corporate Creations Network Inc.
Registered Agent
3106 Ingersoll Ave
Des Moines, Iowa 50312

I. SUMMARY

This administrative consent order is entered into between the Iowa Department of Natural Resources (DNR) and Gold Bond Building Products, LLC (Gold Bond) 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:

Mark Fields
Iowa Department of Natural Resources
Wallace State Office Building
502 East Ninth Street
Des Moines, Iowa 50319-0034
Phone: 515-343-6589

Relating to legal requirements:

Anne Preziosi, Attorney for the DNR
Iowa Department of Natural Resources
Wallace State Office Building
502 East Ninth Street
Des Moines, Iowa 50319-0034
Phone: 515-238-3429

Payment of penalty to:

Director of the Iowa DNR
Wallace State Office Building
502 East Ninth Street
Des Moines, Iowa 50319-0034

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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. Gold Bond operates a facility in Fort Dodge, Iowa (the facility). The facility produces gypsum wallboard and is a source of air emissions to the outside atmosphere.

2. Gold Bond performed internal testing at the facility in 2018 that identified its Board Kilns had excessive emissions of CO. On August 30 2018, DNR received a construction permit application from Gold Bond for, among other modifications, as built changes to Board Kiln Zones 2 and 3 to replace 20MMBtu/hr natural gas burners with 25 MMBtu/hr burners.

3. In July of 2019, after first meeting with DNR in January of 2019 to discuss the CO emissions, Gold Bond and DNR entered into Administrative Consent Order No. 2019-AQ-21, pursuant to which Gold Bond agreed to replace the remaining Board Kiln Zone burners (for Zones 1 and 4-7).

4. On September 18, 2019 an updated permit application was received by DNR, which included the additional Board kiln Zones 1, 4, 5, 6, and 7. The August 30, 2018 and September 18, 2019 permit applications requested the following modifications: removal of references to propane as a fuel, removal of natural gas limitations, emission limit updates, and burner replacement.

5. DNR assigned Project Number 18-360 to the construction permit applications received on August 30, 2018, and the applications received on September 18, 2019. On December 19, 2019, DNR issued the construction permits associated with Project No. 18-360. The construction permits required stack testing or representative stack testing for Board Kiln Zones 1-7 and Calcidyne Units 1-5 to be completed on 12 Emission Points (or EPs) within 180 days of start of operation. A May 5, 2020, start of operation notice was submitted to DNR by Gold Bond, with an April 20, 2020, start of operation date.

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October 6 and 7, 2020, Stack Testing

6. On October 6 and 7, 2020, representative stack testing was completed to satisfy testing requirements of the construction permits associated with Project No. 18-360. Testing was completed for EPs 31-1, 31-2, 31-7, 21, which also was representative of EPs 31-3, 31-4, 31-5, 31-6, 22, 23, 24, 25. Representative stack testing means that stack test results from one or more EPs are considered representative of emission results for similar EP(s) that have not performed stack testing. The construction permits specify which EPs are allowed to be stack tested and represent emissions for untested EPs.

7. On November 18, 2020, DNR received Gold Bond's stack test report for the testing conducted on October 6 and 7, 2020. The test results demonstrated compliance with the CO, NOx, SO2, and Opacity permitted limits. The tested and representative PM and PM 10 results from the October 6 and 7, 2020 stack testing, showed violations on several sources. All PM10 test results exceeded the permitted limits. Test results for EP 21 exceeded the permitted PM limit as well.

8. Tested and representative results for the October 6 and 7, 2020 testing are listed in the tables below. The tested results are contained in the first table.

Emission Point	Permit #	Pollutant	Result	Limit
Board Kiln, Zone 1 EP 31-1	01-A-679-S3	PM-10	0.43 lb/hr	0.37 lb/hr
Board Kiln, Zone 2 EP 31-2	01-A-680-S3	PM-10	0.49 lb/hr	0.37 lb/hr
Board Kiln, Zone 7 EP 31-7	01-A-685-S3	PM-10	0.34 lb/hr	0.17 lb/hr
Calcidyne No. 1 EP 21	77-A-161-S4	PM PM-10	1.5 lb/hr 1.5 lb/hr	0.29 lb/hr 0.22 lb/hr

9. Pursuant to Construction Permit Condition 2, *Compliance Demonstration Table*, for the above Emission Points, the stack tests were

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conducted as representative of other Emission Points at the facility. Subsequently, the Emission Points listed in the table below also are considered in violation of the PM10 emission limits.

Emission Point tested	Permit #	Represented Emission Points
Board Kiln, Zone 1 EP 31-1	01-A-679-S3	EP 31-4 and EP 31-5
Board Kiln, Zone 2 EP 31-2	01-A-680-S3	EP 31-3
Board Kiln, Zone 7 EP 31-7	01-A-685-S3	EP 31-6
Calcidyne No. 1 EP 21	77-A-161-S4	EP 22, EP 23, EP 24, and EP 25

10. A December 29, 2020, Notice of Violation (NOV) letter was issued by DNR to Gold Bond for all the PM10 test results conducted October 6 and 7, 2020, that showed violations of permitted limits contained in construction permits, and for the EP 21 exceedance of the permitted PM limit as well.

11. On January 5, 2021, a corrected NOV was issued to include EPs considered in violation based on the construction permit representative testing requirements for the testing completed October 6 and 7, 2020. The January 5, 2021, NOV required Gold Bond to submit a Compliance Plan by January 29, 2021.

March 3 through 9, 2021, Stack Testing

12. On January 12, 2021, Gold Bond and DNR met to discuss compliance options.

13. On January 28, 2021, Gold Bond submitted a Compliance Plan to retest EP 21. Gold Bond also proposed at this time to test four additional Emission Points, since Gold Bond believed that the previous stack testing results were not representative of these four Emission Points. The additional Emission Points scheduled to be tested were Calcidyne No. 3 and No. 5 (Emission Points

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23 and 35), and Board Kiln Zones 4 and 5 (Emission Points 31-4 and 31-5). The stack testing was scheduled for February 3, 2021, but was postponed due to extremely cold weather.

14. Stack testing pursuant to the January 28, 2021, Compliance Plan was completed March 3 through 9, 2021. Gold Bond stack tested EPs 31-4, 31-5, 21, 23, and 25, with all PM10 results demonstrating an exceedance of the correlating permitted limits. EP 21 again exceeded the permitted PM limit. The March 3 through 9, 2021, test results are summarized in the table below.

Emission Point	Permit #	Pollutant	Result	Limit
Board Kiln Zone 4 EP 31-4	01-A-682-S3	PM 10	0.57 lb/hr	0.35 lb/hr
Board Kiln Zone 5 EP 31-5	01-A-683-S3	PM 10	0.44 lb/hr	0.35 lb/hr
Calcidyne No. 1 EP 21	77-A-161-S4	PM PM 10	0.99 lb/hr 0.99 lb/hr	0.29 lb/hr 0.22 lb/hr
Calcidyne No. 3 EP 23	77-A-163-S4	PM 10	0.25 lb/hr	0.22 lb/hr
Calcidyne No. 5 EP 25	79-A-044-S4	PM 10	0.23 lb/hr	0.22 lb/hr

Actions Following the March 2021 Stack Testing

15. On April 9, 2021, DNR received the stack test report for the March 2021 stack test event. In the January 28, 2021, Compliance Plan, Gold Bond stated, *"If modeling is required, National Gypsum will provide IDNR a revised compliance plan with the stack testing results above. If modeling is not required, modified construction permits for all sources that require changes will be submitted within 30 days of submitting stack test results, or by April 22, 2021"*. Gold Bond did not submit a revised compliance plan with the April 9, 2021 stack test report. Gold Bond did not submit construction permit applications for DNR review by April 22, 2021.

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16. DNR issued a May 10, 2021, NOV to Gold Bond for the violations of PM and PM10 that occurred during the March 3 through 9, 2021, stack testing. Gold Bond was required to submit construction permit applications to DNR to address all violations by June 1, 2021.

17. On May 27, 2021, Gold Bond's consultant requested an extension of the June 1, 2021, due date for permit applications listed in the May 10, 2021, NOV. The request was denied by DNR via email. DNR also required an updated Compliance Plan and Compliance Schedule be submitted for DNR review. Gold Bond had conveyed to the DNR a change to their compliance strategy. Gold Bond responded that the email had been received and requirements listed in the email would be submitted by June 1, 2021.

18. On June 1, 2021, as required by the May 10, 2021 NOV, Gold Bond submitted Permit Applications to address all of the PM10 violations, to replace the baghouse associated with EP 21, and to conduct stack modifications for Calcidyne Units 1-5 (EPs 21-25). Permit applications were assigned Construction Permit Project No. 21-197. An updated Compliance Plan and Compliance Schedule was not submitted as required by the May 27, 2021 correspondence. Per 567 IAC rule 22.3(1) *Stationary sources other than anaerobic lagoons*, "In no case shall a construction permit which results in an increase in emissions be issued to any facility which is in violation of any condition found in a permit involving PSD, NSPS, NESHAP or a provision of the Iowa state implementation plan. If the facility is in compliance with a schedule for correcting the violation and that schedule is contained in an order or permit condition, the department may consider issuance of a construction permit."

19. July 12, 2021, email correspondence between DNR and Gold Bond discussed reducing PM2.5 and PM10 emission rates on the Plaster Mixer (EP 15) and End Sawing (EP 06) to reduce overall project increases of PM2.5 and PM10 for Project No. 21-197.

20. On July 23, 2021, DNR and Gold Bond met to discuss the Permit Applications. DNR requested that Gold Bond submit an updated Compliance Plan with an enforceable Compliance Schedule.

21. July 29, 2021, email correspondence between DNR and Gold Bond discussed reducing PM and PM10 emission rates for all EPs in Project No. 21-197. In addition, stack testing requirements and the need to submit Permit Applications for EP 15 and EP 06 proposed emission limit reductions were discussed.

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22. On September 28, 2021, as part of Gold Bond's compliance strategy, Gold Bond submitted additional Permit Applications, including the installation of two new baghouses on the Plaster Mixer (EP 15) and Calcidyne No. 4 (EP 24), as well as a Permit Application to reduce PM and PM10 emission limits on EP 06. Construction Permitting Project No. 21-197 was withdrawn and replaced by Construction Permitting Project No. 21-347.

23. In October of 2021, DNR provided draft construction permits for Project No. 21-347 for Gold Bond's review.

24. On October 25, 2021, DNR contacted Gold Bond's consultant to inquire about the status of the requested updated Compliance Plan and Compliance Schedule. Following this discussion, Gold Bond provided a Compliance Plan and Compliance Schedule dated October 25, 2021, which included a timeline for returning to compliance.

25. On March 28, 2022, Gold Bond submitted an updated construction permit application to the DNR for the Plaster Mixer, EP 15. The permit application was submitted to adjust the proposed baghouse on EP 15 from external venting to internal venting.

Summary of Violations

26. Gold Bond has stack tested in violation of PM10 emission limits contained in Construction Permit Nos. 01-A-679-S3 (EP 31-1), 01-A-680-S3 (EP 31-2), 01-A-682-S3 (EP 31-4), 01-A-683-S3 (EP 31-5), 01-A-685-S3 (EP 31-7), 77-A-161-S4 (EP 21), 77-A-163-S4 (EP 23), & 79-A-044-S4 (EP25). The PM10 stack testing conducted on the sources above is also required as representative for the following sources: 01-A-681-S3 (EP 31-3), 01-A-684-S3 (EP 31-6), 77-A-162-S4 (EP 22), and 77-A-164-S4 (EP 24). Therefore, EPs 31-3, 31-6, 22, & 24 also are in violation of construction permit PM10 limits. Calcidyne No. 1, Construction Permit No. 77-A-161-S4 (EP 21), also has stack tested in violation of the permitted PM emission limit.

27. The permitted PM10 emission limits were set to maintain compliance with the National Ambient Air Quality Standards (NAAQS). Gold Bond is currently in violation of PM10 emission limits contained in numerous construction permits and the PM limit stated in Construction Permit No. 77-A-161-S4 (EP 21), as stated above.

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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- 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 IAC 22.3(3) states that a permit may be issued subject to conditions which shall be specified in writing. Such conditions 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 Bond has failed to comply with emission limits contained in air quality construction permits.

4. Per 567 IAC rule 22.3(1) *Stationary sources other than anaerobic lagoons*, "In no case shall a construction permit which results in an increase in emissions be issued to any facility which is in violation of any condition found in a permit involving PSD, NSPS, NESHAP or a provision of the Iowa state implementation plan. If the facility is in compliance with a schedule for correcting the violation and that schedule is contained in an order or permit condition, the department may consider issuance of a construction permit." The required Compliance Schedule is attached to this Administrative Consent Order as Exhibit A.

V. ORDER

THEREFORE, DNR orders and Gold Bond agrees to the following:

1. Gold Bond shall comply with the Compliance Schedule as set forth in the attachment to this Administrative Consent Order as Exhibit A; and

2. In accordance with 567 IAC 24.2(2), within 30 days of the date this order is signed by the director, Gold Bond shall submit to DNR for approval proposed Operation and Maintenance Plans for the control equipment associated with Calcidyne No. 2 (EP 22), Calcidyne No. 3 (EP 23) and Calcidyne No. 5 (EP 25); and

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3. Gold Bond shall submit to DNR for approval proposed Operation and Maintenance Plans for the control equipment associated with Calcidyne No. 1 (EP 21) and Calcidyne No. 4 (EP 24) within 30 days of start-up of the new baghouses for the emission points; and

4. Within 30 days of the date this order is signed by the director, Gold Bond shall pay a penalty of \$10,000.00.

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 30 days of the date this 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 10.2(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 10.2(1) further states, “reasonable estimates of economic benefit should be made where clear data are not available.”

Gold Bond has gained economic benefit by delaying maintenance costs associated with maintaining or replacing control equipment.

Gold Bond has not properly operated or maintained existing control equipment on EP 15, EP 21, and EP 24 since at least the stack testing which occurred on

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October 6 and 7, 2020. Gold Bond has delayed capital investment costs for additional control equipment since at least October 2020. Twelve sources at the Gold Bond facility have been in violation of the PM or PM10 emission limits, also since at least October 2020.

Based on costs estimated using EPA's Air Pollution Control Technology Fact Sheet EPA-452/F-03-025 and current interest rates, it is likely Gold Bond gained economic benefit of at least \$6,000.00.

For these reasons, \$6,000.00 is assessed for economic benefit.

Gravity of the Violation – One of the factors to be considered in determining the gravity of a violation is the amount of penalty authorized by the Iowa Code for that type of violation. As indicated above, substantial civil penalties are authorized by statute. 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.

Gold Bond completed PM and PM10 stack testing on October 6 and 7, 2020, and the PM10 test results demonstrated that Board Kiln Zones 1-7 and Calcidyne Units 1-5 were in violation of the permitted PM10 emission limits. In addition, the Calcidyne units exceeded the permitted PM emission limits. PM10 emission limits were set to be protective of National Ambient Air Quality Standards. Additional testing of the sources in March 2021 verified that these Emission Points continue to violate the PM10 permitted limits. PM & PM10 emission limit violations are ongoing.

Harm to the environment and public health may have occurred due to the amount of PM and PM10 that Gold Bond is emitting above the emission limits set forth in its construction permits.

For these reasons, \$3,000.00 is assessed for gravity.

Culpability – Gold Bond has been out of Compliance with PM and PM10 emission limits since October 6, 2020.

Gold Bond has indicated that three baghouses will be replaced in an attempt to address the PM and PM10 violations.

For these reasons, \$1,000.00 is assessed for culpability.

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VII. WAIVER OF APPEAL RIGHTS

This administrative consent order is entered into knowingly and with the consent of Gold Bond. For that reason, Gold Bond 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, Director
Iowa Department of Natural Resources



Gold Bond Building Products, LLC

Dated this 23RD day of
may, 2022.

DNR Air Quality Bureau; Field Office 2; Anne Preziosi: VII.A.1, VII.A.2.

Exhibit A

Timeline for Returning to Compliance

1. Stack Testing for Unmodified Sources – The following sources will have PM stack testing done within 120 days of issuance of the modified construction permits.

EP ID	Description	IDNR Permit Number	PM _{10/2.5} limit (lb/hr)
06	End Sawing	01-A-678-S2	0.24
31-3	Board Kiln, Zone 3	01-A-681-S4	0.57
31-6	Board Kiln, Zone 6	01-A-684-S4	0.48

2. Initiation of Construction for Modified Sources – Gold Bond will begin construction within 90 days of issuance of revised construction permits for the following changes to the sources in the table below. Gold Bond will submit a start of construction notice to the IDNR to confirm the date of construction.

EP ID	Description	IDNR Permit Number	PM _{10/2.5} limit (lb/hr)	Modification
15	Plaster Mixer	72-A-181-S3	0.21	Replace baghouse
21	Calcidyne #1	77-A-161-S5	0.28	Change stack to vertical and 10 ft from roof, replace baghouse
22	Calcidyne #2	77-A-162-S6	0.28	Change stack to vertical and 10 ft from roof
23	Calcidyne #3	77-A-163-S5	0.28	Change stack to vertical and 10 ft from roof
24	Calcidyne #4	77-A-164-S5	0.28	Change stack to vertical and 10 ft from roof, replace baghouse
25	Calcidyne #5	79-A-044-S5	0.28	Change stack to vertical and 10 ft from roof

3. Complete Construction for Modified Sources – The modifications given for the sources in the table in #2 above will be completed within 90 days from the start of construction. Gold Bond will submit a start of operation notice to the IDNR to confirm the date that construction is complete.
4. Stack Testing for Modified Sources – Gold Bond will complete any stack testing required by the revised construction permits within 60 days of achieving maximum production rate, or within 180 days of permit issuance, whichever is sooner.