

**IOWA DEPARTMENT OF NATURAL RESOURCES  
ADMINISTRATIVE CONSENT ORDER**

<b>IN THE MATTER OF:</b>  <b>WELLMAN DYNAMICS CORP., A wholly-owned subsidiary of Fansteel.</b>	<b>ADMINISTRATIVE CONSENT ORDER</b>  NO. 2007-AQ- 16
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<b>TO:</b> CT Corporation System Registered Agent for Wellman Dynamics Corp. 2222 Grand Avenue Des Moines, IA 50312	Wellman Dynamics Corp. Mr. David Leitten General Manager 1746 Commerce Road Creston, Iowa 50801
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**I. SUMMARY**

This administrative consent order is entered into between the Iowa Department of Natural Resources (DNR) and Wellman Dynamics Corp. (Wellman) for the purpose of resolving the Prevention of Significant Deterioration (PSD) permitting, emissions testing, operating limits and National Emissions Standards for Hazardous Air Pollutants (NESHAP) violations which occurred at Wellman's Creston, Iowa, site. In the interest of avoiding litigation, the parties have agreed to the provisions below.

Questions regarding this administrative consent order should be directed to:

**Relating to technical requirements:**  
Dennis Thielen, Air Quality Bureau  
Iowa Department of Natural Resources  
7900 Hickman Road, Suite 1  
Urbandale, Iowa 50322  
Phone: 515/281-4899

**Relating to legal requirements:**  
Anne Preziosi, Attorney for the DNR  
Iowa Department of Natural Resources  
7900 Hickman Road, Suite 1  
Urbandale, Iowa 50322  
Phone: 515/281-8563

**Payment of penalty to:**  
Iowa Department of Natural Resources  
Henry A. Wallace Building  
Des Moines, Iowa 50319-0034

**II. JURISDICTION**

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

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567 Iowa Administrative Code (IAC) chapter 10, which authorize the director to assess administrative penalties, DNR has jurisdiction to issue this administrative consent order.

**III. STATEMENT OF FACTS**

1. Wellman operates a facility in Creston, Iowa that manufactures aluminum and magnesium sand castings. Some of the sources at this facility include sand mixers, sand silos, sand reclamation units, sand blast cabinets, welding stations, magnesium and aluminum furnaces, acid pickle dip tanks, and a chill spray booth. According to Title V regulations Wellman meets the classification of a major source due to potential annual emissions exceeding 100 tons per year.
2. A 1982 project completed by Wellman resulted in an increase in potential volatile organic compounds (VOC) emissions of more than 250 tons per year (tpy). Wellman added three Mixers and two Silos, resulting in an increase of 2007.4 tpy VOC. The potential emissions from this project would have necessitated a PSD review.
3. A 1985 project completed by Wellman resulted in an increase in potential particulate matter (PM) and particulate matter up to 10 micrometers in size (PM<sub>10</sub>) emissions. The addition of OMCO Sand Mixer, Tumble Blast, Wheelabrator Blast Cabinet and Sand Reclamation Unit resulted in an increase of 25.66 tpy of PM and PM<sub>10</sub>, necessitating a PSD major modification review.
4. A 2000 project completed by Wellman resulted in an increase in potential VOC emissions greater than the PSD major modification thresholds. Wellman added a Palmer Mixer believing that the associated emission point, with multiple emission units, had a VOC limit of 39 tpy. The emission point was not previously permitted with the limit resulting in an increase in potential emissions of 39.56 tpy VOC, necessitating a PSD major modification review.
5. A December 13, 2001 Consent Agreement and Final Order was entered into by Wellman and EPA Region VII to resolve a complaint filed by EPA Region VII that Wellman violated federal notification requirements under 40 Code of Federal Regulations (CFR) 63.468(a) and operational requirements of 40 CFR 63.463(a)(7). To achieve compliance with 40 CFR 63.468(a) Wellman temporarily used a non-halogenated solvent, which prompted the reduced penalty of \$34,000 by the EPA Region VII. Wellman has since received construction permits and installed a new solvent degreasing unit that operates using perchloroethylene and complies with 40 CFR 63 Subpart T National Emission Standards for Halogenated Solvent Cleaning.
6. Administrative Order 2002-AQ-31 was issued by DNR to Wellman on May 28, 2002 for violations of construction and Title V operating permits. The order required Wellman to comply with all permit conditions, to report deviations from permit conditions, submit as-built permits for unpermitted units within 30 days, and in the future comply with air quality construction permit requirements.

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7. An August 13, 2002 Notice of Violation (NOV) was issued by DNR to Wellman for failure to obtain construction permits prior to construction of the Core Drying Stations (EP24).

8. A March 27, 2003 Annual Compliance Certification submitted by Wellman for the year 2002 indicated that a batch vapor degreaser (EP20) failed to comply with the temperature requirement for NESHAP Subpart T. A March 8, 2006 letter from DNR informed Wellman as to this condition. Wellman failed to demonstrate compliance with the construction permit or the NESHAP method chosen. The permit was modified on April 3, 2006. Wellman was thus in compliance on April 3, 2006.

On March 20, 2006 Wellman submitted an alternative compliance monitoring method to comply with the halogenated solvent NESHAP requirements of 40 CFR 63 Subpart T. This new monitoring plan detailed in 40 CFR 63.464(a)(2) of NESHAP Subpart T requires a 3-month rolling sum solvent usage limit. The new monitoring plan replaced the original permitted monitoring plan detailed in 40 CFR 63.463(e) (2) (vi) (A) which required that the temperature at the center of the superheated vapor zone be at least 10°F above the solvent's boiling point. The operation of the solvent degreaser has not changed since its installation in the year 2000, but a March 27, 2003 Annual Compliance Certification submitted by Wellman for the year 2002 indicated that a batch vapor degreaser (EP20) failed to comply with the temperature requirement for NESHAP Subpart T. Wellman completed work and investigations with the manufacturer to increase the operating temperature of the degreaser. This work resulted in finding no functional problems with the operation of the degreaser unit and that the maximum operating range of the unit is below the required temperature. As a result the current NESHAP monitoring plan for solvent usage was adopted, and although the temperature NESHAP monitoring plan was not met Wellman has documentation of a solvent usage log that shows the 3-month rolling usage limit has not been exceeded. This usage log shows that the operation of the degreaser was in compliance with the halogenated solvent NESHAP requirements of 40 CFR 63 Subpart T.

9. On June 1, 2004 Wellman submitted to DNR as-built construction permit applications for Silo D, Silo C, Palmer Mixer, Inhibitor Mixer, 10 Metal Pouring/Casting Cooling Areas, Heat Treat (1, 2, and 3), EDC Mixer, and West Cell Mixer. The newest of those units was installed in 2001, the oldest was installed in 1971.

10. A June 16, 2004 NOV was issued by DNR to Wellman for violations of inspection requirements, failure to timely submit reports, failure to timely submit a renewal application, and failure to obtain construction permits for the aluminum melt roof vents, the magnesium melt roof vents, the pouring vents, the core bake oven, the zygo power booth, the inhibitor booth, the palmer mixer, and the acid etch pickle exhaust system.

11. A June 12, 2006 NOV was issued by DNR to Wellman for failure to apply for PSD permits. The NOV was issued after Wellman submitted an April 12, 2006 spreadsheet for PSD evaluations and submitted April 27, 2006 applications to resolve the permitting issues.

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The information offered showed that Wellman's actual emissions have never been above the PSD major source threshold for any criteria pollutant. However, Wellman does not have federally enforceable emissions limits demonstrating its synthetic minor status. Wellman has elected to take limits to make the facility a synthetic minor for PSD purposes. It has submitted construction permit applications which currently are being processed by DNR.

12. An August 28, 2006 NOV was issued by DNR to Wellman for violation of permit conditions after an August 21, 2006 monitoring report submitted by Wellman to DNR indicated that Wellman had exceeded the hours of operation permitted by Condition 14 of Permit No. 01-A-771.

13. DNR received Wellman's final dispersion modeling on February 12, 2007 for its facility in Creston, Iowa.

14. On April 27, 2007 Wellman submitted an application to DNR to install a new Baghouse on EP10, calciner/cooler/classifier as part of a plan to get the facility in compliance with the PM<sub>10</sub> NAAQS

**IV. CONCLUSIONS OF LAW**

1. Iowa Code section 455B.133 provides that the Environmental Protection Commission shall establish rules governing the quality of air and emission standards. The Commission has adopted 567 IAC chapters 20-30 relating to air quality.

2. Pursuant to Iowa Code Section 455B.133, the provisions of the Prevention of Significant Deterioration (PSD) of Air Quality program have been adopted by reference by DNR at 567 IAC 22.4. According to the provisions of 40 CFR 52.21(i)(1), existing major stationary sources are required to obtain PSD permits prior to initiating major modifications. 40 CFR 52.21(b)(1)(i) defines a "major stationary source," for purposes of the PSD permitting program, as any stationary source of air contaminants that emits, or has the potential to emit, 250 tons per year or more of any regulated pollutant. Wellman's 1982 additions caused potential emission levels at the facility to exceed this amount. Therefore, this facility is a major stationary source for PSD review. A major modification is defined at 40 CFR 52.21(b)(2)(i) as "any physical change in or change in the method of operation of a major stationary source which would result in any significant net emissions increase of any pollutant subject to regulation under the [Clean Air] Act." Wellman's 1985 and 2000 additions caused emissions levels at the facility to increase such that PSD major modification review should have occurred in both instances. On April 27, 2006, Wellman submitted construction permit applications which would allow it to be considered a synthetic minor source with federally enforceable emissions limits. The above facts indicate violations of these provisions.

3. Pursuant to Iowa Code sections 455B.133 and 455B.134, 567 IAC 22.1(1) requires that a person who constructs, installs, reconstructs or alters equipment or control equipment must first obtain an air quality construction permit from the DNR, unless an exemption applies.

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During the period 1970 to 2001 Wellman installed or modified multiple units without first obtaining a construction permit. Administrative Order 2002-AQ-31, issued on May 28, 2002, addressed permitting violations by Wellman. An August 13, 2002 NOV and a June 16, 2004 NOV were issued for similar violations. The above facts indicate violations of this provision.

4. Pursuant to Iowa Code sections 455B.133 and 455B.134, 567 IAC 23.1(4) adopts by reference the National Emission Standards for Hazardous Air Pollutants (NESHAP) found at 40 CFR part 63. 40 CFR 63.463(e)(2)(vi)(A) of Subpart T requires Wellman to maintain the temperature of the solvent at the center of the superheated vapor zone at least 10°F above the solvent's boiling point. The solvent used by Wellman has a boiling point of 250°F. Wellman reported noncompliance with this requirement on March 27, 2003. Wellman did not abate this violation until March 20, 2006. The above facts indicate violations of this provision.

5. Pursuant to Iowa Code §§ 455B.133 and 455B.134, 567 IAC 22.3(3) provides that a construction permit may be issued subject to conditions that may be specified in the permit. Such conditions may include, but are not limited to, emission limits, operating conditions, fuel specifications, compliance testing, continuous monitoring, and excess emission reporting. Permit No. 01-A-771 requires that Wellman's operation of Sand Blast Cabinets (EP18) not exceed 15 hours per day and 4680 hours in any rolling 12-month period. Wellman's Semi-Annual Monitoring Report supplied to DNR on August 21, 2006 indicated that Wellman had exceeded these hours of operation. The above facts indicate violations of this provision and the associated permit.

**V. ORDER**

THEREFORE, it is hereby ordered and Wellman agrees to do the following:

1. Respond within 15 days to any requests for information from DNR regarding the construction permit application submitted on April 27, 2007;
2. Meet with DNR twice during the year following issuance of construction permits. The first meeting must take place before December 1, 2007 and the second before May 1, 2008;
3. Comply with air quality construction permit requirements in the future;
4. Comply with Title V permitting requirements in the future;
5. Comply with PSD permitting requirements in the future;
6. Comply with all applicable NESHAP requirements in the future; and
7. Pay a penalty of \$10,000.00 within 60 days of the date the director signs this administrative consent order.

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**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 effective 30 days from the date this order is signed by the director. The penalty shall be paid within 60 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 that provision.

Iowa Code section 455B.109 authorizes the Environmental Protection 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 chapter, 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 – Wellman was able to conserve time, effort and money by not properly evaluating construction permits that met PSD status and by not complying with operating limits. Wellman was able to put new units into use earlier than otherwise possible, and operated without possible limitations by not obtaining construction permits before beginning construction. Based on the above considerations, \$2,000.00 is assessed for this factor.

Gravity of the Violation – Wellman's failure to obtain construction permits and evaluate permits that met PSD status prior to beginning construction of new units resulted in the improper evaluation of the potential emissions and ambient air impacts from these sources. Not being able to review these projects before construction inhibited the DNR's ability to determine whether these sources met all applicable emissions limits and operating requirements. Violations of these types threaten the integrity of the regulatory program, as well as the health of nearby residents. Based on the above considerations, \$5,500.00 is assessed for this factor.

Culpability – Wellman has obtained numerous construction permits and is aware of the DNR's requirements. Additionally, Wellman was issued an administrative order in 2002 for violations relating to its Title V permit, including permitting requirements. Wellman has a duty to remain alert to the possibility that its conduct is subject to DNR's regulation. Based on the above considerations, \$2,500.00 is assessed for this factor.

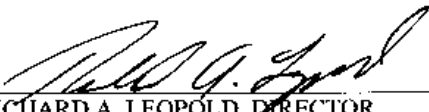
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**VII. WAIVER OF APPEAL RIGHTS**

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

**VIII. NONCOMPLIANCE**

Failure to comply with this 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. DNR reserves the right to bring enforcement action, including penalties, or to request that the attorney general initiate legal action to address other violations not described in Section "IV. Conclusions of Law" of this administrative consent order but which may arise from the facts summarized in Section "III. Statement of Facts" of this administrative consent order. DNR specifically reserves the right to pursue enforcement action, including penalties, for any current violations not specifically cited in this order.

  
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RICHARD A. LEOPOLD, DIRECTOR  
Iowa Department of Natural Resources

Dated this 8 day of  
August, 2007.

  
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for Wellman Dynamics Corp.

Dated this 30 day of  
July, 2007.

88-001-002; Anne Preziosi; Dennis Thielen; EPA; VII.A.1; VII.A.2