

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

IN THE MATTER OF:

**PELLA CORPORATION**

**Facility #14-01-010  
Carroll County, Iowa**

ADMINISTRATIVE CONSENT ORDER

NO. 2009-AQ-17

TO: Corporation Service Company, Registered Agent  
Pella Corporation  
729 Insurance Exchange Building  
Des Moines, Iowa 50309

Denny Van Zanten, Facility Contact  
Pella Corporation  
102 Main Street  
Pella, Iowa 50219

**I. SUMMARY**

This administrative consent order is entered into between the Iowa Department of Natural Resources (DNR) and Pella Corporation for the purpose of resolving air quality violations at Pella Corporation's facility located in Carroll, Iowa. 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:**  
Reid Bernel, Environmental Specialist  
Iowa Department of Natural Resources  
7900 Hickman Road, Suite 1  
Urbandale, Iowa 50322  
Phone: 515/281-4918

**Relating to legal requirements:**  
Kelli Book, Attorney  
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  
502 East Ninth Street  
Des Moines, Iowa 50319-0034

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**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 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. Pella Corporation has five facilities in the state of Iowa. One of the facilities is located in Carroll, Iowa (Pella Carroll). The Pella Carroll facility manufactures windows. The facility has numerous air emission sources, including paint booths, paint kitchens, drying ovens, flash ovens, cooling ovens, and UV Coaters. Pella Carroll is a major source of particulate matter (PM), particulate matter up to 10 microns in size (PM<sub>10</sub>), and volatile organic compounds (VOC) pursuant to Title V of the Clean Air Act.

2. On October 15, 2007, DNR issued Pella Carroll Air Quality Permit Number 91-A-327-S6 for the addition of two units (EU 29 and EU 30). The construction permit included the following equipment: Drying Room (EU-7), Wood Dip/Dry – Frame In-Line (EU 29), Wood Dip/Dry – Sash In-Line (EU 30), and Wood Dip/Dry – Fix Frame In-Line (EU 31). The control equipment included in the construction permit was a catalytic oxidizer. The catalytic oxidizer was included to control VOC and hazardous air pollutants (HAPs) emissions. Conditions 9 and 14 of the construction permit required that the catalytic oxidizer achieve at least 95% destruction efficiency. Condition 12 of the construction permit required that the facility conduct a stack test on the catalytic oxidizer no later than 90 days after the start-up of the equipment. The stack test was required to verify that the catalytic oxidizer was achieving at least 95% destruction efficiency. Condition 14 of the construction permit required that the inlet gas temperature range of the catalytic oxidizer main combustion chamber operate between 552° F and 748° F.

3. On October 30, 2007, Pella Carroll submitted an equipment startup notification for EU 29, and on December 21, 2007, Pella Carroll submitted an equipment startup notification for EU 30.

4. On April 9, 2008, Pella Carroll completed the required stack testing on the catalytic oxidizer. On May 13, 2008, Pella Carroll submitted the stack test results for the catalytic oxidizer. The results indicated that the catalytic oxidizer's destruction efficiency rate was 90.3%. Based on emissions data submitted by Pella Carroll it has been determined Pella Carroll emitted an additional 3.6 tons of VOCs because of the lower destruction efficiency.

5. On June 13, 2008, DNR issued a Notice of Violation letter to Pella Carroll for failing to meet the permit requirements for the destruction efficiency of the catalytic oxidizer.

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The letter required Pella Carroll to submit a written compliance plan by July 11, 2008. The DNR later determined that the letter from Pella Carroll dated May 13, 2008 satisfied the compliance plan requirement.

6. On August 28, 2008, Pella Carroll conducted another stack test on the catalytic oxidizer. On October 6, 2008, Pella Carroll submitted the stack test results for the catalytic oxidizer. The results indicated that the catalytic oxidizer's destruction efficiency rate was 98.8%.

7. Pella Corporation has been issued several Notice of Violation letters in the past for failing to comply with air quality construction permit requirements. On June 16, 1995, DNR issued Pella Corporation a Notice of Violation letter for its Pella facility. The facility failed to meet construction permit limits for a paint booth. On January 30, 1998, DNR issued Pella Corporation a Notice of Violation letter for its Carroll facility. The facility failed to meet construction permit limits for control efficiencies of VOCs. On April 7, 2008, DNR issued Pella Corporation a Notice of Violation letter for its Pella facility. The facility failed to meet construction permit limits for the destruction efficiency of the catalytic oxidizer. Pella Corporation has received at least 15 other Notice of Violation letters for its facilities for other air quality violations, including construction without a permit, excess emissions, late submittals and recordkeeping. Additionally, Pella Corporation entered into an administrative consent order with DNR in 2004 for its Carroll facility. The facility exceeded the plant wide HAP limit. Currently, Pella Corporation has a pending enforcement action with DNR for its Shenandoah facility. The pending violation is for construction prior to obtaining air quality construction permits.

#### 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 20-34 relating to air quality.

2. 567 IAC 22.3(3) states that a permit may be issued subject to conditions which shall be specified in writing. Air quality construction permits contain operating and emission limits. Such conditions may include but are not limited to emission limits, operation conditions, fuel specifications, compliance testing, continuous monitoring, and excess emission reporting. Conditions 9 and 14 of Air Quality Construction Permit Number 91-A-327-S6 require that the catalytic oxidizer had a 95% destruction efficiency. The April 2008 stack tests indicated that the destruction efficiency of the catalytic oxidizer was only 90.3%. The above-mentioned facts indicate a violation of the construction permit and this provision.

#### V. ORDER

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

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1. Pella Corporation shall install an automated temperature recorder on the main combustion chamber of the catalytic oxidizer to ensure the temperature range is in compliance with Condition 14 of the construction permit; and
2. Pella Corporation shall pay a penalty of \$4,500.00 within 30 days of the date the Director signs this administrative consent order.

**VI. PENALTY**

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 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, 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 a \$4,500.00 penalty. The administrative penalty assessed by this administrative consent order is determined as follows:

Economic Benefit – Pella Carroll has saved time and money by failing to ensure that the catalytic oxidizer is working properly. It has delayed the maintenance on the oxidizer and has realized an economic benefit for the delay. Therefore, \$500.00 is assessed for this factor.

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, the DNR has decided to handle the violations administratively at this time, as the most equitable and efficient means of resolving the matter. Pella Carroll's failure to meet the required destruction efficiency resulted in added emissions that may have contributed to possible adverse health and environmental impacts in the areas. This violation threatens the integrity of the air quality regulatory program because compliance with the regulations is required of all persons in this state. Based on the above considerations, \$2,300.00 is being assessed for this factor.

Culpability – Pella Carroll has a duty to remain knowledgeable of DNR's requirements and to be alert to the probability that its conduct is subject to DNR's rules. Pella Carroll has numerous air quality construction permits and is aware that the facility must comply with all the conditions in the permits. Additionally, this facility has been issued a Notice of Violation letter in the past for failing to meet a construction permit limit, and has been issued an administrative consent order for failing to meet a facility-wide emission limit. Based on the above considerations, \$1,700.00 is assessed for this factor.

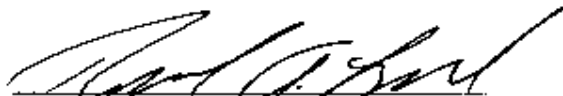
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**VII. WAIVER OF APPEAL RIGHTS**

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

**VIII. NONCOMPLIANCE**

Compliance with Section V of this administrative consent order constitutes full satisfaction of all requirements pertaining to the violations described in this administrative consent order. Failure to comply with this administrative consent order may result in the imposition of administrative penalties pursuant to an administrative order or referral to the Attorney General to obtain injunctive relief and civil penalties pursuant to Iowa Code sections 455B.146.

  
RICHARD A. LEOPOLD, DIRECTOR  
Iowa Department of Natural Resources

Dated this 27 day of  
May, 2009.

  
PELLA CORPORATION

Dated this 20th day of  
May, 2009.

Barb Stock (Facility #14-01-010); Kelli Book; Reid Bermel, DNR Air Quality; DNR Field Office 4; EPA; VII.A.2