

IN THE IOWA DISTRICT COURT FOR POTTAWATTAMIE COUNTY

STATE OF IOWA, ex rel., IOWA)
DEPARTMENT OF NATURAL)
RESOURCES,)
)
Plaintiff,)
)
vs.)
)
OSI INDUSTRIES, L.L.C.,)
)
Defendant.)

LAW NO. CVCV 104114

NOTE: Decree issued by
District Judge Greg Steensland
on 12/8/10

**CONSENT ORDER,
JUDGMENT AND DECREE**

NOW on this ___ day of _____, 2010, the Court is presented with the Plaintiff's Petition at Law seeking civil penalties and injunctive relief pursuant to Iowa Code sections 455B.146, 455B.191(2) and 455B.191(5). The Court having read the Petition and being otherwise advised by the parties FINDS:

1. The Court has jurisdiction of the parties and the subject matter of this action and the parties consent to the entry of this Consent Order, Judgment and Decree.
2. The Defendant admits, for purposes of settlement and this action only, the violations alleged in paragraphs sixty-one (61) through sixty-nine (69) of the Petition at Law, pertaining to its Oakland, Iowa, facility only.
3. The Defendant states that the violations admitted herein were unintentional and that Defendant has worked cooperatively and in a timely manner with the Iowa Department of Natural Resources (IDNR) to address the violations. The Defendant further states that it has modified two anaerobic lagoon cells to optimize their usage; modified existing facilities to implement a Surge Anoxic Mix (SAM) unit, a Sequencing Batch Reactor (SBR) unit, and a disinfection unit to obtain more control over the wastewater treatment process; installed

dechlorination equipment; and hired a wastewater treatment operator.

THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED THAT:

4. Defendant OSI Industries, L.L.C. shall pay a civil penalty of Two Hundred Twenty-Five Thousand and no/100 dollars (\$225,000.00) for the violations alleged in the Petition at Law within ten (10) days of the entry of this Consent Order, Judgment and Decree. The Defendant shall also pay interest pursuant to Iowa Code section 535.3(1) on any unpaid balance. Payment of the civil penalty and any interest shall be made payable to the State of Iowa and forwarded to Assistant Attorney General Jacob Larson at the address below.

5. Defendant OSI Industries, L.L.C. is permanently enjoined from further violations of Iowa Code sections 455B.134(3)(a) and 455B.186(1), 567 Iowa Admin. Code 22.1(1), 22.101(1)(b), 22.105(1)(a)(6), 61.3(2)“b”-“c”, 64.3(1), and 64.8(1), and NPDES Permit No. 7856100 and as amended, at its Oakland, Iowa facility.

6. Defendant shall comply with Air Quality Construction Permit Nos. 08-A-089, 08-A-090, 08-A-091, 08-A-092, 08-A-093, 08-A-094, 08-A-095, 08-A-096, 08-A-097, 08-A-098, 08-A-099, 08-A-100, 08-A-101, 08-A-102, 08-A-103, 08-A-104, 08-A-105, 08-A-106, 08-A-107, 08-A-108, 08-A-109, 08-A-110, 08-A-111, 08-A-112, 08-A-140, 08-A-141, and any amendments to said permits.

7. Defendant has submitted a Waste Water Construction Permit Application to install equipment to begin measuring the twenty-four (24) hour total flow for effluent in compliance with NDPEs Permit No. 7856100.

8. Defendant shall properly operate and maintain all wastewater treatment facilities at its Oakland, Iowa, facility, including, but not limited to, the Sequencing Batch Reactor (SBR), the North and South Anaerobic lagoons, and any Dissolved Air Flotation (DAF) equipment, in compliance with NDPEs Permit No. 7856100.

9. Defendant shall report any noncompliance at its Oakland, Iowa, facility that may endanger human health or the environment to the IDNR within twenty-four (24) hours of becoming aware of the noncompliance, in compliance with Condition 14 of NPDES Permit No. 7856100.

10. Defendant shall provide notice to the IDNR of changed conditions at the facility that may result in new or increased discharges of pollutants, in compliance with Condition 17(a) of NPDES Permit No. 7856100.

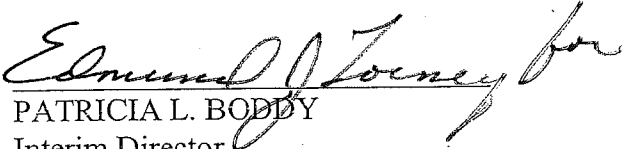
11. The Court retains jurisdiction of this matter to ensure compliance with the terms of this Order.

12. The costs of this action are taxed to the Defendant in the amount of \$ _____.
(Clerk to enter).

JUDGE, Fourth Judicial District of Iowa

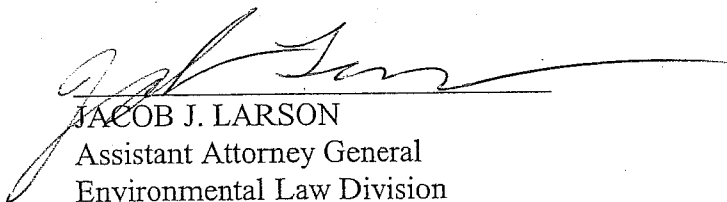
Approved as to form:

IOWA DEPARTMENT OF
NATURAL RESOURCES



PATRICIA L. BOBBY
Interim Director

THOMAS J. MILLER
Attorney General of Iowa

DAVID R. SHERIDAN
Assistant Attorney General


JACOB J. LARSON
Assistant Attorney General
Environmental Law Division

OSI INDUSTRIES, L.L.C.


MIKE KORANDA
AVP & General Manager

SHUTTLEWORTH &
INGERSOLL, P.L.C.


STEVEN J. PACE
115 - 3rd Street S.E., Suite 500
Cedar Rapids, IA 52401
Phone: (319) 365-9461
Fax: (319) 365-8725
E-mail: sjp@shuttleworthlaw.com

Lucas State Office Building
321 E. 12th Street, Ground Flr.
Des Moines, IA 50319
Phone: (515) 281-5351
Fax: (515) 242-6072

E-mail: jlarrison@ag.state.ia.us
ATTORNEYS FOR PLAINTIFF,
STATE OF IOWA, ex rel., IOWA
DEPARTMENT OF NATURAL
RESOURCE

ATTORNEYS FOR DEFENDANT