



## II. PRELIMINARY STATEMENT

2.1. In accordance with 40 C.F.R. §§ 22.13(b) and 22.18(b), issuance of this Consent Agreement commences this proceeding, which will conclude when the Final Order becomes effective.

2.2. The Director of the Office of Compliance and Enforcement, EPA Region 10 (“Complainant”) has been delegated the authority pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), to sign consent agreements between EPA and the party against whom an administrative penalty for violations of the CAA is proposed to be assessed.

~~2.3. Part III of this Consent Agreement contains a concise statement of the factual and~~  
legal basis for the alleged violations of the CAA together with the specific provisions of the CAA and the implementing regulations that Respondent is alleged to have violated.

## III. ALLEGATIONS

3.1. Pursuant to Sections 301(a) and 301(d)(4) of the CAA, EPA has adopted air quality regulations that apply to air pollution sources on Indian Reservations in Idaho, Oregon, and Washington, which are codified at 40 C.F.R. Part 49, Subparts C and M. These rules are known as the Federal Air Rules for Reservations (“FARR”) and became effective on June 7, 2005.

3.2. The FARR provisions that apply on the Yakama Reservation are incorporated by reference at 40 C.F.R. § 49.11110.

3.3. 40 C.F.R. § 49.138, the rule for registration of air pollution sources and the reporting of emissions, incorporated by reference at 40 C.F.R. § 49.11110, requires a person who owns or operates an air pollution source subject to the requirement to register the air pollution

source with the EPA Regional Administrator by no later than February 15, 2007, if the source existed on the effective date of the regulatory provision, or within 90 days after beginning operation, in accordance with the requirements set out in 40 C.F.R. § 49.138(e).

3.4. An air pollution source is subject to the requirements of 40 C.F.R. § 49.138(d) if it does not meet the exemptions listed in 40 C.F.R. § 49.138(c).

3.5. 40 C.F.R. § 49.138(d), which is incorporated by reference at 40 C.F.R. § 49.11110, requires any person who owns or operates an air pollution source subject to this section on the Yakama Reservation, except for Part 71 sources (major sources), to register the source with the Regional Administrator in accordance with the requirements set out in 40 C.F.R. § 49.138(e).

3.6. 40 C.F.R. § 49.123(a), incorporated by reference at 40 C.F.R. § 49.11110, defines “owner or operator” as any person who owns, leases, operates, controls, or supervises an air pollution source.

3.7. Respondent is a corporation, registered in the State of Washington, and is a “person” as defined in Section 302(e) of the CAA, 42 U.S.C. § 7602(e).

3.8. Respondent owns a facility on the Yakama Reservation, located at 210 S. Track Road, Toppenish, Washington, that is not a Part 71 source, as defined in 40 C.F.R. § 49.123.

3.9. Respondent has operated the facility located at 210 S. Track Road, Toppenish, Washington since at least 2010.

3.10. Respondent emits more than two tons of an air pollutant per year, and does not meet the exemptions listed in 40 C.F.R. § 49.138(c), and is therefore subject to the rule for the registration of air pollution sources and the reporting of emissions.

3.11. Respondent did not submit its initial FARR registration to the Regional Administrator until September 24, 2015.



3.12. The failure to submit an initial registration of an air pollution source within 90 days after beginning operation is a violation of 40 C.F.R. § 49.138(e)(1). Therefore, Respondent violated 40 C.F.R. § 49.138(e)(1), incorporated by reference at 40 C.F.R. § 49.11110.

3.13. Under Section 113(d) of the CAA, 42 U.S.C. § 7413(d), and 40 C.F.R. Part 19, EPA may assess a civil penalty of not more than \$37,500 per violation per day.

#### **IV. TERMS OF SETTLEMENT**

4.1. For purposes of this proceeding, Respondent admits the jurisdictional allegations ~~of this Consent Agreement.~~

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4.2. Respondent neither admits nor denies the specific factual allegations contained in this Consent Agreement.

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4.3. As required by Section 113(e)(1) of the CAA, 42 U.S.C. § 7413(e)(1), EPA has taken into account the size of the business, the economic impact of the penalty on the business, Respondent's full compliance history and good faith efforts to comply, the duration of the violation as established by any credible evidence, payment by Respondent of penalties previously assessed for the same violation, the economic benefit of noncompliance, the seriousness of the violation, and such other factors as justice may require. After considering these factors, EPA has determined and Respondent agrees that an appropriate penalty to settle this action is \$3,052.

4.4. Respondent agrees to pay the total civil penalty set forth in Paragraph 4.3 within 30 days of the effective date of the Final Order.

4.5. Payment under this Consent Agreement and the Final Order may be paid by check (mail or overnight delivery), wire transfer, ACH, or online payment. Payment instructions are available at: <http://www2.epa.gov/financial/makepayment>. Payments made by a cashier's check

or certified check must be payable to the order of "Treasurer, United States of America" and delivered to the following address:

U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
P.O. Box 979077  
St. Louis, Missouri 63197-9000

Respondent must note on the check the title and docket number of this action.

4.6. Concurrently with payment, Respondent must serve photocopies of the check, or proof of other payment method, described in Paragraph 4.5 on the Regional Hearing Clerk and EPA Region 10 at the following addresses:

Regional Hearing Clerk  
U.S. Environmental Protection Agency  
Region 10, Mail Stop ORC-113  
1200 Sixth Avenue, Suite 900  
Seattle, Washington 98101  
[luna.teresa@epa.gov](mailto:luna.teresa@epa.gov)

Aaron Lambert  
U.S. Environmental Protection Agency  
Region 10, Mail Stop OCE-101  
1200 Sixth Avenue, Suite 900  
Seattle, Washington 98101  
[lambert.aaron@epa.gov](mailto:lambert.aaron@epa.gov)

4.7. If Respondent fails to pay any portion of the penalty assessed by this Consent Agreement and the Final Order in full by its due date, the entire unpaid balance of penalty and accrued interest shall become immediately due and owing. If such a failure to pay occurs, Respondent may be subject to a civil action pursuant to Section 113(d)(5) of the CAA, 42 U.S.C. § 7413(d)(5), to collect the assessed penalty under the CAA. In any collection action, the validity, amount, and appropriateness of the penalty shall not be subject to review.

4.8. If Respondent fails to pay any portion of the penalty assessed by this Consent Agreement and the Final Order in full by its due date, Respondent shall be responsible for payment of the following amounts:

4.8.1. Interest. Any unpaid portion of the assessed penalty shall bear interest at the rate established pursuant to 26 U.S.C. § 6621(a)(2) from the effective date of the Final Order, provided, however, that no interest shall be payable on any portion of the assessed penalty that is paid within 30 days of the effective date of the Final Order contained herein.

4.8.2. Attorneys Fees, Collection Costs, Nonpayment Penalty. Pursuant to 42 U.S.C. § 7413(d)(5), should Respondent fail to pay the assessed penalty and interest on a timely basis, Respondent shall also be required to pay the United States' enforcement expenses, including but not limited to attorneys fees and costs incurred by the United States for collection proceedings, and a quarterly nonpayment penalty for each quarter during which such failure to pay persists. Such nonpayment penalty shall be ten percent of the aggregate amount of Respondent's outstanding penalties and nonpayment penalties accrued from the beginning of such quarter.

4.9. The penalty described in Paragraph 4.3, including any additional costs incurred under Paragraph 4.8, represents an administrative civil penalty assessed by EPA and shall not be deductible for purposes of federal taxes.

4.10. The undersigned representative of Respondent certifies that he or she is authorized to enter into the terms and conditions of this Consent Agreement and to bind Respondent to this document.

4.11. Except as described in Paragraph 4.8, each party shall bear its own costs and attorneys fees in bringing or defending this action.



4.12. Respondent expressly waives any right to contest the allegations contained in this Consent Agreement and to appeal the Final Order.

4.13. The provisions of this Consent Agreement and the Final Order shall bind Respondent and its agents, servants, employees, successors, and assigns.

4.14. Respondent consents to the issuance of any specified compliance or corrective action order, and to any stated permit action.

4.15. The above provisions in Part IV are STIPULATED AND AGREED upon by Respondent and EPA Region 10.

DATED:

5/16/2016

FOR RESPONDENT:



Name: Peter Mutschler

Position: Environment and Safety Director  
CHS Inc.

DATED:

6/2/2016

FOR COMPLAINANT:



EDWARD J. KOWALSKI, Director  
Office of Compliance and Enforcement  
EPA Region 10

BEFORE THE  
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

In the Matter of:	)	DOCKET NO. CAA-10-2016-0063
	)	
CHS Inc.,	)	<b>FINAL ORDER</b>
	)	
Toppenish, Washington,	)	
	)	
Respondent.	)	

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1.1. The Administrator has delegated the authority to issue this Final Order to the Regional Administrator of EPA Region 10, who has re delegated this authority to the Regional Judicial Officer in EPA Region 10.

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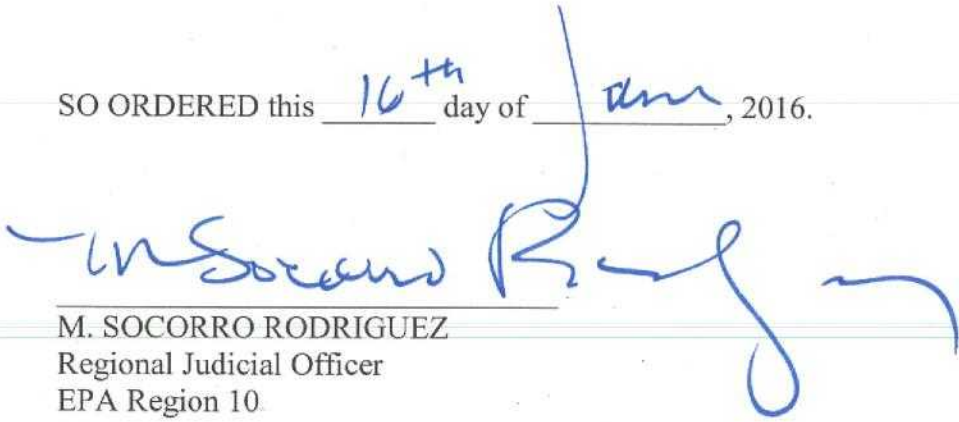
1.2. The terms of the foregoing Consent Agreement are ratified and incorporated by reference into this Final Order. Respondent is ordered to comply with the terms of settlement.

1.3. This Consent Agreement and this Final Order constitute a settlement by EPA of all claims for civil penalties under the CAA for the violations alleged in Part III of the Consent Agreement. In accordance with 40 C.F.R. § 22.31(a), nothing in this Final Order shall affect the right of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Final Order does not waive, extinguish, or otherwise affect Respondent's obligations to comply with all applicable provisions of the CAA and regulations promulgated or permits issued thereunder and any applicable implementation plan requirements.



1.4. This Final Order shall become effective upon filing with the Regional Hearing Clerk.

SO ORDERED this 16<sup>th</sup> day of Jan, 2016.

A handwritten signature in blue ink, appearing to read "M. Socorro Rodriguez", is written over a horizontal line. The signature is fluid and cursive.

M. SOCORRO RODRIGUEZ  
Regional Judicial Officer  
EPA Region 10.

Certificate of Service

The undersigned certifies that the original of the attached **CONSENT AGREEMENT AND FINAL ORDER, In the Matter of: CHS Inc., Docket No.: CAA-10-2016-0063**, was filed with the Regional Hearing Clerk and served on the addressees in the following manner on the date specified below:

The undersigned certifies that a true and correct copy of the document was delivered to:

Grace Hwang, Attorney Advisor  
U.S. Environmental Protection Agency  
Region 10, Mail Stop ORC-113  
1200 Sixth Avenue, Suite 900  
Seattle, Washington 98101

Further, the undersigned certifies that a true and correct copy of the aforementioned document was placed in the United States mail certified/return receipt to:

Peter Mutschler  
Environment and Safety Director  
CHS Inc. d/b/a CHS Connell Grain - Toppenish  
505 Union Ave SE Ste.120  
Olympia, WA 98501

DATED this 16 day of June, 2016.

  
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TERESA LUNA  
Regional Hearing Clerk  
EPA Region 10