



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 7  
11201 RENNER BOULEVARD  
LENEXA, KANSAS 66219

**EXPEDITED SETTLEMENT AGREEMENT (ESA)**

**DOCKET NO.:** CAA-07-2015-0042

**This ESA is issued to:** Ray-Carroll County Grain Growers, Inc.

**At:** 314 West Centre Street, Sumner, Missouri 64681 for violating Section 112(r)(7) of the Clean Air Act.

The United States Environmental Protection Agency, Region 7 (EPA) and Ray-Carroll County Grain Growers, Inc. (Respondent), have agreed to a settlement of this action before filing of a complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(B)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. §§ 22.13(b), 22.18(b)(2).

The Complainant, by delegation of the Administrator of the EPA, is the Director of the Air and Waste Management Division. The Respondent is Ray-Carroll County Grain Growers, Inc., 314 West Centre Street, Sumner, Missouri 64681.

This is an administrative action for the assessment of civil penalties instituted pursuant to Section 113(d) of the Clean Air Act (CAA). Pursuant to Section 113(d) of the CAA, 42 U.S.C. §7413(d), the Administrator and the Attorney General jointly determined that cases which meet the criteria set forth in EPA's policy entitled "Use of Expedited Settlements in Addressing Violations of the Clean Air Act Chemical Accident Prevention Provision, 40 C.F.R. Part 68," dated January 5, 2004, are appropriate for administrative penalty action.

**ALLEGED VIOLATIONS**

On September 25, 2014, an authorized representative of the EPA conducted a compliance inspection of the Respondent's facility located at 314 West Centre Street, Sumner, Missouri, to determine compliance with the Risk Management Plan (RMP) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the CAA. The EPA found that the Respondent had violated regulations implementing Section 112(r) of the CAA by failing to comply with the regulations as noted on the enclosed Risk Management Program Inspection Findings (RMP Findings), which is hereby incorporated by reference.

**SETTLEMENT**

In consideration of Respondent's size of business, its full compliance history, its good faith effort to comply, and other factors as justice may require, and upon consideration of the

entire record, the parties enter into the ESA in order to settle the violations, described in the enclosed RMP Findings, for the total penalty amount of **\$4,320**.

This settlement is subject to the following terms and conditions:

The Respondent by signing below waives any objections that it may have regarding jurisdiction, neither admits nor denies the specific factual allegations contained herein and in the RMP Findings, and consents to the assessment of the penalty as stated above. Respondent waives its rights to a hearing afforded by Section 113(d)(2)(A) of the CAA, 42 U.S.C. §7413(d)(2)(A), and to appeal this ESA. Each party to this action shall bear its own costs and fees, if any. Respondent also certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the violations listed in the enclosed RMP Findings and has sent a cashier's check or certified check (payable to the "United States Treasury") in the amount of **\$ 4,320** in payment of the full penalty amount to the following address:

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

The Docket Number of this ESA is CAA-07-2015-0042, and must be included on the check.

This original signed ESA, a copy of the completed RMP Findings, and a copy of the check must be sent by certified mail to:

Amber Whisnant  
Chemical Risk Information Branch  
U.S. Environmental Protection Agency, Region 7  
11201 Renner Boulevard  
Lenexa, Kansas 66219.

A copy of the check must also be sent to:

Kathy M. Robinson  
Regional Hearing Clerk  
U.S. Environmental Protection Agency, Region 7  
11201 Renner Boulevard  
Lenexa, Kansas 66219.

Upon Respondent's submission of the signed original ESA, the EPA will take no further civil action against Respondent for the alleged violations of the CAA referenced in the RMP

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Findings. The EPA does not waive any other enforcement action for any other violations of the CAA or any other statute.

If the signed original ESA with an attached copy of the check is not returned to the EPA Region 7 office at the above address in correct form by the Respondent within 45 days of the date of Respondent's receipt of it (90 days if an extension is granted), the proposed ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the violations identified herein and in the RMP Findings.

This ESA is binding on the parties signing below.

This ESA is effective upon filing with the Regional Hearing Clerk.

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FOR RESPONDENT:

(Sign) Jeff P Reichart

Date: 12/21/15

Name (print): Jeff P Reichart

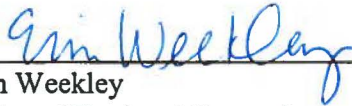
Title (print): Safety Director  
Ray-Carroll County Grain Growers, Inc.

FOR COMPLAINANT:



Becky Weber  
Director  
Air and Waste Management Division  
EPA Region 7

Date: 1-11-16



Erin Weekley  
Office of Regional Counsel  
EPA Region 7

Date: 1-11-16

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I hereby ratify the ESA and incorporate it herein by reference. It is so ORDERED.

Karina Borromeo

Date: 1-12-16

Karina Borromeo  
Regional Judicial Officer

Risk Management Program Inspection Findings  
CAA § 112(r) Violations

Ray-Carroll County Grain Growers, Inc.  
314 West Centre Street  
Sumner, Missouri 64681  
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**COMPLETE THIS FORM AND RETURN IT WITH THE ESA.**

VIOLATIONS

PENALTY AMOUNT

Hazard Assessment

\$1,200

Review and Update [§ 68.36(a)]

The owner or operator failed to review and update the off-site consequence analysis at least once every five years per 40 CFR 68.36(a) as demonstrated by:

- The facility incorrectly reported the release quantity in the worst case scenario (WCS), Section 2 of the February 2013 RMP submission per 40 CFR 68.165(b)(6) when reporting a quantity of 16,000 lbs of ammonia.
- The facility corrected the WCS release quantity on the RMP on October 2, 2014 but did not adjust the distance to endpoint.
- The facility failed to provide documentation supporting the estimated WCS quantity released or distance to endpoint reported in the RMP per 40 CFR 68.39(c). The information reported on the RMP (February 2013 or October 2014) does not match the hazard assessment documentation provided during the inspection.
- The facility failed to report the population estimate to two significant digits per 40 CFR 68.30(d). Specifically, the facility's documentation of population estimate is 220 people for the WCS. 200 people were reported on the RMP. Reporting two significant digits would be 220.

How was this addressed:

This information has been corrected on  
RMP - E submit. This was corrected on 11/25/2015

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**VIOLATIONS**

**PENALTY AMOUNT**

Prevention Program

\$1,500

Safety Information [§ 68.48(b)]

The owner or operator failed to ensure the process is designed in compliance with recognized and generally accepted good engineering practices per 40 CFR 68.48(b).

- ANSI K61.1-1999 Section 6.7.1 (ANSI/CGA G 2.1-2014) states that containers and appurtenances shall be located or protected by suitable barriers to avoid damage by trucks or other vehicles. Photos taken by the inspector show some barriers around one side of the piping area and a few barriers next to a small section of the container. Suitable barriers should be located to protect the whole container and piping from vehicle traffic. Barriers should be placed at a suitable distance from the vessel such that if impacted by a vehicle, it would protect the container and appurtenances.

Additionally, the facility should be aware that the recent version of the Compressed Gas Association ANSI/CGA G-2.1-2014 Table 5, on page 16, states that a 30,000 gallon container should be located no closer than 300 feet to a residence. According to ArcGIS mapping, the nearest neighbor is approximately 102 feet from the ammonia vessel. While EPA does not expect the facility to move the container, the facility should be aware of this standard.

How was this addressed:

Suitable barriers will be placed to adequately protect all applicable containers and piping.

Prevention Program

\$300

Hazard Review [§ 68.50(a)(1)]

The owner or operator failed to identify all hazards associated with the process and regulated substances per 40 CFR 68.50(a)(1). The facility failed to conduct a complete review to identify all hazards associated with the process, failed to identify the hazard of having a residence approximately 102 feet from the vessel, and failed to identify the potential for corrosion of the ammonia vessel.

How was this addressed:

A complete hazard review will be conducted during our annual Compliance Audit in January 2016. In addition, Ray-Carroll will use only steel (non-corrosive) parts for tanks and all other equipment.



**VIOLATIONS**

**PENALTY AMOUNT**

Prevention Program

\$1,200

Compliance Audits [§ 68.58(a)]

The owner or operator failed to evaluate compliance with the provisions of this subpart to verify that the procedures and practices developed under the rule are adequate and are being followed per 40 CFR 68.58(a). Specifically, the compliance audit did not evaluate compliance with all provision of the subpart. A complete compliance audit would have identified issues with recognized and generally accepted good engineering practices and the hazard review not identifying all hazards.

How was this addressed:

A Complete and thorough compliance Audit and Review is scheduled for January 2016.

Prevention Program

\$1,200

Incident Investigation [§ 68.60(a)]

The owner or operator failed to investigate each incident which resulted in, or could reasonably have resulted in a catastrophic release per 40 CFR 68.60(a). Specifically, the facility failed to investigate and write an incident investigation report for the leaky valve incident in February 2014. EPA believes this incident could reasonably have resulted in a catastrophic release. Additionally, it appears that the facility took several days to repair the leak.

How was this addressed:

An Incident Report was completed. Proper steps were taken to insure minimal loss, and repairs were completed as soon as feasible.  
See attached Document.

**VIOLATIONS**

**PENALTY AMOUNT**

Risk Management Plan  
Prevention Program [§ 68.170(e)(2)]

*No penalty assessed*

The owner or operator failed to indicate in Section 8.4 of the RMP all the major hazards identified in the hazard review per 40 CFR 68.170(e)(2). Under Section 8.4 of the RMP, Major Hazards Identified in the Hazard Review, the following items are not marked yes: Overfilling, Earthquake, Floods, Tornado, and Corrosion.

How was this addressed:

Corrections to the RMP and RMP-E submit will  
be made following our January Compliance Review.  
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**Total Unadjusted Penalty**

\$5,400.

Ray-Carroll County Grain Growers, Inc. is a private industries which has two employees and up to 250,000 lbs of ammonia which is 25 times the threshold amount. After adding the penalty numbers in the Risk Management Program Inspection Findings, Alleged Violations and Proposed Penalty Sheet an unadjusted penalty of \$5,400 is derived.

**Calculation of Adjusted Penalty**

1<sup>st</sup> Reference the multipliers for calculating proposed penalties for violations found during RMP inspection matrix. Finding the row for number of employees 0-9 and column for >10 times the threshold quantity of 10,000 pounds of the regulated chemical as listed in 40 C.F.R. Part 68.130 for the amount in a process gives a multiplier factor of 0.8. Therefore, the multiplier for Ray-Carroll County Grain Growers = 0.8.

2<sup>nd</sup> Adjusted Penalty = \$5,400 (Unadjusted Penalty) X 0.8 (Size-Threshold Multiplier)  
Adjusted Penalty = \$4,320.

3<sup>rd</sup> An Adjusted Penalty of \$4,320 would be assessed to Ray-Carroll County Grain Growers for violations found during the RMP Compliance Inspection. This amount will be found in the Expedited Settlement Agreement (ESA).

**Total Adjusted Penalty**

\$4,320.

**This section must also be completed and signed by Ray-Carroll County Grain Growers, Inc.:**

The approximate cost to correct the above items: \$ 1,000 - ~~2,000~~

Compliance staff name: Jeff P Reichert

Signed: Jeff P Reichert Date: 12/21/15

IN THE MATTER Of Ray-Carroll County Grain Growers, Inc., Respondent  
Docket No. CAA-07-2015-0042

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Order was sent this day in the following manner to the addressees:

Copy emailed to:

hoard.christine@epa.gov

Copy by First Class Mail to Respondent:

Jeff P. Reichart  
Safety Director  
Ray-Carroll County Grain Growers, Inc.  
314 West Centre Street  
Sumner, Missouri 64681

Dated: 1/13/16



Kathy Robinson  
Hearing Clerk, Region 7