



EXPEDITED SPCC SETTLEMENT AGREEMENT
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7, 901 N. 5th ST., KANSAS CITY, KANSAS 66101

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Respondent: The Holland Corporation, Inc.
Owner/Operator:

ENVIRONMENTAL PROTECTION
AGENCY-REGION VII
REGIONAL HEARING CLERK

Location(Address): 9131 Noland Road, Lenexa, KS

On August 17, 2005, an authorized representative of the United States Environmental Protection Agency (EPA) conducted an inspection to determine compliance with the Oil Pollution Prevention (SPCC) regulations promulgated at 40 CFR Part 112 under Section 311(j) of the Clean Water Act (33 U.S.C. § 1321(j)) (the Act), and found that Respondent had violated regulations implementing Section 311(j) of the Act by failing to comply with the regulations as noted on the attached Spill Prevention Control and Countermeasure Inspection Findings, Alleged Violations, and Proposed Penalty Form (Form), which is hereby incorporated by reference.

DOCKET NO: CWA-07-2005-0352

This Expedited Settlement resolves Respondent's liability for Federal civil penalties for the violations of the SPCC regulations described in the Form. However, EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by Respondent of the SPCC regulations or of any other federal statute or regulations. By its first signature, EPA ratifies the Inspection Findings and Alleged Violations set forth in the Form.

This proceeding and the Expedited Settlement are under the authority vested in the Administrator of EPA by Section 311(b) (6) (B) (i) of the Act, 33 U.S.C. § 1321(b) (6) (B) (i), as amended by the Oil Pollution Act of 1990, and by 40 CFR §§ 22.13(b). The parties enter into this Expedited Settlement in order to settle the civil violations described in the Form for a penalty of \$ 500.00. This settlement is subject to the following terms and conditions:

Upon signing and returning this Expedited Settlement to EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to EPA's approval of the Expedited Settlement without further notice.

This Expedited Settlement is binding on the parties signing below, and is effective upon the Regional Judicial Officer's signature.

EPA finds that Respondent is subject to the SPCC regulations, which are published at 40 CFR Part 112, and has violated the regulations as further described in the Form. Respondent admits that he/she is subject to 40 CFR Part 112 and that EPA has jurisdiction over Respondent and Respondent's conduct as described in the Form. Respondent does not contest the Inspection Findings, and waives any objections it may have to EPA's jurisdiction. Respondent consents to the assessment of the penalty stated above. Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the violations have been corrected and Respondent has sent a certified check in the amount of \$ 500.00 payable to the "Oil Spill Liability Trust Fund," via certified mail to:

APPROVED BY EPA:

Stanley Walker Date: 2/3/05
Chief, Storage Tank and Oil Pollution Branch (STOP)
Air, RCRA and Toxics Division

U.S. Coast Guard
Civil Penalties
P.O. Box 100160
Atlanta, GA 30384

APPROVED BY RESPONDENT:

Name (print): H.L. Eilenstine
Title (print): Loss Control Officer
Signature: H.L. Eilenstine

A copy of the check as proof of payment and the signed agreement shall be sent via certified mail to:

"Regional Hearing Clerk, Office of Regional Counsel,
U.S. Environmental Protection Agency, 901 N. 5th
Street, Kansas City, Kansas 66101".

IT IS SO ORDERED:

Robert L. Patrick Date Feb. 27, 2006
Robert L. Patrick
Regional Judicial Officer

Respondent has noted on the penalty payment check the docket number CWA-07-2005-0352 of this case.

INSTRUCTIONS ON REVERSE

INSTRUCTIONS

The United States Environmental Protection Agency ("EPA") has authority under Section 311 of the Clean Water Act to pursue civil penalties for violations of the Spill Prevention, Control and Countermeasures ("SPCC") regulations. However, EPA encourages the expedited settlement of easily verifiable violations of SPCC requirements, such as the violations cited in this Expedited Settlement Agreement.

You may resolve the cited violations quickly by signing and returning the Expedited Settlement Agreement (Agreement) and paying the penalty amount within 30 days of your receipt of the Agreement. Failure to return the Agreement within the approved time does not relieve you of the responsibility to comply fully with the regulations, including correcting the violations that have been specifically identified by the inspector. If you decide not to accept the offer, EPA can pursue more formal enforcement measures to correct the violation(s) and seek penalties of up to \$11,000 per day for each day during which the violation continues.

If Respondent does not sign and return this Expedited Settlement as presented within 30 days of the date of its receipt, the proposed Expedited Settlement is withdrawn without prejudice to EPA's ability to file any other enforcement action for the violations identified in the Form.

You are required in the Agreement to certify that you have corrected the violations and paid the penalty amount. The payment for the penalty amount must be in the form of a certified or cashiers check payable to the "**Oil Spill Liability Trust Fund**," with the Docket Number of the Expedited Settlement Agreement on the check. The Docket Number is located at the top of the right column of the Agreement.

The payment shall be sent via certified mail to:

**United States Coast Guard
Civil Penalties
P.O. Box 100160
Atlanta, GA 30384**

The Agreement and a copy of the check as proof of payment shall be sent via certified mail to:

**Regional Hearing Clerk
Office of Regional Counsel
U.S. Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101**

By the terms of the Agreement, you waive your opportunity for a hearing pursuant to Section 311 of the Clean Water Act. EPA will treat any response to the proposed Agreement, other than acceptance of the settlement offer, as an indication that you are not interested in pursuing this expedited settlement procedure.

If you have any questions, you may contact the EPA Region 7 SPCC Compliance Coordinator at (913) 551-7647.

Spill Prevention Control and Countermeasure Inspection Findings, Alleged Violations, and Proposed Penalty Form

(Note: Do not use this form if there is no secondary containment)

These Findings, Alleged Violations and Penalties are issued by EPA Region 7 under the authority vested in the Administrator of EPA by Section 311(b)(6)(B)(I) of the Clean Water Act, as amended by the Oil Pollution Act of 1990.

<p>Company Name <input style="width: 95%;" type="text" value="The Holland Corporation, Inc"/></p> <p>Facility Name <input style="width: 95%;" type="text"/></p> <p>Address <input style="width: 95%;" type="text" value="9131 Noland Road"/></p> <p>City: <input style="width: 95%;" type="text" value="Lenexa"/></p> <p>State: <input style="width: 40%;" type="text" value="KS"/> Zip Code: <input style="width: 40%;" type="text" value="66215"/></p> <p>Contact: <input style="width: 95%;" type="text" value="Larry Eilenstein"/></p>	<p>Docket Number: CWA <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 15%;">0</td><td style="width: 15%;">7</td><td style="width: 15%;">-</td><td style="width: 15%;">2</td><td style="width: 15%;">0</td><td style="width: 15%;">0</td><td style="width: 15%;">5</td><td style="width: 15%;">-</td><td style="width: 15%;">0</td><td style="width: 15%;">3</td><td style="width: 15%;">5</td><td style="width: 15%;">2</td> </tr> </table> </p> <p>Date <input style="width: 95%;" type="text" value="August 17, 2005"/></p> <p>Inspection Number <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <tr> <td style="width: 10%;">F</td><td style="width: 10%;">Y</td><td style="width: 10%;">-</td><td style="width: 10%;">I</td><td style="width: 10%;">N</td><td style="width: 10%;">S</td><td style="width: 10%;">P</td><td style="width: 10%;">-</td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td><td style="width: 10%;"></td> </tr> </table> </p> <p>Inspectors Name: <input style="width: 95%;" type="text" value="Janet Hallier"/></p> <p>EPA Approving Official: <input style="width: 95%;" type="text" value="Stan Walker, Branch Chief, ARTD/STOP"/></p> <p>Enforcement Contacts: <input style="width: 95%;" type="text" value="Paula Higbee, 913-551-7028"/></p>	0	7	-	2	0	0	5	-	0	3	5	2	F	Y	-	I	N	S	P	-											
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Summary of Findings (Bulk Storage Facilities)

GENERAL TOPICS: 112.3(a), (d), (e); 112.5(a), (b), (c); 112.7 (a), (b), (c), (d)
 (When the SPCC Plan review penalty exceeds \$1,000.00 enter only the minimum allowable of \$1,000.00.)

- | | | |
|--------------------------|--|------------|
| <input type="checkbox"/> | No Spill Prevention Control and Countermeasure Plan- 112.3 | \$1,000.00 |
| <input type="checkbox"/> | Plan not certified by a professional engineer- 112.3(d) | 400.00 |
| <input type="checkbox"/> | No management approval of plan- 112.7 | 300.00 |
| <input type="checkbox"/> | Plan not maintained on site (applies if facility is manned at least four (4) hours per day)- 112.3(e)(1) | 100.00 |
| <input type="checkbox"/> | Plan not available for review- 112.3(e)(1) | 300.00 |
| <input type="checkbox"/> | No evidence of five-year review of plan by owner/operator- 112.5(b) | 50.00 |
| <input type="checkbox"/> | No plan amendment(s) if the facility has had a change in: design, construction, operation, or maintenance which affects the facility's discharge potential- 112.5(a) | 50.00 |
| <input type="checkbox"/> | Amendment(s) not certified by a professional engineer- 112.5(c) | 100.00 |
| <input type="checkbox"/> | Plan does not follow sequence of the rule and/or cross-reference not provided- 112.7 | 100.00 |
| <input type="checkbox"/> | Plan does not discuss additional procedures/methods/equipment not yet fully operational- 112.7 | 50.00 |

- Plan does not discuss conformance with SPCC requirement- 112.7(a)(1) 50.00
- Plan does not discuss alternative environmental protection to SPCC requirements- 112.7(a)(2) 50.00
- Plan has inadequate or no facility diagram- 112.7(a)(3) 50.00
- Plan has inadequate or no description of the physical layout of the facility- 112.7(a)(3)(i-vi) 100.00
- Plan has inadequate or no information and procedures for reporting a discharge- 112.7(a)(4) 100.00
- Plan has inadequate or no description and procedures to use when a discharge may occur- 112.7(a)(5) 100.00
- Inadequate or no prediction of equipment failure which could result in discharges- 112.7(b) 100.00
- Plan does not discuss appropriate containment/diversionary structures/equipment- 112.7(c) 100.00
- If claiming impracticability of appropriate containment/diversionary structures:
- Impracticability has not been clearly denoted and demonstrated- 112.7(d) 400.00
- No contingency plan- 112.7(d)(1) 100.00
- No written commitment of manpower, equipment, and materials- 112.7(d)(2) 100.00
- Plan has inadequate or no discussion of conformance with SPCC rules or applicable State rules, regulations and guidelines- 112.7(j) 50.00

WRITTEN PROCEDURES AND INSPECTION RECORDS 112.7(e)

- Inspections and tests required by 40 CFR Part 112 are not in accordance with written procedures developed for the facility- 112.7(e) 50.00
- Written procedures and/or a record of inspections and/or customary business records:
- Are not signed by appropriate supervisor or inspector- 112.7(e) 50.00
- Are not kept with the plan- 112.7(e) 50.00
- Are not maintained for three years- 112.7(e) 50.00

PERSONNEL TRAINING AND DISCHARGE PREVENTION PROCEDURES 112.7(f)

- No training on the operation and maintenance of equipment to prevent discharges- 112.7(f)(1) 50.00
- No training on discharge procedure protocols- 112.7(f)(1) 50.00
- No training on the applicable pollution control laws, rules, and regulations- 112.7(f)(1) 50.00
- No training on general facility operations- 112.7(f)(1) 50.00
- No training on the contents of the SPCC Plan- 112.7(f)(1) 50.00
- No designated person accountable for spill prevention- 112.7(f)(2) 50.00
- Spill prevention briefings are not scheduled and conducted periodically- 112.7(f)(3) 50.00

Plan has inadequate or no discussion of personnel and spill prevention procedures 50.00

SECURITY (excluding Production Facilities) 112.7(g)

Facility not fully fenced and entrance gates are not locked and/or guarded when plant is unattended or not in production- 112.7(g)(1). 100.00

Master flow and drain valves that permit direct outward flow to the surface are not secured in closed position when in a non-operating or standby status- 112.7(g)(2). 200.00

Starter controls on pumps are not locked in the "off" position or located at a site accessible only to authorized personnel when pumps are not in a non-operating or standby status- 112.7(g)(3). 50.00

Loading and unloading connection(s) of piping/pipelines are not capped or blank-flanged when not in service or standby status- 112.7(g)(4). 50.00

Facility lighting not adequate to facilitate the discovery of spills during hours of darkness and to deter vandalism- 112.7(g)(5). 100.00

Plan has inadequate or no discussion of facility security 50.00

FACILITY TANK CAR AND TANK TRUCK LOADING/UNLOADING RACK 112.7(h)

Inadequate secondary containment, and/or rack drainage does not flow to catchment basin, treatment system, or quick drainage system- 112.7(h)(1). 500.00

Containment system does not hold at least the maximum capacity of the largest single compartment of any tank car or tank truck- 112.7(h)(1). 300.00

There are no interlocked warning lights, or physical barrier system, or warning signs, or vehicle brake interlock system to prevent vehicular departure before complete disconnect from transfer lines- 112.7(h)(2). . 200.00

There is no inspection of lowermost drains and all outlets prior to filling and departure of any tank car or tank truck- 112.7(h)(3). 100.00

Plan has inadequate or no discussion of facility tank car and tank truck loading/unloading rack. 50.00

FACILITY DRAINAGE FROM DIKED AREAS 112.8(b) & (c)

Valves used for drainage from diked storage areas to drainage system, watercourse, or effluent treatment system not controlled to prevent a discharge- 112.8(b)(2). 200.00

Run-off rainwater from diked areas is not inspected- 112.8(c)(3)(ii) 300.00

Valves not opened and resealed under responsible supervision- 112.8(c)(3)(iii) 100.00

Adequate records (or NPDES permit records) of drainage from diked areas not maintained- 112.8(c)(3)(iv) 50.00

FACILITY DRAINAGE FROM UNDIKED AREAS 112.8(b)

Drainage from undiked areas do not flow into catchment basins ponds, or lagoons, or no diversion systems to retain or return a discharge to the facility- 112.8(b)(3)&(4). 400.00

Two "lift" pumps are not provided for more that one treatment unit- 112.8(b)(5) 100.00

Plan has inadequate or no discussion of facility drainage 50.00

BULK STORAGE CONTAINERS 112.8(c)

- Plan has inadequate or no risk analysis and/or evaluation of field-constructed aboveground tanks for brittle fracture- *112.7(i)* 50.00
 - Material and construction of tanks not compatible to the oil stored and the conditions of storage such as pressure and temperature- *112.8(c)(1)*. 300.00
 - Secondary containment appears to be inadequate- *112.8(c)(2)* 500.00
 - Containment systems, including walls and floors are not sufficiently impervious to contain oil- *112.8(c)(2)* ... 250.00
 - Excessive vegetation which affects the integrity and/or walls slightly eroded 200.00
 - Containment bypass valves are not sealed closed when not draining rainwater- *112.8(c)(3)(i)* 400.00
 - Completely buried tanks are not protected from corrosion or are not subjected to regular pressure testing- *112.8(c)(4)*. 100.00
 - Partially buried tanks do not have buried sections protected from corrosion- *112.8(c)(5)*. 100.00
 - Aboveground tanks are not subject to visual inspections- *112.8(c)(6)* 200.00
 - Aboveground tanks are not subject to periodic integrity testing, such as hydrostatic, nondestructive methods, etc.- *112.8(c)(6)*. 300.00
 - Records of inspections (or customary business records) do not include inspections of tank supports/foundation, deterioration, discharges and/or accumulations of oil inside diked areas- *112.8(c)(6)*. ... 100.00
 - Steam return /exhaust of internal heating coils which discharge into an open water course are not monitored, passed through a settling tank, skimmer, or other separation system- *112.8(c)(7)*. 100.00
- Container installations are not engineered if:**
- No audible or visual high liquid level alarm- *112.8(c)(8)(i)*, **or** 300.00
 - No high liquid level pump cutoff devices- *112.8(c)(8)(ii)*, **or** 300.00
 - No audible or code signal communications between tank gauger and pumping station- *112.8(c)(8)(iii)*, **or** 300.00
 - No fast response system for determining liquid levels, such as computers, telepulse or direct vision gauges- *112.8(c)(8)(iv)*. 300.00
 - No testing of liquid level sensing devices to ensure proper operation- *112.8(c)(8)(v)* 50.00
 - Effluent treatment facilities which discharge directly to navigable waters are not observed frequently to detect oil spills- *112.8(c)(9)* 100.00
 - Causes of leaks resulting in accumulations of oil in diked areas are not promptly corrected- *112.8(c)(10)* 300.00
 - Mobile or portable storage containers are not positioned to prevent discharged oil from reaching navigable water- *112.8(c)(11)* 100.00
 - Secondary containment inadequate for mobile or portable storage tanks- *112.8(c)(11)* 500.00

Plan has inadequate or no discussion of bulk storage tanks 50.00

FACILITY TRANSFER OPERATIONS, PUMPING, AND FACILITY PROCESS 112.8(d)

- Buried piping is not corrosion protected with protective wrapping, coating, or cathodic protection -112.8(d)(1). 100.00
- Corrective action is not taken on exposed sections of buried piping when deterioration is found- 112.8(d)(1) .. 300.00
- Not-in-service or standby piping are not capped or blank-flanged and marked as to origin- 112.8(d)(2) 50.00
- Pipe supports are not properly designed to minimize abrasion and corrosion, and allow for expansion and contraction- 112.8(d)(3). 50.00
- Aboveground valves, piping and appurtenances are not inspected regularly- 112.8(d)(4) 200.00
- Periodic integrity and leak testing of buried piping is not conducted- 112.8(d)(4) 100.00
- Vehicle traffic is not warned of aboveground piping or other oil transfer operations- 112.8(d)(5). 100.00
- Plan has inadequate or no discussion of facility transfer operations, pumping, and facility process. 50.00

TOTAL \$ 500.00

IN THE MATTER OF The Holland Corporation, Inc., Respondent
Docket No. CWA-07-2005-0352

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Expedited SPCC Settlement Agreement was sent this day to the following addressees:

Copy hand delivered to
Attorney for Complainant:

Kristina Kemp
Assistant Regional Counsel
Region VII
United States Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101


Copy by Certified Mail Return Receipt to:

H. L. Eilenstine, Loss Control Officer
The Holland Corporation, Inc.
9131 Noland Road
Lenexa, Kansas 66215

Copy to:

US. Coast Guard
Finance Center (OGR)
1430A Kristina Way
Chesapeake, Virginia 23326

2/24/06
Dated


Kathy Robinson
Regional Hearing Clerk