



REGION 5
CHICAGO, IL 60604

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U.S. EPA REGION 5
HEARING CLERK

Docket No: CAA-05-2026-0036

This ESA is issued to: Bongards' Creameries

at: 110 3rd Ave NE, Perham, Minnesota

for violations of Section 112(r)(7) of the Clean Air Act.

EXPEDITED SETTLEMENT AGREEMENT

The United States Environmental Protection Agency, Region 5, and Bongards' Creameries ("Respondent"), have agreed to the settlement of this action before the filing of a Complaint. The EPA and Respondent (jointly "the Parties") have agreed that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest. This action is thus simultaneously commenced and concluded by this Expedited Settlement Agreement ("ESA") and Final Order. See 40 C.F.R. §§ 22.13(b) and 22.18(b)(2)-(3).

This is an administrative action for the assessment of civil penalties instituted pursuant to the EPA's authority under Sections 113(a)(3) and (d) of the Clean Air Act ("CAA"), 42 U.S.C. § 7413(a)(3) and (d). The Director of the Enforcement & Compliance Assurance Division, Region 5, EPA ("Complainant") has been delegated the authority to issue an administrative complaint seeking the assessment of civil penalties for violations of Section 112(r) of the CAA, 42 U.S.C. § 7412(r). The Regional Administrator for Region 5 of EPA is authorized by Sections 113(a)(3) and (d)(1) of the CAA, 42 U.S.C. §§ 7413(a)(3), and (d)(1), to issue a Final Order ratifying this ESA. The Regional Administrator has delegated the authority to issue Final Orders ratifying settlements pursuant to 40 C.F.R. §§ 22.13(b) and 22.18(b)(3) to the Regional Judicial Officer, Office of Regional Counsel, EPA Region 5.

ALLEGED VIOLATIONS

On September 10, 2024, an authorized EPA representative conducted a compliance inspection of Bongards Creameries at 110 3rd Ave NE, Perham, Minnesota ("Facility") to determine the Facility's compliance with the Chemical Accident Prevention Provisions promulgated pursuant to Section 112(r) of the CAA, and set forth at 40 C.F.R. Part 68. Based on the September 10, 2024 inspection and documents submitted by Respondent, EPA has determined that Respondent violated the following provisions:

1. 40 C.F.R. § 68.69(c), in part, requires the owner or operator to certify annually that the operating procedures are current and accurate. At the time of the September 10, 2024 inspection, Respondent had failed to certify for calendar year 2023, 23 operating procedures for its ammonia refrigeration systems. The operating procedures had not been certified since March 2022. Respondent failed to certify that operating procedures

are current and accurate for at least calendar year 2023, in violation of 40 C.F.R. § 68.69(c).

Resolution: On April 22, 2026, Respondent submitted documentation showing completed annual certifications of the operating procedures in 2025 and 2026.

2. 40 C.F.R. § 68.65(d)(2) requires the owner or operator to ensure and document that the process is designed and maintained in compliance with recognized and generally accepted good engineering practices. Respondent stated that its ammonia refrigeration systems are designed and maintained in accordance with International Institute of Ammonia Refrigeration (IIAR) guidance. IIAR 9 Section 7.2.9.1 states buildings and facilities with refrigeration systems shall be provided with placards in accordance with NFPA 704. IIAR 9 Appendix D includes examples of signage on machinery room doors and states which NFPA 704 placard is to be used for equipment located indoors and includes a requirement to post placards on all entrances to the machinery room. At the time of the September 10, 2024 inspection, Respondent did not have an NFPA diamond posted on the entrance to engine room 2. By failing to post an NFPA diamond on the entrance to engine room 2, Respondent failed to ensure and document that the process is designed and maintained in compliance with recognized and generally accepted good engineering practices, in violation of 40 C.F.R. § 68.65(d)(2).

Resolution: On April 22, 2026, Respondent submitted a photo of the entrance door to engine room 2 with an NFPA 704 diamond.

3. 40 C.F.R. § 68.65(d)(2) requires the owner or operator to ensure and document that the process is designed and maintained in compliance with recognized and generally accepted good engineering practices. Respondent stated that its ammonia refrigeration systems are designed and maintained in accordance with IIAR guidance. IIAR 6 Section 5.3.6.5 states, in part, that pressure relief valve records shall include the date of installation. At the time of the September 10, 2024 inspection, Respondent had PRV tags with multiples dates punched for the installation date and expiration date. Respondent failed to maintain an accurate record of when the PRVs were installed. By failing to maintain an accurate record of when the PRVs were installed, Respondent failed to ensure and document that the process is designed and maintained in compliance with recognized and generally accepted good engineering practices, in violation of 40 C.F.R. § 68.65(d)(2).

Resolution: On April 22, 2026, Respondent submitted documentation that its PRVs that had tags with multiple punches were replaced and the installation date was logged.

SETTLEMENT

In consideration of Respondent's size of business, its full compliance history, its good faith efforts to comply, other factors as justice may require, and upon consideration of the entire record, the parties enter into this ESA in order to resolve any civil penalties for these alleged violations for the total penalty amount of **\$2,700.00**.

This settlement is subject to the following terms and conditions:

By signing below, Respondent consents to, and is bound by, the terms and conditions of this ESA, including the assessment of the civil penalty set forth above. Respondent admits the jurisdictional allegations in the ESA, and waives any objections that it may have regarding jurisdiction. Respondent waives its right to contest the specific factual allegations contained herein, and neither admits nor denies these specific factual allegations. Respondent waives its right to request a hearing as provided at 40 C.F.R. § 22.15(c), any right to contest the allegations in this Expedited Settlement Agreement and Final Order and its right to appeal this Expedited Settlement Agreement and Final Order.

Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that Respondent has corrected the violations set forth in this ESA, and has made payment in the amount of **\$2,700.00** by either of the two following methods:

Payment method 1 – Preferred (electronic): Pay online through the Department of the Treasury using WWW.PAY.GOV. In the Search Public Form field, enter “SFO 1.1”, click “EPA Miscellaneous Payments - Cincinnati Finance Center” and complete the SFO Form Number 1.1. The payment shall be identified in the online system with the ESA Number listed below.

On the same day, after submitting your payment, send an email to cinwd_acctsreceivable@epa.gov and the EPA contact email address noted below. Include in the subject line: “Payment Confirmation for Bongards’ Creameries ESA Docket Number CAA-05-2026-0036.” Attach a copy of the ESA and your payment receipt to the email.

Payment method 2 (check): Mail, via CERTIFIED MAIL or private carrier, a certified check payable to the United States of America marked with “Bongards’ Creameries”, and the ESA Number listed below, with a copy of the ESA to:

U. S. Environmental Protection Agency
Government Lockbox 970978
3180 Rider Trail S.
Earth City, MO 63045
Attn: ESA Docket Number CAA-5-2026-0036

On the same day, notice of payment must be sent by email to:

Natalie Schulz
Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency
Schulz.natalie@epa.gov

Air Enforcement and Compliance Assurance Branch
U.S. Environmental Protection Agency, Region 5
r5airenforcement@epa.gov

Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 5
r5hearingclerk@epa.gov

Upon Respondent's submission of the signed original ESA, and the issuance of the Final Order, Respondent's liability is resolved only for any federal civil penalties due as a result of the facts and violations alleged in this ESA. This ESA, the Final Order, and Respondent's full payment of the civil penalty set forth herein, do not affect the right of EPA to pursue appropriate injunctive, other equitable relief, or criminal sanctions for any violations of law. EPA also does not waive any enforcement authority for any other violation of the CAA or any other statute. The issuance of the Final Order does not waive, extinguish, or otherwise affect Respondent's duty to comply with the CAA, the regulations promulgated thereunder, or any other applicable law or requirement.

If the signed original ESA with proof of payment is not returned to the EPA Region 5 office at the above emails in correct form by Respondent within 30 days of the date of Respondent's receipt of this ESA (60 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 in this ESA.

This ESA is binding on the Parties signing below.

Each Party to this action shall bear its own costs and fees, if any.

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

For Respondent:

Signature:  Date: 6/1/26

Name (print): Eric Speicher

Title (print): EHS Manager

Expedited Settlement Agreement in the Matter of Bongards' Creameries, Docket No. CAA-05-2026-0036

For United States Environmental Protection Agency, Complainant:

Carolyn Persoon
Division Director
Enforcement and Compliance Assurance Division
U.S. Environmental Protection Agency, Region 5

**Expedited Settlement Agreement
In the Matter of: Bongards' Creameries
Docket No. CAA-05-2026-0036**

FINAL ORDER

The foregoing Expedited Settlement Agreement is hereby ratified and incorporated by reference into this Final Order. Respondent is hereby ORDERED to comply with all of the terms of the foregoing Expedited Settlement Agreement, which upon its filing with the Regional Hearing Clerk shall become immediately effective. This Final Order concludes this proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31.

IT IS SO ORDERED.

Ann L. Coyle
Regional Judicial Officer