



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

EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO.: CAA-07-2021-0041

This ESA is issued to: Southeast Cooperative Service Company, Inc.

At: 25564 County Road 326, Messler, Missouri 63771

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

The United States Environmental Protection Agency, Region 7 and Southeast Cooperative Service Company, 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 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 Enforcement and Compliance Assurance Division. Respondent is Southeast Cooperative Service Company, Inc., 25564 County Road 326, Messler, Missouri 63771.

This is an administrative action for the assessment of civil penalties instituted pursuant to Section 113(d) of the Clean Air Act. 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 policies entitled "Use of Expedited Settlements in Addressing Violations of the Clean Air Act Chemical Accident Prevention Provisions, 40 C.F.R. Part 68," dated January 5, 2004, and "Changes to Restrictions on the Use of Expedited Settlements in Addressing Violations of the Clean Air Act Chemical Accident Prevention Provisions," dated December 20, 2013, are appropriate for administrative penalty action.

ALLEGED VIOLATIONS

On March 26, 2019, an authorized representative of the EPA conducted a compliance inspection of Respondent's facility located at 25564 County Road 326, Messler, to determine compliance with the Chemical Accident Prevention Provisions, commonly known as the Risk Management Program regulations, promulgated at 40 C.F.R. Part 68 under Section 112(r) of the CAA. The EPA found that Respondent had violated regulations implementing Section 112(r) of the CAA by failing to comply with the regulations as noted on the enclosed Chemical Accident Prevention Provisions Inspection Findings (CAPP Inspection 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 this ESA in order to settle the violations, described in the enclosed CAPP Inspection Findings, for the total penalty amount of \$6,880.

This settlement is subject to the following terms and conditions:

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 CAPP Inspection 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 Respondent has corrected the violations listed in the enclosed CAPP Inspection Findings and has paid the penalty of \$6,880. Penalty payment shall identify Respondent by name and docket number and shall be by certified or cashier's check made payable to the "United States Treasury" and sent to:

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

or by alternate payment method described at <http://www.epa.gov/financial/makepayment>.

This original ESA, a copy of the completed CAPP Inspection Findings, and a copy of the check or other information confirming payment must be sent by certified mail to:

Elizabeth Koesterer
Enforcement and Compliance Assurance Division
Chemical Branch
U.S. Environmental Protection Agency, Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219

A copy of the check or other information confirming payment must also be sent to:

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

Full payment of the ESA penalty shall only resolve Respondent's liability for federal civil penalties for the violations alleged in the CAPP 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 or other information confirming payment is not returned to the EPA Region 7 office at the above address in correct form by 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 CAPP Findings.

This ESA is binding on the parties signing below.

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

FOR RESPONDENT:

Dennis James
Sign

Date: 4-15-2021

Name (print): DENNIS JAMES

Title (print): LOCATION MANAGER
Southeast Cooperative Service Company, Inc.

FOR COMPLAINANT:

David Cozad
Director
Enforcement and Compliance Assurance Division
EPA Region 7

Date: _____

Erin Weekley
Chief
Chemical Branch
Office of Regional Counsel
EPA Region 7

Date: _____

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

Karina Borromeo
Regional Judicial Officer

Date: _____

Chemical Accident Prevention Provisions Inspection Findings
CAA § 112(r) Violations
Program Level 2 Inspection March 26, 2019

Southeast Cooperative Service Company, Inc.
25564 County Road 326
Messler, Missouri 63771
Docket No.: CAA-07-2021-0041

COMPLETE THIS FORM AND RETURN IT WITH THE ESA.

VIOLATIONS

PENALTY AMOUNT

Violation 1

Risk Management Plan
Updates [40 CFR § 68.190(b)(1)]

\$2,000

The owner or operator failed to review and update the RMP at least once every 5 years. The most recent RMP update at the time of the inspection was dated 2012.

Facility addressed this violation post inspection.

Violation 2

Program 2 Prevention Program
Safety Information [40 C.F.R. § 68.48(a)(2)]

\$150

The owner or operator failed to accurately calculate the maximum intended inventory for the equipment in which the anhydrous ammonia is stored.

Facility addressed this violation post inspection.

Violation 3

Program 2 Prevention Program
Safety Information [40 C.F.R. § 68.48(a)(5)]

\$150

The owner or operator failed to compile and maintain the codes and standards used to design, build, and operate the process. The facility representatives did not have awareness of or possession of the current industry standard ANSI/CGA G-2.1-2014.

Facility addressed this violation post inspection.

Violation 4

Program 2 Prevention Program
Safety Information [40 C.F.R. § 68.48(b)]

\$750

The owner or operator failed to ensure that the process is designed in compliance with recognized and generally accepted good engineering practices. Deficiencies included a bulkhead that was not adequately fixed and secured; piping was not protected from potential pull-away; piping was supported by wood or other improper materials; flexible metal connectors were used and extended beyond the manufacturer's recommended limit; storage vessels needed repainting; vessel support saddles on two 18,000-gallon vessels not extending over at least 1/3 of the tank circumference; emergency signage lacking required wording and lettering sized less than the two-inch requirement; supply vessels located less than 100 feet from mainline railroad track; grass and miscellaneous materials stored beneath supply tanks; and foreign object in safety water tank.

How was this addressed:

Attached Page 2 A

Violation 5

Program 2 Prevention Program \$750
Hazard Review [40 C.F.R. § 68.50(d)]

Owner or operator failed to update the hazard review at least every five years. The previous hazard review was dated November 2013.

Facility addressed this violation post inspection.

Violation 6

Program 2 Prevention Program \$2,400
Operating Procedures [40 C.F.R. § 68.52(b)]

Owner or operator failed to provide Standard Operating Procedures that included all elements in § 68.52(b). The SOPs did not include startup following a shutdown or a major change, or temporary operations. The facility representative stated that the facility did not participate in temporary operations, but the SOPs did not state this. The SOPs did not address equipment inspections, consequences of deviation or how to avoid or correct deviations.

Facility addressed this violation post inspection.

Violation 7

Program 2 Prevention Program \$750
Training [40 C.F.R. § 68.54(b)]

Response to Violation #4

Unloading Bulkhead rebuilt and secured along with platform 3/9/20.

Bulk storage vessels were repainted 4/22/19.

Pipping supports corrected 4/1/19.

Flexible metal connections corrected 3/9/20

Emergency signage in place 4/19/19.

Misc. materials under tanks cleared 4/4/19.

Foreign objects cleared out of safety water 3/26/19.

Tanks Saddles – ANSI code 6.4.3 states saddles **should** be at least 1/3 of the circumference of the tanks. Does not say **shall**.

Part of our business lot is on property leased from Union Pacific Railroad Company. The location was established in the mid 1960's and the storage vessels that are closest to the rail lines have been in this position since that time. Anhydrous Ammonia was delivered by rail to this location from that time up till 2002. In 2016 the Railroad added a second set of tracks by this location to the west of the main track still closer to our location. These track are used mainly as a staging area for trains to stop as traffic travels along main track and the tracks merge back to single tracks.

Owner or operator failed to provide refresher training for the worker involved with the regulated process every three years. Five years had elapsed between refresher training sessions of 2013 and 2018 for the facility employee.

Facility addressed this violation post inspection.

Violation 8

Program 2 Prevention Program \$300
Maintenance [40 C.F.R. § 68.56(d)]

The owner or operator failed to perform testing and inspections to generally accepted good engineering practices for underground piping lines at least every 5 years (ANSI/CGA G-2.1-2014, paragraph 5.6.8). At the time of the inspection, facility representatives indicated that no testing and inspections had been performed on the underground piping going from the supply vessels to the filling risers.

Facility addressed this violation post inspection.

Violation 9

Program 2 Prevention Program \$600
Compliance Audits [40 C.F.R. § 68.58(a)&(b)]

The owner or operator failed to certify that they have evaluated compliance with the provisions of Subpart C at least every three years and that the compliance audit is conducted by at least one person knowledgeable in the process. More than four years had elapsed between compliance audits, and the 2018 audit was not signed or certified.

Facility addressed this violation post inspection.

Violation 10

Hazard Assessment \$750
Worst Case and Alternative Release Scenario Analysis [40 C.F.R. § 68.25 and 28]

The owner or operator failed to correctly calculate the Worst Case Scenario and Alternative Release Scenario in the hazard assessment.

Facility addressed this violation post inspection.

TOTAL

\$8,600

Calculation of Adjusted Penalty

1st Reference the “Multiplier Factors for Calculating Proposed Penalties for Violations Found During RMP Inspections” matrix. Southeast Cooperative is a program 2 facility for the storage and supply of anhydrous ammonia. The maximum intended inventory is approximately 522,368 pounds of ammonia. It is listed as a private company, with seven locations. The facility has been operating at this location since at least 1987 and has one full time employee. Finding the row for 0-9 employees and the column for 10 times the threshold quantity of 10,000 pounds of anhydrous ammonia as listed in 40 C.F.R. 68.130 for the amount in a process gives a multiplier factor of 0.8. Therefore, the multiplier for Southeast Cooperative = 0.8.

2nd Adjusted Penalty = \$8,600 (Unadjusted Penalty) X 0.8 (Size-Threshold Multiplier) Adjusted Penalty = \$6,880

3rd An Adjusted Penalty of \$6,880 is assessed to Southeast Cooperative for Violations found during the CAPP Compliance Inspection. This amount will be found in the Expedited Settlement Agreement.

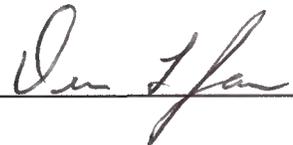
Total Adjusted Penalty

\$6,880

This section must be also completed and signed by Southeast Cooperative Service Company, Inc.

The approximate cost to correct the above items: Violation 1: \$ 1,000.00
Violation 2: \$ 250.00
Violation 3: \$ 200.00
Violation 4: \$ 28,300.00
Violation 5: \$ 200.00
Violation 6: \$ 500.00
Violation 7: \$ 100.00
Violation 8: \$ 200.00
Violation 9: \$ 100.00
Violation 10: \$ 250.00

Compliance staff name: DENNIS JAMES

Signed:  Date: 4-15-2021

Southeast Cooperative Service Company
32876 State Hwy 25, PO Box 340
Advance, MO 63760
573-722-3522

April 16, 2021

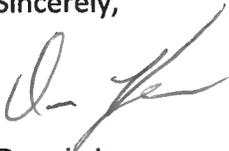
U.S Environmental Protection Agency
Fine and Penalties
Cincinnati Finance Center
P.O. Box 979177
St. Louis, Missouri 63197-9000

Southeast Cooperative Service Company Inc.
Messler, Missouri
Docket No.; CAA-07-2021-0041

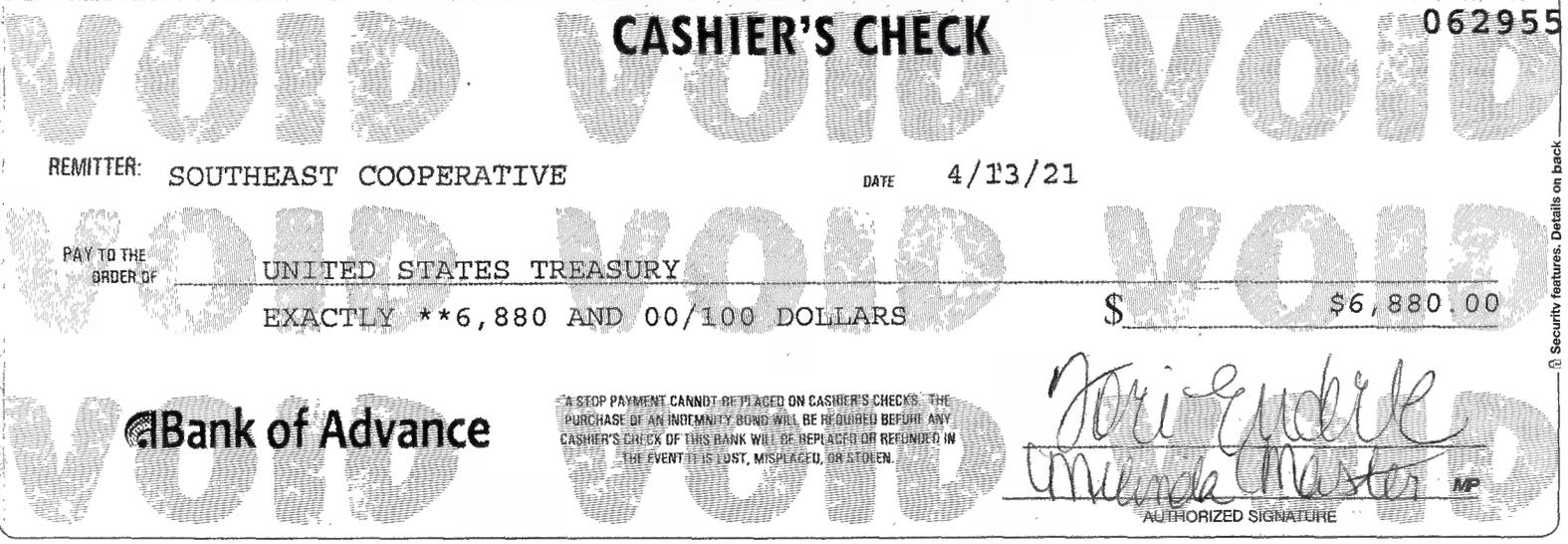
Please find enclosed for the above referenced Docket No.

Please find enclosed our Cashier's check in reference to the above Docket No.

Sincerely,



Dennis James
Location Manager



CASHIER'S CHECK

062955

REMITTER: SOUTHEAST COOPERATIVE

DATE 4/13/21

PAY TO THE ORDER OF UNITED STATES TREASURY

EXACTLY **6,880 AND 00/100 DOLLARS

\$ 6,880.00

Bank of Advance

* STOP PAYMENT CANNOT BE PLACED ON CASHIER'S CHECKS. THE PURCHASE OF AN INDEMNITY BOND WILL BE REQUIRED BEFORE ANY CASHIER'S CHECK OF THIS BANK WILL BE REPLACED OR REISSUED IN THE EVENT IT IS LOST, MISPLACED, OR STOLEN.

Jeri Guzik
Melinda Master
AUTHORIZED SIGNATURE

Security features. Details on back.

⑈0000062955⑈ ⑆081506523⑆ 315600⑈

062955

CASHIER'S CHECK

REMITTER: SOUTHEAST COOPERATIVE

DATE 4/13/21

UNITED STATES TREASURY

EXACTLY **6,880 AND 00/100 DOLLARS

\$ 6,880.00

Docket No: CAA-07-2021-0041

CUSTOMER - FILE COPY

Bank of Advance

SOUTHEAST COOPERATIVE SERVICE COMPANY
25564 County Rd 326
Messler, MO 63771

AUTHORIZED SIGNATURE

NOT NEGOTIABLE