



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
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Seattle, Washington 98101-3140

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EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO: CAA-10-2019-0046
This ESA is issued to: Copper River Seafoods, Inc.
1118 East 5th Avenue
Anchorage, Alaska 99501

This Expedited Settlement Agreement (ESA) is being entered into by the U.S. Environmental Protection Agency Region 10 (EPA), by its duly delegated official, and by Copper River Seafoods, Inc. ("Respondent") pursuant to Section 113(a)(3) and (d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(a)(3) and (d), and by 40 C.F.R. § 22.13(b). On December 9, 2016, EPA obtained the concurrence of the U.S. Department of Justice, pursuant to Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), to pursue this administrative enforcement action.

ALLEGED VIOLATIONS

EPA has determined that Respondent violated the Risk Management Program (RMP) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the Clean Air Act (CAA), as noted on the enclosed Risk Management Plan Inspection Findings and Alleged Violations Summary ("Summary"), which is hereby incorporated by reference.

SETTLEMENT

In consideration of the penalty assessment factors set forth in Section 113(e) of the Act, 42 U.S.C. § 7413(e), and upon consideration of the entire record, the parties enter into the ESA in order to settle the violations described in the enclosed Summary for the total penalty amount of **\$9,900**.

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 Summary, and consents to the assessment of the penalty as stated above.

Respondent waives its rights to contest the allegations contained herein or in the Summary, 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 Summary.

Respondent agrees to submit payment in full of the \$9,900 within 30 days of the filing of a fully executed copy of this ESA with the Regional Hearing Clerk.

Payment instructions are included on the enclosed "Payment Instructions," which is hereby incorporated by reference.

This original ESA must be sent by certified mail to:

Javier Morales, 112(r) Enforcement Coordinator
Office of Compliance and Enforcement
U.S. Environmental Protection Agency
1200 Sixth Avenue, Suite 155, Mail Stop: OCE-201
Seattle, Washington 98101

Upon Respondent's submission of the signed original ESA, signature by EPA, filing with the Regional Hearing Clerk, and timely payment of the penalty, EPA will take no further civil penalty action against Respondent for the alleged violations of the CAA referenced in the Summary. EPA does not waive its right to any other enforcement action for any other violations of the CAA or any other statute.

If the signed original ESA is not returned to the EPA Region 10 at the above address 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 Summary.

This ESA is binding on the parties signing below.

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

FOR RESPONDENT:

Signature: Scott A. Blake Date: 2/9/19
Name (print): Scott A. Blake
Title (print): Pres / CEO
Cost to correct violation(s): \$ 24,848.00

FOR COMPLAINANT:

Edward J. Kowalski Date: 2/19/2019
Edward J. Kowalski
Director
Office of Compliance and Enforcement

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

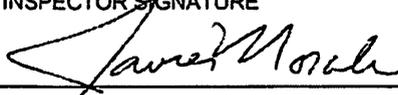
Richard Mednick Date: 2/21/19
Richard Mednick
Regional Judicial Officer



U.S. ENVIRONMENTAL PROTECTION AGENCY

Risk Management Program Inspection Findings and Alleged Violations Summary Region 10

REASON FOR INSPECTION: This inspection is for the purpose of determining compliance with Section 112(r)(7) accidental release prevention requirements of the Clean Air Act, as amended 1990. The scope of this inspection may include, but is not limited to: reviewing and obtaining copies of documents and records; interviews and taking of statements; reviewing of chemical storage, handling, processing, and use; taking samples and photographs; and any other inspection activities necessary to determine compliance with the Act.

FACILITY NAME: Copper River Seafoods - Cordova	<input checked="" type="checkbox"/> PRIVATE # EMPLOYEES: 37	<input type="checkbox"/> GOVERNMENTAL/MUNICIPAL POPULATION SERVED:
FACILITY LOCATION: 300 Cannery Row, PO Box 158, Cordova, Alaska 99574	INSPECTION START DATE: 8/15/2018	INSPECTION START TIME: 08:30
MAILING ADDRESS: 1118 East 5th Avenue, Anchorage, Alaska 99501	INSPECTION END DATE: 8/15/2018	INSPECTION END TIME: 16:15
RESPONSIBLE OFFICIAL, TITLE, PHONE NUMBER: Mr. Jurak Hanak, Plant Manager, (907) 429-5387	EPA FACILITY ID# 1000 0022 1887	
FACILITY REPRESENTATIVE(S), TITLE(S), PHONE NUMBER(S): Mr. Jurak Hanak, Plant Manager, (907) 429-5387 Mr. Mark Rodeman, Chief Engineer Mr. Rob Torell, Refrigeration Operator	INSPECTOR NAME(S), TITLE(S), PHONE NUMBER(S) Mr. Peter Phillips, US EPA Region 10 SEE Grantee, Lead RMP Inspector Mr. Javier Morales, US EPA Region 10 RMP Coordinator, Inspector Ms. Terry Garcia, US EPA Region 10 SEE Grantee, RMP Inspector Mr. Bob Hales, US EPA Region 10 SEE Grantee, RMP Inspector Mr. Jim Petersen, Ecology and Environment, Inc., EPA START Contractor	
	INSPECTOR SIGNATURE 	DATE 2/1/2019

INSPECTION FINDINGS

IS FACILITY SUBJECT TO RMP REGULATION (40 C.F.R. § 68)?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
DID FACILITY SUBMIT AN RMP AS PROVIDED IN 68.150 TO 68.185?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
DATE RMP FILED WITH EPA: 4/29/2014	DATE OF LATEST RMP UPDATE: 6/19/2018	
1) PROCESS/NAICS CODE: 31171	PROGRAM LEVEL: <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input checked="" type="checkbox"/> 3	
REGULATED SUBSTANCE: Anhydrous Ammonia	MAX. QUANTITY IN PROCESS (lbs.): 12,000	

DESCRIPTION OF ALLEGED VIOLATIONS (Cont'd)

DESCRIPTION OF ALLEGED VIOLATIONS

CAA Section 112(r) and its implementing regulations in 40 C.F.R. Part 68 require an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance (listed in § 68.130) in a process, to develop a Risk Management Plan (RMP) and Risk Management Program.

Four EPA representatives and an EPA contractor inspected the Copper River Seafoods facility on August 15, 2018. Based upon this inspection the Copper River Seafoods facility is in violation of the following risk management program elements:

1. **Process Safety Information:** Copper River Seafoods piping and instrumentation diagrams (P&IDs) did not contain information on the equipment such as the valves as required by 40 C.F.R. § 68.65(d)(1)(ii). Copper River Seafoods' P&IDs did not identify the valve numbers for the operator. During the facility tour, the valves in the engine room were not physically tagged.
2. **Process Safety Information:** Copper River Seafoods process safety information (PSI) did not contain information pertaining to the equipment in the process on the relief system design and design basis as required by 40 C.F.R. § 68.65(d)(1)(iv). Copper River Seafoods was unable to produce documents on the relief system design basis calculations for the ammonia refrigeration system pressure relief valves.
3. **Process Safety Information:** Copper River Seafoods process safety information (PSI) did not contain information pertaining to the equipment in the process on the ventilation system design as required by 40 C.F.R. § 68.65(d)(1)(v). The actual ventilation capacity of 2,340 cubic feet per minute (cfm) for the engine room does not meet required ventilation system capacity of 10,954 cfm given in the ventilation system calculations. This compliance issue was identified in the 2017 compliance audit.
4. **Process Safety Information:** Copper River Seafoods has not documented that equipment complies with recognized and generally accepted good engineering practices as required by 40 C.F.R. § 68.65(d)(2). Copper River Seafoods refrigeration system does not meet the International Institute of Ammonia Refrigeration (IIAR) standards. The machine room contains numerous holes in the walls from piping penetrations that are not tightly sealed to meet IIAR 2-2008 with Addendum B, Section 13.1.5.2. The machine room contains wooden doors that are not self-closing, tight-fitting and equipped with panic-type hardware to meet IIAR 2-2008 with Addendum B, Section 13.1.10. The machine room ventilation system for the inlet air, exhaust fans, normal mechanical ventilation and emergency mechanical ventilation are not designed to meet IIAR 2-2008 with Addendum B, Section 13.3.3, 13.3.7, 13.3.8 and 13.3.9.
5. **Process Hazard Analysis:** Copper River Seafoods has not established a system to promptly address the PHA team's findings and recommendations; assured that the recommendations are resolved in a timely manner and documented; documented what actions are to be taken; communicated the actions to operating, maintenance, and other employees whose work assignments are in the process and who may be affected by the recommendations as required by 40 C.F.R. § 68.67(e). Copper River Seafoods is not promptly addressing findings and recommendations in their June 2013 and May 2018 PHA. In the June 2013 PHA Findings and Recommendations there are 59 findings and recommendations that still remain open. In the May 2018 PHA Findings and Recommendations, the proposed completion dates, person assigned, and action taken are not documented.
6. **Operating Procedures:** Copper River Seafoods has not developed and implemented safe work practices to provide for the control of hazards during specific operations, such as lockout/tagout as required in 40 C.F.R. § 68.69(d). During the facility tour a lockout/tagout station was observed in the shop room. In addition, red and green ribbons were being used to show that valve is not in use for Blast Freezer #1. Copper River Seafoods was unable to produce procedures on the lockout/tagout program.
7. **Training:** Copper River Seafoods has not assured each employee involved in operating a process, and each employee before being involved in operating a newly assigned process, has been initially trained in an overview of the process and in the operating procedure as required in 40 C.F.R. § 68.71(a)(1). Copper River Seafoods was unable to produce initial training records for their three operators on the overview of the ammonia refrigeration process and the operating procedures. In the 2017 Compliance Audit, Finding T1 and T11, identify training documentation as a compliance issue.
8. **Training:** Copper River Seafoods' initial training did not include emphasis on safety and health hazards, emergency operations including shutdown, and safe work practices applicable to the employee's job tasks as required in 40 C.F.R. § 68.71(a)(1). Copper River Seafoods was unable to produce initial training records for their three operators. In the 2017 Compliance Audit, Finding T1 and T11, identify training documentation as a compliance issue.
9. **Training:** Copper River Seafoods did not provide refresher training as least every three years and more often if necessary to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process as required in 40 C.F.R. § 68.71(b). Copper River Seafoods provided an incomplete operator refresher training log with dates training dates of 6/12/17 to 4/27/18 for the three operators. In the 2017 Compliance Audit, Finding T7, identifies refresher training documentation as a compliance issue.
10. **Training:** Copper River Seafoods has not ascertained and documented in record that each employee involved in operating a process has received and understood the training required as required in 40 C.F.R. § 68.71(c). Copper River Seafoods was unable to produce initial training records to demonstrate that their three operators received and understood the training. In addition, the incomplete operator refresher training log with dates training dates of 6/12/17 to 4/27/18 for the three operators shows that they did not receive training on all operating procedures.
11. **Training:** Copper River Seafoods has not prepared records containing the identity of the employee, the date of the training, and the means used to verify that the employee understood the training as required in 40 C.F.R. § 68.71(c). Copper River Seafoods was unable to produce initial training records for their three operators. In addition, the incomplete operator refresher training log with dates

DESCRIPTION OF ALLEGED VIOLATIONS (Cont'd)

training dates of 6/12/17 to 4/27/18 for the three operators shows that they did not receive an oral test training on all operating procedures.

12. **Mechanical Integrity:** Copper River Seafoods has not followed recognized and generally accepted good engineering practices for inspections and testing procedures as required in 40 C.F.R. § 68.73(d)(2). Copper River Seafoods mechanical integrity program is not following recognized and generally accepted good engineering practices for the pre-season/annual maintenance inspections and testing prior to startup at the beginning of the operational season. Reference IIAR Bulletin 110, 6/07, Appendix C, Equipment Start-up Checklist.
13. **Mechanical Integrity:** Copper River Seafoods has not ensured the frequency of inspections and tests of process equipment is consistent with applicable manufacturers' recommendations, good engineering practices, and prior operating experience as required in 40 C.F.R. § 68.73(d)(3). Copper River Seafoods mechanical integrity program does not document the frequency of inspections and testing of process equipment for the ammonia refrigeration system. Reference IIAR Bulletin 110, 6/07, Appendix G.
14. **Mechanical Integrity:** Copper River Seafoods has not documented each inspection and test that had been performed on process equipment, which identifies the date of the inspection or test, the name of the person who performed the inspection or test, the serial number or other identifier of the equipment on which the inspection or test was performed, a description of the inspection or test performed, and the results of the inspection or test as required in 40 C.F.R. § 68.73(d)(4). Copper River Seafoods mechanical integrity program does not document the inspection and testing of piping (Reference IIAR Bulletin 110, 6/07, Section 6.7, Piping). Copper River Seafoods provided a blank "Piping and Insulation Inspection Record" form that would be used.
15. **Compliance Audits:** Copper River Seafoods has not promptly determined and documented an appropriate response to each of the findings of the audit and documented that deficiencies had been corrected as required in 40 C.F.R. § 68.79(d). Copper River Seafoods 2017 PSM/RMP Compliance Audit Report Findings and Recommendations List does not provide the proposed completion date, responsible person assigned, actions taken and actual completion date.
16. **Contractors:** Copper River Seafoods has not obtained and evaluated information regarding the contract owner or operator's safety performance and programs when selecting a contractor as required in 40 C.F.R. § 68.87(b)(1). Copper River Seafoods has no documentation on the safety performance evaluation when selecting the following contractors: DRS Electrical, Highland Refrigeration, Three Rivers Custom, Industrial Resources, and PermaCold.
17. **Contractors:** Copper River Seafoods has not informed the contract owner or operator of the known potential fire, explosion, or toxic release hazards related to the contractor's work and the process as required in 40 C.F.R. § 68.87(b)(2). Copper River Seafoods has no documentation on the contractor orientation for Wyatt Refrigeration who conducted work on site during 2017.
18. **Contractors:** Copper River Seafoods has not explained to the contract owner or operator the applicable provisions of the emergency response or the emergency action program as required in 40 C.F.R. § 68.87(b)(3). Copper River Seafoods has no documentation that the contractor, Wyatt Refrigeration, received information on the facility's emergency response or action program.
19. **Contractors:** Copper River Seafoods has not periodically evaluated the performance of the contract owner or operator in fulfilling their obligations (as described at 40 C.F.R. § 68.87(c)(1) - (c)(5)), as required in 40 C.F.R. § 68.87(b)(5). Copper River Seafoods has no documentation of contractor performance evaluations.

During the facility tour, EPA inspectors observed the following issues that must be addressed:

1. The valves on ammonia refrigeration process equipment were not physically tagged for the operators.
2. The machine room contains numerous holes in the walls from piping penetrations that are not tightly sealed to meet IIAR 2-2008 with Addendum B, Section 13.1.5.2.
3. The machine room contains wooden doors that are not self-closing, tight-fitting and equipped with panic-type hardware to meet IIAR 2-2008 with Addendum B, Section 13.1.10.
4. Damaged insulation was observed on ammonia piping outside that connects the engine room to the ice house building.
5. Ammonia piping located outside that connects the engine room to the ice house building is not labeled.
6. Air intake covered with cardboard in engine room does not have a screen or louvers to meet IIAR 2-2008 with Addendum B, Section 13.3.3, Inlet Air.

DID FACILITY CORRECTLY ASSIGN PROGRAM LEVELS TO PROCESSES?

YES

NO

ATTACHED CHECKLIST(S):

PROGRAM LEVEL 1

PROGRAM LEVEL 2

PROGRAM LEVEL 3

OTHER ATTACHMENTS:

Certificate of Service

The undersigned certifies that the original of the attached **EXPEDITED SETTLEMENT AGREEMENT AND FINAL ORDER, In the Matter of: Copper River Seafoods, Inc., Docket No.: CAA-10-2019-0046**, was filed with the Regional Hearing Clerk and served on the addressees in the following manner on the date specified below:

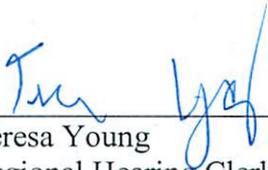
The undersigned certifies that a true and correct copy of the document was delivered to:

Javier Morales, RMP Coordinator
U.S. Environmental Protection Agency
1200 Sixth Avenue, Suite 155, OCE-201
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:

Mr. Scott Blake
President
Copper River Seafoods, Inc.
1118 East 5th Avenue
Anchorage, Alaska 99501

DATED this 26 day of February, 2019



Teresa Young
Regional Hearing Clerk
EPA Region 10