

ENCLOSURE 2
EXPEDITED SETTLEMENT ALLEGED VIOLATIONS AND FINAL ADJUSTED PENALTY SUMMARY
Clean Air Act – Risk Management Program

Respondent: Welch's Foods Inc.
300 Baker Avenue Suite 101
Concord, Massachusetts 01742

Facility: Welch's Foods Inc. (Grandview, Washington)
504 Birch Avenue
Grandview, Washington 98930

Responsible Official: Mr. Tom Brooke, Plant Engineer
(509) 882-3112

Inspection Date: February 04, 2021
Inspection Time: 08:00 am – 2:00 pm
Lead Inspector: Terry Garcia, US EPA Region 10 SEE Grantee, Lead RMP Inspector
206-553-1761

Inspection Findings and Alleged Violations

RMP Submission Date

Initial Submission Date: June 18, 1999 (Plant 1 and Plant 2)
Date of Latest Update: February 15, 2021 (Plant 1 and Plant 2)
RMP Facility ID: 1000 0005 2293
Program Level: 3
Chemical Name: Ammonia (anhydrous)
Chemical Amount: Plant 1: (21,112 lbs.), Plant 2: (12,072 lbs.)
NACIS Code: 311411
Facility Type: Private Industry
Employees: 45

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 Section 68.130) in a process, to develop a Risk Management Plan (RMP) and Risk Management Program.

On February 04, 2021, EPA inspectors initiated an Off-site Compliance Monitoring Inspection at the Welch's Foods Inc. (Grandview, Washington) facility listed above. The following is a summary of the Alleged Violations of the Risk Management Program which were identified during the inspection.

1. Mechanical Integrity (MI): Welch's Foods Inc. did not "...correct deficiencies in equipment that are outside acceptable limits defined by the process safety information before further use or in a safe and timely manner when necessary means are taken to assure safe operation..." [68.73(e)]. The 2020 Compliance Audit report identified the following issues with their mechanical integrity

program: (1) no follow-up on the completed Bulletin 109 inspections on equipment to correct any items; (2) not performing vibration analysis on their compressors, even though the plant manager states the annual run-time is low; and (3) no inspection and testing being performed on equipment that requires repair such as failing insulation and potential corrosion under insulation for the G1V tank room and associated piping. The January 2017 MI Inspection Audit report had 77 findings remaining open at the time of inspection that needed to be resolved. MI findings (Photo#48 to 50, and 172), identify valves requiring repair due to corrosion for Chiller #6 and Tank Room 5 with no proposed completion date at the time of inspection. There are sixteen (16) MI findings (i.e., Photo #82 to #84, #87, #88, etc.) identified areas of repair of damaged piping insulation for equipment such as Chiller #8 and #9, Freezer and Accumulator Recirculator with no proposed completion date at the time of inspection.

2. Compliance Audits: Welch's Foods Inc. did not promptly determine and document an appropriate response to the 2017 compliance audit findings, and document that deficiencies have been corrected that were identified in the 2020 compliance audit. [68.79(d)]. The 2020 audit repeated the following 2017 Compliance Audit findings: (1) hot work program (three) and (2) not following-up on completed Bulletin 109 inspections on process equipment for mechanical integrity.
3. Compliance Audits: Welch's Foods Inc. did not certify that the stationary source has evaluated compliance with the provisions of the prevention program at least every three years to verify that the developed procedures and practices are adequate and being followed. [68.79(a)]. The Welch's Foods representative, Tom Brooke, Plant Engineer, did not certify the July 14, 2020 Compliance Audit Report dated August 5, 2020, that was 4 months late after the due date of March 27, 2017.

Final Adjusted Penalty Calculation

The Final Adjusted Penalty for an RMP ESA is a non-negotiable penalty offer.

First the Unadjusted Penalty is calculated using the Risk Management Program Expedited Settlement Penalty Sheet, Enclosure 2. Each Alleged Violation listed above is assigned a penalty amount in the spreadsheet and the Unadjusted Penalty is determined by adding all the penalty amounts.

The Unadjusted Penalty is multiplied by the Size-Threshold Quantity Multiplier to determine the Adjusted Penalty. The Size-Threshold Quantity Multiplier is a factor that considers the size of the facility and the amount of regulated chemicals at the facility. See the Multiplier Factor tables below.

$$\text{Adjusted Penalty} = \text{Unadjusted Penalty} \times \text{Size-Threshold Quantity Multiplier}$$

Unadjusted Penalty Calculation

Adding the penalty numbers in the Risk Management Program Expedited Settlement Penalty Sheet, an unadjusted penalty of \$2,400 is derived.

Size-Threshold Quantity Multiplier

According to the RMP, the facility employs between 10 to 100 people and uses and/or stores 1 to 5 times the threshold amount of Ammonia (anhydrous), which is regulated under the Clean Air Act Section 112(r) Risk Management Program. Using the tables below, the multiplier is determined to be 0.6.

Adjusted Penalty Calculation

Adjusted Penalty = \$2,400 (Unadjusted Penalty) x 0.6 (Size-Threshold Multiplier)

Final Adjusted Penalty = \$1,440

EXPEDITED SETTLEMENT PENALTY MATRIX**Multiplier Factor for Calculating Proposed Penalties for RMP Violations****Private Industries**

# of Employees	1 – 5*	5 – 10*	10*
0 – 9	0.4	0.6	0.8
10 – 100	0.6	0.8	1.0
100	1.0	1.0	1.0

Governmental Entities

(Primarily public drinking water and wastewater systems)

Total Population Served	1 – 5*	5 – 10*	10*
1 – 10,000	0.2	0.4	0.6
10,001 – 100,000	0.4	0.6	0.8
100,000	0.6	0.8	1.0

* Largest Multiple of Threshold Quantity of any Regulated Chemical(s) on Site.