



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX**

75 Hawthorne Street  
San Francisco, CA 94105

CERTIFIED Mail No: 7015 3010 0000 3883 5079  
Return Receipt Requested

Stan Geist  
Director of Safety  
California Dairies, Inc.  
755 F Street, Fresno, CA 93706

*JUL 23 2019*

Dear Mr. Geist:

This letter Transmits a copy of the fully executed Expedited Settlement Agreement that resolves the alleged violations of the Clean Air Act (CAA) Section 112(r)(7) at California Dairies, 755 F Street, Fresno, California 93706. The violations are for failure to:

- 1) Comply with the requirements of 40 C.F.R. § 68.65(c)(1)(iv) in that California Dairies did not provide temperature deviations for the condenser, evaporators, and plate and frame chillers.
- 2) Comply with the requirements of 40 C.F.R. § 68.65(d)(2) in that the northwest Machinery Room gate did not include a tightly constructed door with seals to minimize gap clearances between the entire door perimeter and its fixed door frame. International Institute of Ammonia Refrigeration (IIAR) 2-2014 § 6.10.2 states, "Machinery room doors shall be self-closing and tight fitting." The definition in IIAR of tight fitting is, "A tightly constructed door with seals to minimize gap clearances between the entire door perimeter and its fixed door frame, which is intended to control the transfer of liquid, moisture, air, and vapor".
- 3) Comply with the requirements of 40 C.F.R. § 68.67(c)(3) in that in the February 4, 2015 PHA, the "catastrophic ammonia release" scenarios with the highest severity ranking appeared to be completely mitigated by speculative or generic consideration of safeguards, such as incident investigation, management of change, training, SOP or operating procedures, mechanical integrity or preventative maintenance, system design, company policy, monitoring or daily rounds, and emergency action plan. These lowered the frequency such that no consideration for additional safeguards were recommended. However, these safeguards do not specifically address the existing hazard because they are too generic or would not interrupt the chain of events following an initiating cause. This approach is inconsistent with the IIAR and CCPS guidelines. Based on the use of these safeguards, the following PHA catastrophic scenarios would have one or no actual safeguards: 1.05, 1.06, 4.02, 6.02, 6.05, 6.09, 7.01, 7.02, 7.03, 10.01, 10.04, 10.05, 11.04, 11.06, 11.08, 12.03, 12.05, 13.11, 13.12, 13.14, 13.15, 13.21, 13.26, 13.28, 13.40, 14.01, 14.04, 15.01, 15.02, 15.03, 15.04, 15.05, and 15.06. The 2015 PHA did not address the Facility's process hazards because inappropriate hazard controls were chosen.
- 4) Comply with the requirements of 40 C.F.R. § 68.73(e) in that piping associated with the Defrost Condensate Valve Group on the rooftop did not appear to be in direct contact with the pipe supports. American National Standards Institute ("ANSI")/IIAR 2-2014 § 13.4.1 states, "Piping hangers and supports shall carry the weight of the piping and any additional expected loads."

The base penalty for the violations is \$3,600. Following the application of the modifiers under the penalty policy, including amount of chemicals on-site and number of employees the penalty for California Dairies is \$2,160.

Thank you for your prompt attention to this matter. If you have any questions or need additional information about the CAA Section 112(r)(7), please feel free to contact Don Nixon, of my staff at (415) 972-3123.

Sincerely,

A handwritten signature in cursive script, appearing to read "Amy C. Miller".

for Amy C. Miller, Director  
Enforcement and Compliance Assurance Division

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105

\*\* FILED \*\*

DOCKET NO: CAA (112r)-09-2019-0053

23 JUL 2019 - 11:05 AM  
U.S.EPA - Region 09

This ESA is issued to: California Dairies, Inc.  
755 F Street  
Fresno, CA 97306

For: Violation of Section 112(r)(7) of the Clean Air Act  
At: California Dairies; 755 F Street, Fresno, CA 97306

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This Expedited Settlement Agreement ("ESA") is being entered into by the United States Environmental Protection Agency ("EPA"), Region IX, by its duly delegated official, Amy Miller, Enforcement Division Acting Director, and California Dairies ("Respondent") pursuant to Section 113(a)(3) and (d) of the Clean Air Act (the "Act"), 42 U.S.C. § 7413(a)(3) and (d), and by 40 C.F.R. § 22.13(b). EPA has obtained the concurrence of the U.S. Department of Justice, pursuant to Section 113(d)(1) of the Act, 42 U.S.C. § 7413(d)(1), to pursue this administrative enforcement action.

#### ALLEGED VIOLATIONS

Following its February 13, 2018 inspection, EPA alleges Respondent's failure to:

- 1) Comply with the requirements of 40 C.F.R. § 68.65(c)(1)(iv) in that California Dairies did not provide temperature deviations for the condenser, evaporators, and plate and frame chillers.
- 2) Comply with the requirements of 40 C.F.R. § 68.65(d)(2) in that the northwest Machinery Room gate did not include a tightly constructed door with seals to minimize gap clearances between the entire door perimeter and its fixed door frame. International Institute of Ammonia Refrigeration (IIAR) 2-2014 § 6.10.2 states, "Machinery room doors shall be self-closing and tight fitting." The definition in IIAR of tight fitting is, "A tightly constructed door with seals to minimize gap clearances between the entire door perimeter and its fixed door frame, which is intended to control the transfer of liquid, moisture, air, and vapor".
- 3) Comply with the requirements of 40 C.F.R. § 68.67(c)(3) in that in the February 4, 2015 PHA, the "catastrophic ammonia release" scenarios with the highest severity ranking appeared to be completely mitigated by speculative or generic consideration of safeguards, such as incident investigation, management of change, training, SOP or operating procedures, mechanical integrity or preventative maintenance, system design, company policy, monitoring or daily rounds, and emergency action plan. These lowered the frequency such that no consideration for additional safeguards were recommended. However, these safeguards do not specifically address the existing hazard because they are too generic or would not interrupt the chain of events following an initiating cause. This approach is inconsistent with the IIAR and CCPS guidelines. Based on the use of these safeguards, the following PHA catastrophic scenarios would have one or no actual safeguards: 1.05, 1.06, 4.02, 6.02, 6.05, 6.09, 7.01, 7.02, 7.03, 10.01, 10.04, 10.05, 11.04, 11.06, 11.08, 12.03, 12.05, 13.11, 13.12, 13.14, 13.15, 13.21, 13.26, 13.28, 13.40, 14.01, 14.04, 15.01, 15.02, 15.03, 15.04, 15.05, and 15.06. The 2015 PHA did not address the Facility's process hazards because inappropriate hazard controls were chosen.
- 4) Comply with the requirements of 40 C.F.R. § 68.73(e) in that piping associated with the Defrost Condensate Valve Group on the rooftop did not appear to be in direct contact with the pipe supports. American National Standards Institute ("ANSI")/IIAR 2-2014 § 13.4.1 states, "Piping hangers and supports shall carry the weight of the piping and any additional expected loads."

## SETTLEMENT

In consideration of Respondent's size of business, its full compliance history and previous penalties assessed, if any, its good faith effort to comply, the duration and seriousness of the violation, the economic impact of the penalty, and other factors as justice may require, the parties enter into this ESA in order to settle the violations described above for the total penalty amount of **\$2,160**.

This settlement is subject to the following terms and conditions:

The Respondent by signing below admits to jurisdiction, neither admits nor denies the specific factual allegations contained above, 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 Act, 42 U.S.C §7413(d)(2)(A), and to appeal this ESA. Each party to this action shall bear its own attorney's fees and costs, if any. Respondent also certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the violations listed above and has sent an **Online Payment through the Department of Treasury: WWW.PAY.GOV** (Enter SFO 1.1 in search field. Open form and complete required fields) **or alternatively has sent a cashier's check or certified check** (payable to the Treasurer, United States of America) in the amount of **\$2,160** in payment of the full penalty amount to the following address:

US Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
PO Box 979077  
St. Louis, MO 63197-9000

The check or online payment should reference Respondent's name and a copy of this ESA must be included with the check/online payment going to the EPA Cincinnati Finance Center. This original ESA and a copy of the check or online receipt must also be sent by certified mail to:

Angie Proboszcz (SFD-9-3)  
U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

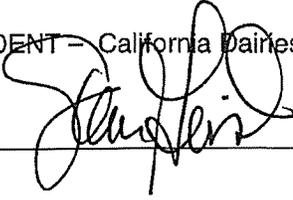
Upon Respondent's submission of the signed original ESA, EPA will take no further civil penalty action against Respondent for the violations of the Act alleged above. This ESA shall not be construed as a covenant not to sue, a release, waiver, or limitation of any rights, remedies, powers, or authorities, civil or criminal that EPA has under the Act or any other statutory, regulatory, or common law enforcement authority of the United States, except as stated above.

If the signed original ESA with an attached copy of the check is not returned to the EPA Region IX office at the above address in correct form by the Respondent within 30 days of the date of Respondent's receipt of the proposed ESA and EPA has not granted an extension of its offer to settle, the ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the violations identified herein.

This ESA is binding on the parties signing below.

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

FOR RESPONDENT - California Dairies, Inc.

Signature: 

Date: 6/20/2019

Name (print): ~~XXXXXXXXXX~~ Stan Geist

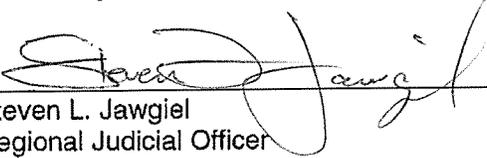
Title (print): ~~XXXXXXXXXX~~ Director of Safety

FOR COMPLAINANT:

*for*   
Amy Miller  
Acting Director, Enforcement Division  
U.S. EPA Region IX

Date: 7-5-2019

It is hereby ORDERED that this ESA be entered and Respondent pays the above penalty.

  
Steven L. Jawgiel  
Regional Judicial Officer  
U.S. EPA Region IX

Date: 07/22/19

CERTIFICATE OF SERVICE

This is to certify that a FINAL ORDER for the Expedited Settlement Agreement (ESA) in the matter of California Dairies, [Docket Number CAA(112r)-09-2019-0053 ], has been signed by the Regional Judicial Officer and has been filed with the Regional Hearing Clerk.

The Final Order has been served on Respondent, and Counsel for EPA, as indicated below:

BY FIRST CLASS MAIL:  
(With Return Receipt)

Respondent - Mr. Stan Geist  
Director of Safety  
California Dairies, Inc.  
755 F Street  
Fresno, CA 93706

HAND DELIVERED:

Complainant - Madeline Gallo  
(By Counsel) Office of Regional Counsel  
ENVIRONMENTAL PROTECTION AGENCY  
75 Hawthorne Street  
San Francisco, CA. 94105

Dated at San Francisco, CA, July 23, 2019;



Steven Armsey  
Regional Hearing Clerk  
EPA, Region 9