



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

UNITED STATES
ENVIRONMENTAL PROTECTION
AGENCY-REGION 7
2018 JAN 17 PM 1:05

EXPEDITED SETTLEMENT AGREEMENT (ESA)

DOCKET NO.: CAA-07-2018-0020

This ESA is issued to: Offerle Cooperative Grain and Supply Company
At: 10275 Commercial Avenue, Bellefont, Kansas 67563
for violating Section 112(r)(7) of the Clean Air Act.

The United States Environmental Protection Agency, Region 7 (EPA) and Offerle Cooperative Grain and Supply Company (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 EPA, is the Director of the Air and Waste Management Division. Respondent is Offerle Cooperative Grain and Supply Company, 10275 Commercial Avenue, Bellefont, Kansas 67563.

This is an administrative action for the assessment of civil penalties instituted pursuant to Section 113(d) of the Clean Air Act (CAA). 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 July 18, 2017, an authorized representative of the EPA conducted a compliance inspection of Respondent's facility located at 10275 Commercial Avenue, Bellefont, Kansas, to determine compliance with the Chemical Accident Prevention Provisions (CAPP), 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.

RECEIVED

DEC 20 2017

AWMD/CORP

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 the ESA in order to settle the violations, described in the enclosed CAPP Inspection Findings, for the total penalty amount of **\$1,440**.

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 sent a cashier's check or certified check (payable to the "United States Treasury") in the amount of **\$1,440** in payment of the full penalty amount to the following address:

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

The Docket Number of this ESA is CAA-07-2018-0020, and must be included on the check.

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

Christine Hoard
Chemical & Oil Release Prevention Branch
U.S. Environmental Protection Agency, Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219.

A copy of the check must also be sent to:

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

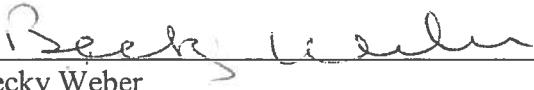
Full payment of the ESA penalty shall only resolve Respondent's liability for federal civil penalties for the violations alleged in the CAPP Inspection Findings. The EPA does not waive any other enforcement action for any other violations of the CAA or any other statute.

If the signed original ESA with an attached copy of the check 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 Inspection Findings.

This ESA is binding on the parties signing below.

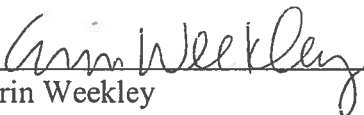
This ESA is effective upon filing with the Regional Hearing Clerk.

FOR COMPLAINANT:



Becky Weber
Director
Air and Waste Management Division
EPA Region 7

Date: 1/10/18



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

Date: 1/16/18

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

Karina Borromeo
Karina Borromeo
Regional Judicial Officer

Date: Jan. 17, 2018

IN THE MATTER OF
Offerle Cooperative Grain and Supply Co.
Docket No. CAA-07-2018-0020

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing Expedited Settlement Agreement was sent this day in the following manner to the addressees:

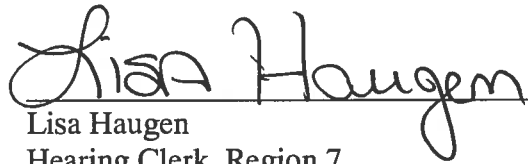
Copy emailed to Attorney for Complainant:
weekley.erin@epa.gov

Copy emailed to Technical Contact for Complainant:
hoard.christine@epa.gov

Copy by First Class Mail to Respondent:

Duane Boyd
Offerle Cooperative Grain and Supply Co.
10275 Commercial Ave.
Bellefont, KS 67563

Dated: Jan 17, 2018



Lisa Haugen
Hearing Clerk, Region 7

Chemical Accident Prevention Provisions Inspection Findings
CAA § 112(r) Violations

Offerle Cooperative Grain and Supply Company
10275 Commercial Avenue
Bellefont, Kansas 67563
Docket No. CAA-07-2018-0020

COMPLETE THIS FORM AND RETURN IT WITH THE ESA.

VIOLATIONS

PENALTY AMOUNT

Safety Information [40 CFR 68.48(b)]

\$1,500

The owner or operator failed to ensure the process is designed in compliance with recognized and generally accepted and good engineering practices.

(Anhydrous ammonia tank lacked sufficient support (east tank), in that support for storage vessel was less than 1/3 of the vessel's circumference; Emergency Sign did not contain name and title & phone numbers of at least 2 responsible persons; and emergency shutdown cable system on the east tank had cables on the ground, unprotected from damage)

How were these addressed:

*EMERGENCY SIGN - Names have been added to sign/ EMERGENCY shutdown cable has been raised off of the ground & protected from ELEMENTS
Support for storage vessel has been corrected with appropriate support structure*

Prevention Program

Compliance Audits [40 CFR 68.58(d)]

\$300

The owner or operator failed to promptly determine and document an appropriate response to each of the findings of the audit and documented that deficiencies had been corrected.

How was this addressed:

Documents have been updated and reviewed on an annual basis

Total Unadjusted Penalty

\$1,800

Calculation of Adjusted Penalty

1st Reference the Multipliers for calculating proposed penalties for violations found during RMP inspection matrix. Finding the column for 0-9 employees and the row for >10 times the threshold quantity of 10,000 pounds of anhydrous ammonia as listed in 40 C.F.R. Part 68.130 for the amount in a process gives a multiplier factor of 0.8. Therefore, the multiplier for Offerle Cooperative Grain and Supply Company = 0.8.

2nd Adjusted Penalty = \$1,800 (Unadjusted Penalty) X 0.8 (Size-Threshold Multiplier)
Adjusted Penalty = \$1,440

3rd An Adjusted Penalty of \$1,440 would be assessed to Offerle Cooperative Grain and Supply Company for violations found during the CAPP Compliance Inspection. This amount will be found in the Expedited Settlement Agreement (ESA).

Total Adjusted Penalty \$1,440

Total Penalty **\$1,440**

This section must be also completed and signed by Offerle Cooperative Grain and Supply Company:

The approximate cost to correct the above items: \$ 1,440⁰⁰

Compliance staff name: Dwayne Boyd

Signed: Dwayne Boyd Date: 1-8-18