



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7
901 NORTH 5TH STREET
KANSAS CITY, KANSAS 66101

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ENVIRONMENTAL PROTECTION
AGENCY REGION VII
REGIONAL HEARING CLERK

EXPEDITED SETTLEMENT AGREEMENT (ESA)

DOCKET NO.: CAA-07-2011-0025

This ESA is issued to: Prairie Home Cooperative

At: 9238 Highway 87, Prairie Home, Missouri 65068

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

The United States Environmental Protection Agency, Region 7 (EPA) and Prairie Home Cooperative (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, Issuance of Compliance or Corrective Action Orders, 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. The Respondent is Prairie Home Cooperative, 9238 Highway 87, Prairie Home, Missouri.

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 policy entitled "Use of Expedited Settlements in Addressing Violations of the Clean Air Act Chemical Accident Prevention Provision, 40 C.F.R. Part 68," dated January 5, 2004, are appropriate for administrative penalty action.

ALLEGED VIOLATIONS

On April 26, 2011, an authorized representative of the EPA conducted a compliance inspection of the Respondent's facility located at 9238 Highway 87, Prairie Home, Missouri, to determine compliance with the Risk Management Plan (RMP) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the CAA. The EPA found that the Respondent had violated regulations implementing Section 112(r) of the CAA by failing to comply with the regulations as noted on the enclosed Risk Management Program Inspection Findings (RMP 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 the ESA in order to settle the violations, described in the enclosed RMP Findings, for the total penalty amount of **\$3,780**.

This settlement is subject to the following terms and conditions:

The 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 RMP 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. Each signatory of this agreement certifies that he or she is fully authorized to enter into the terms of this ESA. 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 in the enclosed RMP Findings and has sent a cashier's check or certified check (payable to the "United States Treasury") in the amount of **\$3,780** 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-07-2011-0025, and must be included on the check.

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

Deanna Smith
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 7
901 North 5th Street
Kansas City, Kansas 66101.

A copy of the check must also be sent to:

Kathy M. Robinson
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 7
901 North 5th Street
Kansas City, Kansas 66101.

Upon Respondent's submission of the signed original ESA, EPA will take no further civil action against Respondent for the alleged violations of the CAA referenced in the RMP 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 the 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 RMP Findings.

This ESA is binding on the parties signing below.

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

FOR RESPONDENT:

Jim Woods

Date: 9-20-11

Name (print): Jim Woods

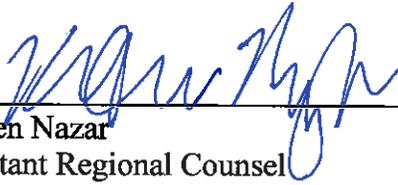
Title (print): General Manager
Prairie Home Cooperative

FOR COMPLAINANT:



Becky Weber
Director
Air and Waste Management Division
EPA Region 7

Date: 10/6/11



Kristen Nazar
Assistant Regional Counsel
Office of Regional Counsel
EPA Region 7

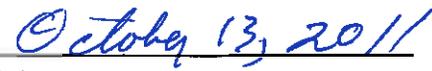
Date: 9/23/11

IN THE MATTER of Prairie Home Cooperative
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I hereby ratify the ESA and incorporate it herein by reference. It is so ORDERED.



Robert L. Patrick
Regional Judicial Officer
U.S. Environmental Protection Agency
Region 7



Date

Risk Management Program Inspection Findings
CAA § 112(r) Violations

Prairie Home Cooperative
9238 Highway 87
Prairie Home, Missouri 65068
Docket No. CAA-07-2011-0025

COMPLETE THIS FORM AND RETURN IT WITH THE ESA.

VIOLATIONS

PENALTY AMOUNT

Prevention Program

\$1,500

Safety Information [§ 68.48(b)]

The owner or operator failed to ensure that the process is designed in compliance with recognized and generally accepted good engineering practices. Specifically, as follows: (1) containers, including bulk tanks, are not located or protected by suitable barriers to avoid damage by trucks or other vehicles; (2) open container, in lieu of shower and eyewash unit, holds an inadequate amount of water and leaks; (3) safety relief valves are not replaced prior to 5-year expiration date; (4) overgrown grass under anhydrous ammonia tank; (5) no riser excess flow valve in conjunction with pull-away protection; and (6) nurse tanks and ammonia bullet stationed less than 50 feet from the highway.

How were these addressed:

- (1) Concrete barriers have been placed on all sides of the bulk tank.
- (2) A new 300-gallon tank has been installed to replace the old container.
- (3) The tanks will not be used until the valves are replaced (this fall) and documentation is now in place for each tank to ensure timely replacements.
- (4) The grass was removed with herbicide in May 2011.
- (5) Construction has begun on installing a new riser which has an excess flow valve with pull-away protection.
- (6) The bullet has been measured to be 72' from the highway and the nurse tanks are also now over 50' from the highway.

Prevention Program

\$900

Hazard Review [§ 68.50(a)]

The owner or operator failed to conduct a review of the hazards associated with the regulated substances, process, and procedures.

How was this addressed:

A hazard review was completed on May 3, 2011, using an industry-specific hazard review checklist.

VIOLATIONS

PENALTY AMOUNT

Prevention Program \$1,500
Operating Procedures [§ 68.52(a)]
The owner or operator failed to prepare written operating procedures that provide clear instructions or steps for safely conducting activities associated with each covered process consistent with the safety information for that process.

How was this addressed:

Prairie Home Cooperative submitted a written list of standard operating procedures to EPA inspector Tom Guenther attached to a letter to Mr. Guenther dated May 6, 2011. Additional standard operating procedures for the nurse tanks were requested by Mr. Guenther and were submitted to him via email on May 23, 2011.

Prevention Program \$1,200
Maintenance [§ 68.56(a)]
The owner or operator failed to implement procedures to maintain the on-going mechanical integrity of the process equipment.

How was this addressed:

Prairie Home Cooperative submitted a written list of maintenance procedures to EPA inspector Tom Guenther attached to the 5/6/2011 letter to Mr. Guenther. At Mr. Guenther's request, these were revised and resubmitted via email on May 23, 2011.

Prevention Program \$1,200
Compliance Audits [§ 68.58(a)]
The owner or operator failed to perform and certify a compliance audit at least every three years to verify that the procedures and practices developed are adequate and are being followed.

How was this addressed:

A compliance audit was completed on May 3, 2011.

Other Requirements No Penalty Assessed
Recordkeeping [§ 68.200]
The owner or operator failed to maintain records supporting the implementation of this part for five years.

VIOLATIONS

PENALTY AMOUNT

How was this addressed:

With the completion of the hazard review, compliance audit, operating and maintenance procedures and other items noted during the EPA inspection, Prairie Home Cooperative has brought their records up to date and has the paper work and procedures in place to continue to maintain the required records.

Total Unadjusted Penalty

\$6,300

Calculation of Adjusted Penalty

- 1st Reference the multipliers for calculating proposed penalties for violations found during RMP inspection matrix. Finding the column for 1-5 employees and the row for >5-10 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 0.6. Therefore, the multiplier for Prairie Home Cooperative is 0.6.
- 2nd Adjusted Penalty: \$6,300 (Unadjusted Penalty) X 0.6 (Size-Threshold Multiplier) = \$3,780 (Adjusted Penalty)
- 3rd An Adjusted Penalty of \$3,780 would be assessed to Prairie Home Cooperative for violations found during the RMP Compliance Inspection. This amount will be found in the Expedited Settlement Agreement.

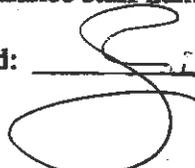
Total Penalty

\$3,780

This section must be also be completed and signed by Prairie Home Cooperative:

The approximate cost to correct the above items: \$ 10,000.00+

Compliance staff name: Jim Woods Prairie Home Coop

Signed:  Jim Woods Date: 9-28-11

IN THE MATTER OF Prairie Home Cooperative, Respondent
Docket No. CAA-07-2011-0025

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 hand delivered to
Attorney for Complainant:

Kristen Nazar
Assistant Regional Counsel
Region 7
United States Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101

Copy by Certified Mail Return Receipt to:

Jim Woods
General Manager
Prairie Home Cooperative
9238 Highway 87
Prairie Home, Missouri 65068

Dated: 10/14/11

Kathy Robinson
Kathy Robinson
Hearing Clerk, Region 7
POC