U. S. ENVIRONMENTAL PROTECTION AGENCY REGION 7 11201 RENNER BOULEVARD LENEXA, KANSAS 66219

BEFORE THE ADMINISTRATOR

| In the Matter of |) | |
|--------------------|---|-----------------------------|
| Excelsior Springs, |) | Docket No. CAA-07-2017-0008 |
| Respondent |) | |

CONSENT AGREEMENT AND FINAL ORDER

Preliminary Statement

The U.S. Environmental Protection Agency, Region 7 (EPA or Complainant) and Excelsior Springs (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, 40 C.F.R. §§ 22.13(b) and 22.18(b)(2).

Jurisdiction

- 1. This proceeding is an administrative action for the assessment of civil penalties instituted pursuant to Section 113(d) of the Clean Air Act (CAA), 42 U.S.C. § 7413(d). Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), the Administrator and the Attorney General jointly determined that this matter, in which the first date of alleged violation occurred more than twelve months prior to the initiation of the administrative action, was appropriate for administrative penalty action.
- 2. This Consent Agreement and Final Order serves as notice that the EPA has reason to believe that Respondent has violated the Chemical Accident Prevention Provisions in 40 C.F.R. Part 68, promulgated pursuant to Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and that Respondent is therefore in violation of Section 112(r) of the CAA, 42 U.S.C. § 7412(r). Furthermore, this Consent Agreement and Final Order serves as notice pursuant to Section 113(d)(2)(A) of the CAA, 42 U.S.C. § 7413(d)(2)(A), of the EPA's intent to issue an order assessing penalties for these violations.

Parties

- 3. Complainant, by delegation from the Administrator of EPA and the Regional Administrator, EPA, Region 7, is the Director of the Air and Waste Management Division, EPA, Region 7.
- 4. Respondent is Excelsior Springs, a municipality located in Missouri and the owner and operator of the Excelsior Springs Water Treatment Plant located at: 29805 NE 108th Street, Excelsior Springs, Missouri 64024 (the Facility).

Statutory and Regulatory Background

- 5. On November 15, 1990, the President signed into law the CAA Amendments of 1990. The Amendments added Section 112(r) to Title I of the CAA, 42 U.S.C. § 7412(r), which requires the Administrator of the EPA to, among other things, promulgate regulations in order to prevent accidental releases of certain regulated substances. Section 112(r)(3), 42 U.S.C. § 7412(r)(3), mandates that the Administrator promulgate a list of regulated substances, with threshold quantities, and defines the stationary sources that will be subject to the chemical accident prevention regulations mandated by Section 112(r)(7). Specifically, Section 112(r)(7), 42 U.S.C. § 7412(r)(7), requires the Administrator to promulgate regulations that address release prevention, detection, and correction requirements for these listed regulated substances.
- 6. On June 20, 1996, the EPA promulgated a final rule setting forth the Chemical Accident Prevention Provisions, known as the Risk Management Program, 40 C.F.R. Part 68, which implements Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7). This rule requires owners and operators of stationary sources to develop and implement a risk management program that includes a hazard assessment, a prevention program and an emergency response program.
- 7. The regulations at 40 C.F.R. Part 68 set forth the requirements of a risk management program that must be established at each stationary source. The risk management program is described in a Risk Management Plan (RMP) that must be submitted to the EPA.
- 8. The regulations at 40 C.F.R. § 68.10 set forth how the Chemical Accident Prevention Provisions apply to covered processes. Pursuant to 40 C.F.R. 68.10(a)(3) an owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process, as determined under § 68.115, shall comply with the requirements of Part 68, Chemical Accident Prevention Provisions, no later than the date on which a regulated substance is first present above a threshold quantity in a process.
- 9. Pursuant to 40 C.F.R. § 68.10(c), a covered process is subject to Program 2 requirements if the process does not meet the eligibility requirements of either Program 1 or Program 3, as described in 40 C.F.R. § 68.10(b) and (d), respectively.
- 10. Pursuant to Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and 40 C.F.R. § 68.150, an RMP must be submitted for all covered processes by the owner or operator of a

stationary source that has more than a threshold quantity of a regulated substance in a process no later than the latter of June 21, 1999, or the date on which a regulated substance is first present above the threshold quantity in a process.

- 11. Section 302(e) of the CAA, 42 U.S.C. § 7602(e), defines "person" to include any individual, corporation, partnership, association, State, municipality, political subdivision of a State, and any agency department, or instrumentality of the United States and any officer, agent, or employee thereof.
- 12. Section 112(a)(9) of the CAA, 42 U.S.C. § 7412(a)(9), defines "owner or operator" as any person who owns, leases, operates, controls, or supervises a stationary source.
- 13. Section 112(r)(2)(C) of the CAA, 42. U.S.C. § 7412(r)(2)(C), defines "stationary source" as any buildings, structures, equipment, installations or substance-emitting stationary activities which belong to the same industrial group, which are located on one or more contiguous properties, which are under the control of the same person (or persons under common control), and from which an accidental release may occur.
- 14. Section 112(r)(2)(A) of the CAA, 42 U.S.C. § 7412(r)(2)(A), defines "accidental release" as an unanticipated emission of a regulated substance or other extremely hazardous substance into the ambient air from a stationary source.
- 15. The regulation at 40 C.F.R. § 68.3 defines "regulated substance" as any substance listed pursuant to Section 112(r)(3) of the CAA, as amended, in 40 C.F.R. § 68.130.
- 16. The regulation at 40 C.F.R. § 68.3 defines "threshold quantity" as the quantity specified for regulated substances pursuant to Section 112(r)(5) of the CAA, as amended, listed in 40 C.F.R. § 68.130 and determined to be present at a stationary source as specified in 40 C.F.R. § 68.115.
- 17. The regulation at 40 C.F.R. § 68.3 defines "process" as any activity involving a regulated substance including any use, storage, manufacturing, handling or on-site movement of such substances, or combination of these activities. For the purposes of this definition, any group of vessels that are interconnected, or separate vessels that are located such that a regulated substance could be involved in a potential release, shall be considered a single process.
- 18. Section 113(d) of the CAA, 42 U.S.C. § 7413(d), states that the Administrator may issue an administrative order against any person assessing a civil administrative penalty of up to \$25,000 per day of violation whenever, on the basis of any available information, the Administrator finds that such person has violated or is violating any requirement or prohibition of Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7), and its implementing regulations. The Debt Collection Improvement Act of 2008 and the Federal Civil Penalties Inflation Adjustment Improvements Act of 2015, and implementing regulations at 40 C.F.R. Part 19, increased the statutory maximum to \$37,500 for violations that occurred from January 12, 2009, through November 2, 2015, and to \$45,268 for violations that occur after November 2, 2015.

General Factual Allegations

- 19. Respondent is, and at all times referred to herein was, a "person" as defined by Section 302(e) of the CAA, 42 U.S.C. § 7602(e).
- 20. Respondent is, and at all times referred to herein was, the "owner or operator" of the Facility as defined by Section 112(a)(9) of the CAA, 42 U.S.C. § 7412(a)(9).
- 21. Respondent's Facility is, and at all times referred to herein was, a "stationary source" as defined by Section 112(r)(2)(C) of the CAA, 42 U.S.C. § 7412(r)(2)(C).
- 22. Chlorine is a "regulated substance" pursuant to 40 C.F.R. § 68.3 and 40 C.F.R. § 68.130. The threshold quantity for chlorine as listed in 40 C.F.R. § 68.130 is 2,500 pounds.
- 23. On or about February 3, 2016, representatives of EPA conducted an inspection (the inspection) of Respondent's Facility to determine compliance with Section 112(r) of the CAA, 42 U.S.C. § 7412, and 40 C.F.R. Part 68.
- 24. Information gathered during the EPA inspection revealed that the Facility had greater than 2,500 pounds of chlorine in a process at the Facility.
- 25. From the time the Facility first had greater than 2,500 pounds of chlorine in a process, Respondent was subject to the requirements of Section 112(r) of the CAA, 42 U.S.C. § 7412(r), and 40 C.F.R. Part 68 because Respondent was an owner and operator of a stationary source that had more than a threshold quantity of a regulated substance in a process.
- 26. From the time the Facility had onsite greater than 2,500 pounds of chlorine in a process, Respondent was subject to Program 2 prevention program requirements because pursuant to 40 C.F.R. § 68.10(c), the process does not meet the eligibility requirements of either Program 1 or Program 3, as described in 40 C.F.R. § 68.10(b) and (d), respectively.
- 27. From the time the Facility had onsite greater than 2,500 pounds of chlorine in a process, Respondent was required under Section 112(r)(7) of the Clean Air Act, 42 U.S.C. § 7412(r)(7), to implement a risk management program, including submitting an RMP pursuant to 40 C.F.R. 68.12(a), and comply with the Program 2 requirements as provided at 40 C.F.R. § 68.12(c).
- 28. As a result of the EPA inspection and additional information obtained by the agency, Complainant has determined that violations of the Chemical Accident Prevention Provisions in 40 C.F.R. Part 68, occurred.

Allegations of Violation

29. The Complainant hereby states and alleges that Respondent has violated the CAA and federal regulations promulgated thereunder, as follows:

Count 1

- 30. The facts stated in Paragraphs 19 through 28 above are herein incorporated.
- 31. Pursuant to 40 C.F.R. § 68.15(a) and (b), the owner or operator of a stationary source with processes subject to Program 2 shall develop a management system to oversee the implementation of the risk management program elements and shall assign a qualified person or position that has the overall responsibility for the development, implementation, and integration of the risk management program elements.
- 32. The EPA inspection revealed that the person assigned the responsibility to develop, implement and integrate the risk management program had left employment with Respondent prior to the inspection and no person had subsequently been assigned the responsibility.
- 33. Respondent's failure to assign a qualified person or position that has the overall responsibility for the development, implementation, and integration of the risk management program elements and to develop a management system to oversee the risk management program elements is a violation of 40 C.F.R. 68.15(a) and (b). Respondent, therefore, violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 2

- 34. The facts stated in Paragraphs 19 through 28 above are herein incorporated.
- 35. Pursuant to 40 C.F.R. § 68.36(a), the owner or operator shall review and update the offsite consequence analyses at least once every five years, and as required by 40 C.F.R. § 68.39(a-e) the owner or operator shall maintain the required records on the offsite analyses.
- 36. The EPA inspection revealed the Respondent had not reviewed and updated the offsite consequence analyses from June 22, 2009 through the date of the inspection. Further, the Facility was unable to provide documentation of any completed offsite consequence analyses.
- 37. Respondent's failure to review and update the offsite consequence analyses at least once every five years is a violation of 40 C.F.R. § 68.36(a) and Respondent's failure to maintain the required records on the offsite consequence analyses is a violation of 40 C.F.R. § 68.39(a-e). Respondent, therefore, violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 3

- 38. The facts stated in Paragraphs 19 through 28 above are herein incorporated.
- 39. Pursuant to 40 C.F.R. § 68.50(a) and (c)-(d), the owner or operator shall conduct a review of the hazards (hazard review) associated with the regulated substances, process and procedures, document the results of the same and ensure that problems identified are resolved in a timely manner, and update the hazard review at least once every five years.
- 40. At the time of the EPA inspection, the Respondent had not conducted a hazard review from March 5, 2008 through the date of the inspection.
- 41. Respondent's failure to conduct a hazard review and document the results of the same and ensure that problems identified are resolved in a timely manner, and update the review at least once every five years is a violation of 40 C.F.R. § 68.50(a) and (c)-(d). Respondent, therefore, violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 4

- 42. The facts stated in Paragraphs 19 through 28 above are herein incorporated.
- 43. Pursuant to 40 C.F.R. § 68.58(a) and (e), the owner or operator of a stationary source with processes subject to Program 2 shall certify that they have evaluated compliance (completed a compliance audit) at least every three years to verify that the procedures and practices developed are adequate and being followed and maintain the two (2) most recent compliance audit reports.
- 44. The EPA inspection revealed that Respondent had failed to certify completion of a compliance audit or maintain any compliance audit reports.
- 45. Respondent's failure to certify completion of a compliance audit or maintain any compliance audit reports is a violation of 40 C.F.R. § 68.58. Respondent, therefore, violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 5

- 46. The facts stated in Paragraphs 19 through 28 above are herein incorporated.
- 47. Pursuant to 40 C.F.R. § 68.160(b)(6), the owner or operator of a stationary source shall complete a single registration form in the RMP that includes the name, title, telephone number, and e-mail address of the emergency contact. Pursuant to 40 C.F.R. § 68.195(b), the owner or operator of a stationary source for which a RMP was submitted shall submit a correction to the RMP within one month of any change in the emergency contact information required under 40 C.F.R. § 68.160(b)(6).
 - 48. The EPA inspection revealed that individual designated as the emergency contact

in Respondent's RMP had left employment with Respondent and the current emergency contact information had not been submitted within one month of the change occurring.

49. Respondent's failure to submit a correction to the RMP and provide the correct emergency contact information is a violation of 40 C.F.R § 68.160(b)(6) and 68.195(b). Respondent, therefore, violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

Count 6

- 50. The facts stated in Paragraphs 19 through 28 above are herein incorporated.
- 51. Pursuant to 40 C.F.R. § 68.190(b)(1), the owner or operator of a stationary source shall revise and update the submitted RMP at least once every five years from the date of its initial submission.
- 52. Respondent submitted a, RMP on June 22, 2009 and had not submitted a revised and updated RMP at the time of the EPA inspection.
- 53. Respondent's failure to submit a revised and updated RMP by June 22, 2014 is a violation of 40 C.F.R. § 68.190(b)(1). Respondent, therefore, violated Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7).

CONSENT AGREEMENT

- 54. For the purpose of this proceeding, as required by 40 C.F.R. § 22.18(b)(2), Respondent:
 - (a) admits the jurisdictional allegations set forth herein;
 - (b) neither admits nor denies the specific factual allegations stated herein;
 - (c) consents to the assessment of a civil penalty, as stated herein;
 - (d) consents to the issuance of any specified compliance or corrective action order;
 - (e) consents to any conditions specified herein;
 - (f) consents to any stated Permit Action;
 - (g) waives any right to contest the allegations set forth herein; and
 - (h) waives its rights to appeal the Final Order accompanying this Consent Agreement.

- 55. Respondent consents to the issuance of this Consent Agreement and Final Order and consents for the purposes of settlement to the payment of the civil penalty specified herein and to completion of the Supplemental Environmental Project (SEP) described below.
- 56. Respondent and EPA agree to conciliate this matter without the necessity of a formal hearing and to bear their respective costs and attorneys' fees.

Penalty Payment

- 57. Respondent agrees that, in settlement of the claims alleged herein, Respondent shall pay a mitigated civil penalty of Ten Thousand Dollars (\$10,000.00), as set forth below, and shall perform a SEP as set forth in this Consent Agreement and Final Order. The projected cost of the SEP is Two Hundred Thirty Thousand Four Hundred Dollars (\$230,400). The SEP is further described below.
- 58. Respondent shall pay the penalty within thirty (30) days of the effective date of the Final Order. Such payment shall identify Respondent by name and docket number and shall be by certified or cashier's check made payable to the "United States Treasury" and sent to:

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

or by alternate payment method described at http://www.epa.gov/financial/makepayment.

59. A copy of the check or other information confirming payment shall simultaneously be sent to the following:

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

Clarissa Howley Mills, Attorney
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219
mills.clarissa@epa.gov

60. Respondent understands that its failure to timely pay any portion of the civil penalty or any portion of a stipulated penalty described below may result in the commencement of a civil action in Federal District Court to recover the full remaining balance, along with penalties and accumulated interest. In such case, interest shall begin to accrue on a civil or

stipulated penalty from the date of delinquency until such civil or stipulated penalty and any accrued interest are paid in full. 31 C.F.R. § 901.9(b)(1). Interest will be assessed at a rate of the United States Treasury Tax and loan rates in accordance with 31 U.S.C. § 3717. Additionally, a charge will be assessed to cover the costs of debt collection including processing and handling costs, and a non-payment penalty charge of six (6) percent per year compounded annually will be assessed on any portion of the debt which remains delinquent more than ninety (90) days after payment is due. 31 U.S.C. § 3717(e)(2).

Supplemental Environmental Project

- 61. In response to the violations of the CAA alleged in this Consent Agreement and Final Order and in settlement of this matter, although not required by the CAA or any other federal, state, or local law, Respondent shall complete the SEP described in this Consent Agreement and Final Order, which the parties agree is intended to secure significant environmental or public health protection and improvement.
- 62. Respondent shall complete the following SEP: Respondent shall eliminate the use of chlorine gas at Respondent's Facility by converting the process at the Facility from chlorine gas to liquid sodium hypochlorite, a less dangerous chemical substitute (Respondent's SEP). The converted process will consist of two (2) two thousand one hundred (2,100) gallon bulk storage tanks and related pumps and equipment. Upon installation, the existing chlorine gas tanks and related gas fed equipment will be removed and the process deregistered pursuant to 40 C.F.R. § 68.190(c).
- 63. Respondent's SEP shall be completed in accordance with Respondent's SEP Work Plan as submitted to EPA and attached to this Consent Agreement and Final Order as Appendix A, which is herein incorporated by reference and enforceable under this Consent Agreement and Final Order. The Parties agree that Respondent's SEP is intended to secure significant public health benefits by protecting workers, emergency responders, and the community from the risk of chlorine gas release.
- 64. The SEP shall cost at least Two Hundred Thirty Thousand Four Hundred Dollars (\$230,400.00). Respondent agrees that the SEP shall be completed within thirty (30) days of the Effective Date of this Consent Agreement and Final Order.
- 65. This SEP shall be performed in accordance with the requirements of this Consent Agreement and Final Order.
- 66. Within thirty (30) days of the Effective Date of this Consent Agreement and Final Order, Respondent shall submit a SEP Completion Report to the EPA contact identified in Paragraph 70 below. The SEP Completion Report shall be subject to EPA review and approval as provided in Paragraph 71 below. The SEP Completion Report shall contain the following information:
 - a. Detailed description of the SEP as implemented;
 - b. Description of any problems encountered in implementation of the projects and

- the solution thereto;
- c. Description of the specific environmental and/or public health benefits (to the extent feasible, quantify the benefits associated with the project and provide a report setting forth how the benefits were measures or estimated) resulting from implementation of the SEP; and
- d. Certification that the SEP has been fully implemented pursuant to the provisions of this Consent Agreement and Final Order.
- 67. In itemizing its costs in the SEP Completion Report, Respondent shall clearly identify and provide acceptable documentation for all SEP costs. For purposes of this paragraph, "acceptable documentation" includes invoices, purchase orders, or other documentation that specifically identifies and itemizes the individual costs of the goods and/or services for which payment is being made. Cancelled drafts do not constitute acceptable documentation unless such drafts specifically identify and itemize the individual costs of the goods and/or services for which payment is being made.
- 68. Defendant has selected Larkin Lamp Rynearson as a contractor and engineer consultant to assist with the implementation of the SEP.
- 69. The SEP Completion Report shall include the statement of Respondent, through an officer, signed and certifying under penalty of law the following:

I certify under penalty of law that I have examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment.

70. The SEP Completion Report shall be submitted on or before the due date specified above to:

Clarissa Howley Mills, CNSL/CMBR U.S. Environmental Protection Agency, Region 7 11201 Renner Boulevard Lenexa, Kansas 66219 mills.clarissa@epa.gov

Dave Hensley, AWMD/CORP U.S. Environmental Protection Agency, Region 7 11201 Renner Boulevard Lenexa, Kansas 66219 hensley.dave@epa.gov

71. <u>SEP Completion Report Approval</u>: The SEP Completion Report shall be reviewed in accordance with the procedures outlined in this paragraph. EPA will review the SEP

Completion Report and may approve, approve with modifications, or disapprove and provide comments to Respondent. If the SEP Completion Report is disapproved with comments, Respondent shall incorporate EPA's comments and resubmit the SEP Completion Report within thirty (30) days of receipt of EPA's comments. If Respondent fails to revise the SEP Completion Report in accordance with EPA's comments, Respondent shall be subject to the stipulated penalties as set forth below.

72. Any public statement, oral or written, in print, film, internet, or other media, made by Respondent making reference to the SEP under this Consent Agreement and Final Order from the date of its execution of this Consent Agreement and Final Order shall include the following language:

This project was undertaken in connection with the settlement of an enforcement action taken by the U.S. Environmental Protection Agency to enforce the Clean Air Act.

- 73. With regard to the SEP, Respondent certifies the truth and accuracy of each of the following:
 - a. That all cost information provided to the EPA in connection with the EPA's approval of the SEP is complete and accurate and that Respondent in good faith estimates that the cost to implement the SEP is Two Hundred Thirty Thousand Four Hundred Dollars (\$230,400.00);
 - b. That, as of the date of executing this Consent Agreement and Final Order, Respondent is not required to perform or develop the SEP by any federal, state, or local law or regulation and is not required to perform or develop the SEP by agreement, grant, or as injunctive relief awarded in any other action in any forum;
 - c. That the SEP is not a project that Respondent was planning or intending to construct, perform, or implement other than in settlement of the claims resolved in this Consent Agreement and Final Order;
 - d. That Respondent has not received and will not receive credit for the SEP in any other enforcement action;
 - e. That Respondent will not receive reimbursement for any portion of the SEP from another person or entity;
 - f. That for federal income tax purposes, Respondent agrees that it will neither capitalize into inventory or basis nor deduct any costs or expenditures incurred in performing the SEP; and
 - g. Respondent is not a party to any open federal financial assistance transaction that is funding or could fund the same activity as the SEP.
- 74. Stipulated penalties for failure to complete SEP/Failure to spend agreed-on amount.
 - a. In the event Respondent fails to comply with any of the terms or provisions of this Consent Agreement and Final Order relating to the performance of the SEP, above, and/or to the extent that the actual expenditures for the SEP do not equal or exceed the cost of the SEP described in this Consent Agreement and Final Order,

Respondent shall be liable for stipulated penalties according to the provisions set forth below:

- i. If the SEP has not been completed satisfactorily and timely pursuant to this Consent Agreement and Final Order, Respondent shall pay a stipulated penalty to the United States in the amount of One Hundred Forty-Three Thousand Five Hundred Fifty-Six Dollars (\$143,556) minus any documented expenditures determined by EPA to be acceptable for the SEP.
- ii. If the SEP is satisfactorily completed in accordance with this Consent Agreement and Final Order, but Respondent spent less than Two Hundred Thirty Thousand Four Hundred Dollars (\$230,400), Respondent shall pay a stipulated penalty to the United States in the amount of Eleven Thousand Nine Hundred Thirty-Nine Dollars (\$11,939).
- iii. For failure to submit the SEP Completion Report, Respondent shall pay a stipulated penalty in the amount of \$250 for each day after the report was originally due until the report is submitted.
- b. The determinations of whether the SEP has been satisfactorily completed and whether the Respondent has made a good faith, timely effort to implement the SEP shall be in the sole discretion of EPA.
- c. Stipulated penalties shall begin to accrue on the day after performance is due, and shall continue to accrue through the final day of the completion of the activity or other resolution under this Consent Agreement and Final Order.
- d. Respondent shall pay stipulated penalties not more than fifteen (15) days after receipt of written demand by EPA for such penalties. Method of payment shall be in accordance with the provisions of the Penalty Payment section above. Interest and late charges shall be paid as stated in Paragraph 60 herein.
- e. Nothing in this agreement shall be construed as prohibiting, altering or in any way limiting the ability of EPA to seek any other remedies or sanctions available by virtue of Respondent's violation of this agreement or of the statutes and regulations upon which this agreement is based, or for Respondent's violation of any applicable provision of law.
- f. The United States may, in the unreviewable exercise of its discretion, reduce or waive stipulated penalties otherwise due under this Consent Agreement and Final Order.

Effect of Settlement and Reservation of Rights

- 75. Full payment of the penalty proposed in this Consent Agreement shall only resolve Respondent's liability for federal civil penalties for the violations alleged herein. Complainant reserves the right to take any enforcement action with respect to any other violations of the CAA or any other applicable law.
- 76. The effect of settlement described in the immediately preceding paragraph is conditioned upon the accuracy of Respondent's representations to EPA, as memorialized in paragraph directly below.

- 77. Respondent certifies by the signing of this Consent Agreement that it is presently in compliance with all requirements of the CAA and its implementing regulations.
- 78. Full payment of the penalty proposed in this Consent Agreement shall not in any case affect the right of the Agency or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violations of law. This Consent Agreement and Final Order does not waive, extinguish or otherwise affect Respondent's obligation to comply with all applicable provisions of the CAA and regulations promulgated thereunder.
- 79. Complainant reserves the right enforce the terms and conditions of this Consent Agreement and Final Order.

General Provisions

- 80. By signing this Consent Agreement, the undersigned representative of Respondent certifies that he or she is fully authorized to execute and enter into the terms and conditions of this Consent Agreement and has the legal capacity to bind the party he or she represents to this Consent Agreement.
- 81. This Consent Agreement shall not dispose of the proceeding without a final order from the Regional Judicial Officer or Regional Administrator ratifying the terms of this Consent Agreement. This Consent Agreement and Final Order shall be effective upon the filing of the Final Order by the Regional Hearing Clerk for EPA, Region 7. Unless otherwise stated, all time periods stated herein shall be calculated in calendar days from such date.
- 82. The penalty specified herein shall represent civil penalties assessed by EPA and shall not be deductible for purposes of Federal, State and local taxes.
- 83. This Consent Agreement and Final Order shall apply to and be binding upon Respondent and Respondent's agents, successors and/or assigns. Respondent shall ensure that all contractors, employees, consultants, firms, or other persons or entities acting for Respondent with respect to matters included herein comply with the terms of this Consent Agreement and Final Order.

RESPONDENT EXCELSIOR SPRINGS

Date: 10-16-17

By: Mely McGovern

Print Name

City Marray

Title

COMPLAINANT
U. S. ENVIRONMENTAL PROTECTION AGENCY

Date: 18/27/17

Rebecca Weber

Director, Air and Waste Management Division

Date: 10 27 2017

Clarissa Howley Mills Office of Regional Counsel

FINAL ORDER

Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation, Termination or Suspension of Permits, 40 C.F.R. Part 22, the foregoing Consent Agreement resolving this matter is hereby ratified and incorporated by reference into this Final Order.

Respondent is ORDERED to comply with all of the terms of the Consent Agreement. In accordance with 40 C.F.R. § 22.31(b), the effective date of the foregoing Consent Agreement and this Final Order is the date on which this Final Order is filed with the Regional Hearing Clerk.

IT IS SO ORDERED.

Karina Borromeo

Regional Judicial Officer

CERTIFICATE OF SERVICE

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

Copy emailed to Attorney for Complainant:

mills.clarissa@epa.gov

Copy emailed to Attorney for Respondent:

jmcclelland@armstrongteasdale.com

Dated: Nov. 7, 2017

Lisa Haugen

Hearing Clerk, Region 7

APPENDIX A

MISSOURI KANSAS COLDRADO NEVADA ILLINOIS SHANGHAI

January 13, 2017

VIA EMAIL (MILLS.CLARISSA@EPA.GOV) AND REGULAR MAIL

Clarissa Howley Mills Assistant Regional Counsel U.S. EPA, Region 7 11201 Renner Boulevard Lenexa, KS 66219

Re: Excelsior Springs Water Treatment Plant

Dear Ms. Howley Mills:

I apologize for the delay in getting the information to you. The good news is that substantial progress has been made and one source of potential delay, approval of plans by the Missouri Department of Natural Resources, has been eliminated.

The City engaged Larkin Lamp Rynearson engineers to revise the plan for the water treatment facility to provide for converting from chlorine gas to liquid sodium hypochlorite. The new system consists of two 2,100 gallon bulk storage tanks and related pumps and equipment. Upon installation, the existing chlorine gas tanks and related gas feed equipment will be removed.

The plans were completed on December 19, 2016 and submitted to Missouri Department of Natural Resources with a request for expedited review. The plans were approved by DNR on January 6, 2017. Copies of the plans and approval letter are attached.

The City reached an agreement with the contractor performing other work on the treatment facility, Foley Company, for a change order to the prior contract to proceed with the sodium hypochlorite conversion. A copy of the contract change order is attached. The change order will be presented to the City Council for approval at the next regular meeting on Tuesday, January 17, 2017. I anticipate approval that day, with work commencing immediately.

The estimated cost to the city for the conversion is itemized as follows:

| Engineering – Design | \$ 15,600 |
|---|-----------|
| Engineering – Construction Observation | \$ 19,800 |
| Construction - Sodium Hypochlorite System | \$172,100 |
| Construction – Modification of Chemical Feed Building | \$ 22,900 |
| | \$230,400 |

The City will pay all costs from the existing balance of the Water Fund, which is derived from water service revenues. No part of costs will be paid from grants, outside assistance, or borrowed funds. A copy of the Water Fund Balance Sheet as of December 31, 2016 is attached.

You inquired about the presence of any acid at the facility. The chemical feed equipment is housed in a separate building from the rest of the treatment facilities. The sodium hypochlorite will feed into the treatment building through underground piping as indicated on the attached plans. The only significant quantity of sodium hypochlorite will be in the chemical feed equipment building. Acid has never been kept in that building and will not be kept or used there after the conversion. A 60% premixed solution of muriatic acid is used once every one or two months to clean the batch lime slaker which is located outdoors over 100 feet from the chemical feed building. The solution is purchased and kept in plastic containers stored in a small outbuilding used solely for that purpose, and fed into the slaker by hand. There is no pumping of acid or delivery in bulk.

We discussed the possibility of posting information concerning the sodium hypochlorite conversion to the City website. A draft posting is attached for your review. If this is acceptable, the City will post immediate and update as work progresses.

I will confirm approval of the construction contract and provide a more detailed timeline after the City Council meeting.

Very truly yours,

John W. McClelland

Jahram

JWM:swu

ABBREVIATED AGREEMENT BETWEEN CLIENT AND LAMP, RYNEARSON & ASSOCIATES, INC.

Page 1 of 3

www.LRA-inc.com www.larkin-grp.com

dba LARKIN LAMP RYNEARSON

| CLIENT: City of Excelsior Springs, Missouri | | JOB NUMBER: 0315030.01 |
|--|---|---|
| PROJECT DESCRIPTION: Water Treatment Plan (Addendum No. 2) | t Chemical Feed Replacement | DATE ISSUED: October 27, 2018 |
| LOCATION OF PROJECT: Excelsior Springs, Mi | \$\$ouri | INITIATED BY: C CLIENT X |
| PROJECT TITLE: | | |
| | | |
| interior time staker. Design services will include pre-s | ces for replacement of the water treatment plant selection of equipment and assistance with price of a design memo, and preparation and submittal | chlorination equipment, carbon dioxide feed equipment, and negotiation with suppliers, preparation of construction of a construction permit application. Proposals from a |
| Bid phase services will include notification of prosper addenda, evaluation of bids, preparation of a letter to | | ability to answer bidder's questions, preparation of any struction documents. |
| Construction phase services, such as observation, fi Construction phase services are available and can b | | submittal review are not included in scope of services. |
| The fee for design phase services is a lump sum of \$ | \$36,000 payable monthly based upon the estima | ted percent complete. |
| DETAILED DESCRIPTION OF WORK TO BE PER | FORMED (ADDENDUM NO. 1): | |
| Design and Incorporate into drawings access doors from of \$2,700. | for the solids contact basins center columns (three | te each). Additional fee for design phase services is a lump |
| DETAILED DESCRIPTION OF WORK TO BE PER | FORMED (ADDENDUM 2): | |
| | | equipment to fit Inside the existing chlorine building, shall air conditioner, and related piping, electrical, and controls |
| Prepare drawings, specifications, and a design mem construction. Solicit a proposal from the contractor a chemical feed equipment replacement project. Fee f | nd prepare a change order for the chemical feed | equipment replacement project. Change Order for the |
| The total revised design fee is \$54,300 | | |
| This Agreement is subject to the Billing Information a | and General Conditions, pages 2 and 3 of 3. | |
| BILLING INSTRUCTIONS: % of Construction by Phase Special | | SIGNATURES: X Larkin Lamp Rynearson Apthorized Representative(s) with Title(s) |
| ☑ Lump Sum | \$\$36,000.00 | 1 kell 10-27-16 |
| ☐ Cost +% + Expense | \$ | Date |
| ☐ Hourly Rates Up to a Maximum + Expenses | \$ | □ Client/Client |
| ☐ Cost plus fixed fee | \$ | Authorized Representative with Title |
| 図 Other (Addendum No. 1) | \$\$2,700.00 | |
| (X) Other (Addendum No. 2) | \$\$15,600.00 | Date |
| | | |
| DISTRIBUTION: | | |
| □ CLIENT | | LARKINI |
| ☑ LARKIN LAMP RYNEARSON | | LAMP RYNEARSON |
| | | 9001 State Line Road, Suite 200 |
| | | Kansas City, Missouri 64114 P 816.361.0440 |

ABBREVIATED AGREEMENT BETWEEN CLIENT AND LAMP, RYNEARSON & ASSOCIATES, INC.

Page 1 of 3

dba LARKIN LAMP RYNEARSON

| CLIENT: City of Excelsior Springs, Missouri | | JOB NUMBER: 0315030.01 |
|--|---|--|
| PROJECT DESCRIPTION: Water Treatment Plan Construction Administration (Addendum No. 1) | | DATE ISSUED: October 27, 2016 |
| LOCATION OF PROJECT: Excelsior Springs, M | lesouri | INITIATED BY: CLIENT [X] |
| | | |
| PROJECT TITLE: | | |
| DETAILED DESCRIPTION OF WORK TO BE PER | REORMED: | |
| Provide Construction Administration services for the | | Services shall include: |
| Review equipment submittals from the co | ontractor | |
| Review contractor's applications for payn | nent. | |
| Organize and attend pre-construction me | eting. | |
| Perform final inspection. | | |
| Attend up to three additional site visits/me | • | |
| - | ications and be available to answer questions fro | m the contractor and City staff. |
| Prepare any necessary Change Orders. | | |
| | | equal monthly fees of \$2,615.00 and a final fee of \$2,610.00 excess of seven months may result in a request for additional |
| DETAILED DESCRIPTION OF WORK TO BE PER | REFORMED (ADDENDUM NO. 1): | |
| Review equipment submittals from the contractor fo | r a sodium hypochlorite feed system. Additional | fee for construction phase services is \$1,500 00. |
| Total revised construction phase services fee is \$19 | | |
| | | |
| This Agreement is subject to the Billing Information | and General Conditions, pages 2 and 3 of 3. | |
| BILLING INSTRUCTIONS: | | SIGNATURES: |
| | | X Larkin Lamp Rynearson |
| □ % of Construction Contracts | | Authorized Representative(s) with Title(s) |
| ☐ % of Construction by Phase | | 1 x Kb-2 10-27-16 |
| □ Special | | 102710 |
| 🖾 Lump Sum | \$ \$19,800.00 | Date |
| | | □ Client/Client |
| □ Cost +% + Expense | \$ | Authorized Representative with Title |
| ☐ Hourly Rates Up to a Maximum + Expenses | \$ | |
| ☐ Cost plus fixed fee | \$ | Date |
| Clher (Addendum No. 1) | \$ \$1,500.00 | |
| | | |
| | | |
| | | attin |
| DISTRIBUTION: | | |
| - | | 1 / |
| 区 CLIENT | | LARKIN |
| ☑ LARKIN LAMP RYNEARSON | | LAMP RYNEARSON |
| | | 9001 State Line Road, Suite 20 |
| O OTHER | | Kansas City, Missouri 64114 |
| O OTHER | | P 816.361.044 |
| - OHIER | | www.LRA-inc.com www.larkin-grp.c |

Excelsion Springs; Wife chem Feed 03/5030 MDNR



Jeremiah W. (Jay) Nixon, Governor • Harry D. Bozoian, Director

OF NATURAL RESOURCES

dnr.mo.gov

January 6, 2017

Mr. Chad Birdsong, Director of Public Works City of Excelsior Springs 103 East Water Street Excelsior, Springs, MO 64024

RE: Excelsior Springs, MO1010261, Clay County, Review No. 1054235-15R

Dear Mr. Birdsong:

Enclosed is an approval addendum on revised plans for converting from chlorine gas to liquid sodium hypochlorite to serve Excelsior Springs, Missouri, which I believe, is self-explanatory. This approval should be used in conjunction with the previous approval letter dated October 23, 2015.

Please be advised this facility may be required to obtain other permits from the department. It is your responsibility to insure that any and all necessary permits for this facility have been obtained.

NOTE: You, as the applicant, should be aware that you will need to obtain final construction approval from the department for this project, once it has been constructed and completed. In order to do this, you will need to have your engineer complete the enclosed "Statement of Work Completed" form. This may require you to make additional arrangements with your engineer to provide this service to you. Once your engineer has completed this form for you, you should return it to this office. We will then make arrangements with our regional office staff to conduct a final inspection and issue a final construction approval.

If you have any questions concerning this construction permit approval or if you need any further assistance, please contact Ms. Megan Torrence by phone at 573-522-1801 or email at megan.torrence@dnr.mo.gov. You may also contact me by phone at 573-751-1127 or email at maher.jaafari@dnr.mo.gov. You may also request to set up an appointment referred to as a Compliance Assistance Visit (CAV). CAVs will assist with understanding regulatory requirements, help with achieving and maintaining compliance, and provide a continuing resource for technical assistance. To request a CAV, please contact your local regional office or fill out an online request.



Mr. Chad Birdsong, Director of Public Works Page Two

The regional office contact information can be found at the following website: http://dnr.mo.gov/cav/compliance.htm. The online CAV request can be found at http://dnr.mo.gov/cav/compliance.htm.

Thank you for your continued support in our journey and pursuit to enhance Missouri's natural resources.

Sincerely,

WATER PROTECTION PROGRAM

Maher Jaafari, P.E.

Drinking Water Permits and Engineering Section Chief

MJ:mtd

Enclosure

c: Greg s. Kendall, P.E., Larkin Group Kansas City Regional Office

File: CI

DEPARTMENT OF NATURAL RESOURCES OF MISSOURI APPROVAL ON REVISED PLANS FOR CHLORINE FEED EQUIPMENT

Excelsior Springs, Missouri

January 6, 2017

Review Number 1054235-15R

INTRODUCTION

Revised plans dated December 19, 2016 for chlorine feed equipment to serve Excelsior Springs, Missouri were submitted for review and approval by Larkin Lamp Rynearson, Kansas City, Missouri.

BRIEF DESCRIPTION

In general, these revised plans provide for converting from chlorine gas to liquid sodium hypochlorite. The new chlorine feed equipment will consist of two 2,100 gallon bulk storage tanks, one 50 gpm transfer pump, one 210 gallon day tank with scale, and three 33 gph capacity peristaltic feed pumps. Construction will be phased such that the gas feed system will remain in service until a portion of the new sodium hypochlorite system is in place, at which time sodium hypochlorite use will begin while the remaining gas feed equipment is removed and the remaining sodium hypochlorite equipment is installed. The existing chemical feed points will remain in use.

Megan Torrence

Drinking Water Permits and Engineering Section

APPROVAL TO CONSTRUCT

The engineering plans and specifications described above were examined as to sanitary features of design which may affect the operation of the sanitary works, including size, capacities of the units, and factors which may affect the efficiency and ease of operation. Approval as regards these points is hereby given.

Approval is given with the understanding that final inspection and approval of the completed work shall be made by the Department of Natural Resources before same is accepted and placed in operation. If construction is not commenced two (2) years after the date of Issue or there is a halt in construction of more than two years, the approval to construct will be void unless an extension of time has been granted by the department.

In the examination of plans and specifications, the Department of Natural Resources, Public Drinking Water Program does not examine the structural features of design or efficiency of mechanical equipment. This approval does not include approval of these features.

The Department of Natural Resources, Public Drinking Water Program reserves the right to withdraw the approval of plans and specifications at any time it is found that additional treatment or alterations are necessary to assure reasonable operating efficiency and to afford adequate protection to public health.

| | V . 0 V D | ORDER NO. | 1 |
|--------------|---|-----------------------|-----------------------|
| | LARKIN LAMP RYNEARSON CONTRACT CHANGE ORDER | DATE | 12-22-2016 |
| | CONTRACT CHANGE ORDER | STATE | Mo |
| CONTRACT FOR | WTP Chemical Feed Replacement | COUNTY | Clay |
| OWNER: | City of Excelsior Springs | | |
| TO. | Foley Company | | |
| | (CONTRACTOR) | | |
| You a | re hereby requested to comply with the following changes fr | rom the contract plan | s and specifications: |

| Description of Changes | DECREASE | INCREASE |
|---|---------------------|-------------------|
| (Supplemental Plans and Specifications Attached) | In Contract Price | In Contract Price |
| Install sodium hypochlorite feed equipment as noted on the | | \$172,100.00 |
| attached proposal and drawings T2.1a, T2.2a, T2.3a & E1.1a | | · |
| Install 1 1/2" rigid insulation and sheet metal siding to the | | |
| exterior of the sodium hypochlorite feed building | | \$22,900.00 |
| TOTALS | | \$ 195,000.00 |
| NET CHANGE IN CONTRACT PRICE | | \$195,000.00 |
| JUSTIFICATION: | | 72.0,000.00 |
| Switch from chlorine gas feed to sodium hypochlorite feed per | agreement with EPA. | |
| | | |
| | | |
| | | |

| The amount of the Contract will be Increased by the sum of: One Hundred Ninety Five Thousand | (\$195,000.00). |
|---|-------------------------|
| The contract Total including this and previous Change Orders will be: | (# <u>175,000,00</u>). |
| Four Hundred Nineteen Thousand Four Hundred Dollar | s (\$419,400.00). |
| The Contract Period provided for completion will be Increased: | 255 days. |
| Revised Substantial Completion date | August 14, 2017 |
| Revised Final Completion date | September 13, 2017 |
| This document will become a supplement to the contract and all provisions will | apply hereto. |
| Requested | |
| Recommended (Owner) | (DATE) 12-22-2016 |
| Accepted (Owner's Architect/Engineer) | (DATE) |
| (CONTRACTOR) | (DATE) |

2017 BALANCE SHEET

PACACCOUNTING PERIOD

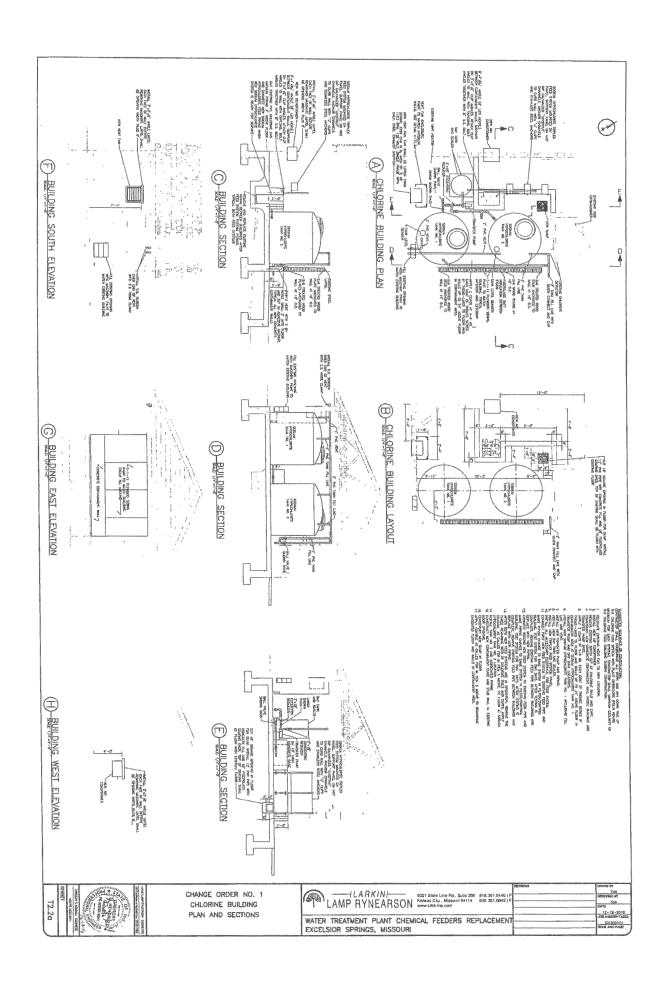
| 2 | | | |
|---|---------|------------------------|---------------------------|
| | CREDITS | DEBITS | |
| | | | WATER |
| 1 | | | |
| | | AS OF 12/31/2016 | OF EXCELSIOR SPRINGS |
| ACCOUNTING PERIO | | | RAM GM263L |
| | | :50 2017 BALANCE SHEET | ARED 01/05/2017, 14:35:50 |

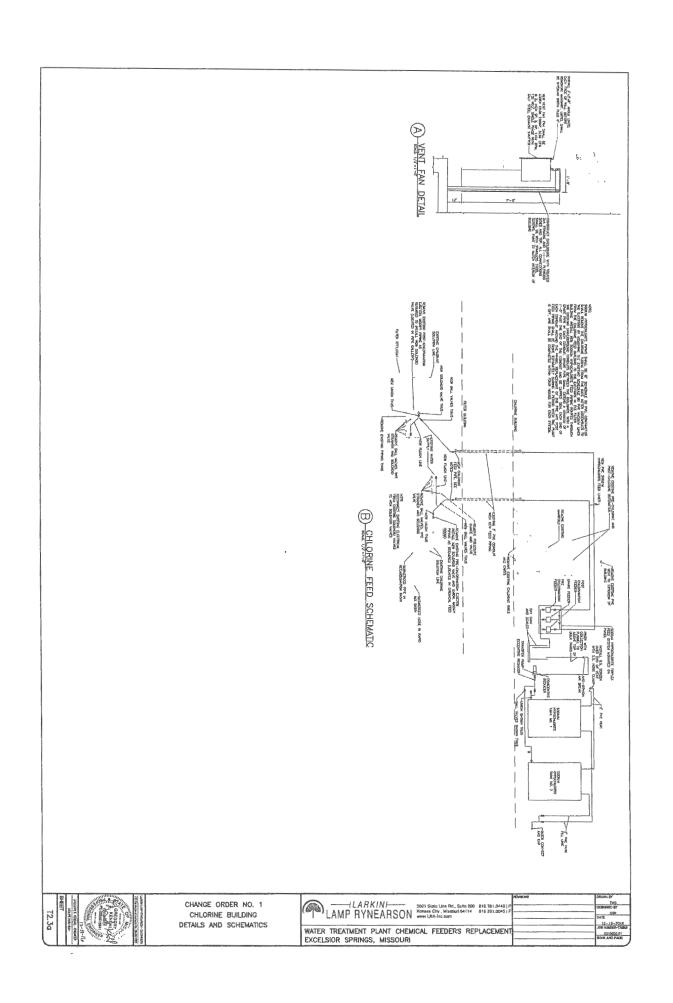
| PENSION RELATED ASSET / .05-00 PENSION RELATED ASSET / .05-01 DEFERRED INFLOW - EXP / .00-00 FIXED ASSETS / COPERATIN .00-00 FIXED ASSETS / OPERATIN .00-00 FIXED ASSETS / CONSTRUCT |
|--|
| ASSET / DEFERRED OUTFLOW - CONTRI ASSET / DEFERRED OUTFLOW - ASSUMP ASSET / DEFERRED INFLOW - EXP - EXP / NET PENSION ASSET LAND & LAND IMPROVEMENTS OFFICE EQUIPMENT BUILDINGS & IMPROVEMENTS OPERATING SYSTEM & IMPROV OPERATING MACH & EQUIP VEHICLES ACCUMULATED DEPRECIATION CONSTRUCTION IN PROGRESS |
| 154,417.96 154,417.96 50,392.73 4,920,460.88 13,901,222.85 259,930.12 465,619.97 8,769,584.70 |
| 9,996,729.44 |
| |

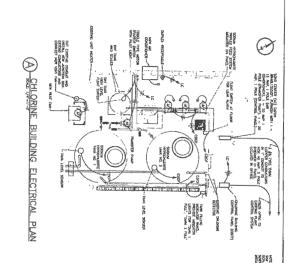
| ARED | 01/05/201 | ARED 01/05/2017, 14:35:50 | 2017 BALANCE SHEET |
|------|------------|---------------------------|--------------------|
| RAM | RAM GM263L | | |
| OF | EXCELSIOR | SPRINGS | AS OF 12/31/2016 |

PAC ACCOUNTING PERIOD

| 22,857,167.44 | | | TOTAL LIABILITIES AND FUND EQUITY | |
|---------------|---------------|-----------|---|-------------|
| | 8,937,293.71 | | TOTAL FUND EQUITY | |
| | 8,261,877.79 | | ETAINED EARNINGS | ETAINED |
| | 127,021.22 | | | .00-00 |
| | 431,211.00 | | EQUITY/FUND BALANCE / CONTRIBUTED CAPITAL | 00-00 |
| | 65,035.47 | | ENCUMBRANCE RESERVES / P/Y RES FOR ENCUMBRANCES | .02-00 |
| | 52,148.23 | | ENCUMBRANCE RESERVES / RES FOR ENCUMBRANCES | .01-00 |
| | | | SZUITY | FUND EQUITY |
| | 13,919,873.73 | | TOTAL LIABILITIES | |
| | | | | |
| | | 11,844.00 | PENSION RELATED ACCOUNT / PENSION EXPENSE | .02-00 |
| | 11,871.00 | | PENSION RELATED ACCOUNT / DEFERRED INFLOW - EXPERIE | .01-00 |
| | .00 | | OTHER L/T LIABILITIES / NET PENSION OBLIGATION | .02-00 |
| | 28,195.24 | | POST EMPLOYMENT | .01-00 |
| 1 | CREDITS | DEBITS | | WATER |
| | | | | 1 1 1 |







| 1 | | | |
|---|--|--|--|
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