



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 26 2008

REPLY TO THE ATTENTION OF:

SC-6J

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Christopher A. Goeleo
Environmental Manager
Anderson Development Company
1415 E. Michigan Street
Adrian, MI 49221

RE: Complaint and Expedited Settlement Agreement
ESA Docket No. RMP-07-ESA-013
Docket No. **CAA-05-2008-0010**

BD#: 27508 03A010

Dear Mr. Goeleo:

Enclosed please find a copy of the fully executed Expedited RMP Settlement Agreement (ESA). The ESA is binding on U.S. EPA and Respondent. U.S. EPA will take no further action against Respondent for the violations cited in the ESA. The ESA requires no further action on your part.

Please feel free to contact Monika Chrzaszcz at (312) 886-0181, or Chrzaszcz.monika@epa.gov, if you have any questions regarding the enclosed document or if you have any other question about the program. Thank you for your assistance in resolving this matter.

Sincerely yours,

Mark J. Horwitz, Chief
Chemical Emergency
Preparedness & Prevention Section

Enclosure(s)

RECEIVED
REGIONAL HEARING CLERK
US EPA REGION V
2008 MAR 26 AM 11:02



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
 REGION 5
 77 WEST JACKSON BOULEVARD
 CHICAGO, IL 60604-3590

REPLY TO THE ATTENTION OF:

**EXPEDITED SETTLEMENT
 AGREEMENT (ESA)**

2008 MAR 26 AM 11:03

RECEIVED
 REGIONAL HEARING CLERK
 US EPA REGION V

DOCKET NO: RMP-07-ESA-013

This ESA is issued to: Anderson Development Company

At: 525 Gulf Street, Adrian, Michigan 49221

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

BD#: 2750803A010

CAA-05-2008-0010

This Expedited Settlement Agreement (ESA) is being entered into by the United States Environmental Protection Agency (EPA), Region 5, by its duly delegated official, the Director, Division, and by Respondent pursuant to Section 113(a)(3) and (d) of the Clean Air Act, 42 U.S.C. § 7413(a)(3) and (d), and by 40 C.F.R. § 22.13(b). On November 30, 2006, EPA 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

On April 10, 2007 representative of the EPA conducted a compliance inspection of the subject facility (Respondent) to determine compliance with the Risk Management Plan (RMP) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the Act. EPA found that the Respondent had violated regulations implementing Section 112(r) of the Act by failing to comply with the regulations as noted on the attached RISK MANAGEMENT PLAN INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET (FORM), 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 attached FORM for the total penalty amount of **\$2,520.00**

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 in herein and in the FORM, 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 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 the Respondent has corrected the violations listed in the attached FORM and has sent a cashier's check or certified check (payable to the "Treasurer, United States of America") in the amount of **\$2,520.00** payment of the full penalty amount to the following address:

U.S. EPA Region 5
 P.O. Box 371531
 Pittsburg, PA 15251-7531

The DOCKET NUMBER OF THIS ESA **must be included on the check.** (The DOCKET NUMBER is located at the top left corner of this ESA.)

This original ESA and a **copy of the check must be sent by certified mail to:**

Monika Chrzaszcz
Chemical Emergency
Preparedness and Prevention Section (SC-6J)
U.S. Environmental Protection Agency
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

Upon Respondent's submission of the signed original ESA, EPA will take no further civil action against Respondent for the alleged violations of the Act referenced in the FORM. EPA does not waive any other enforcement action for any other violations of the Clean Air Act or any other statute.

If the signed original ESA **with an attached copy of the check** is not returned to the **EPA Region 5 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 FORM.

This ESA is binding on the parties signing below.

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

FOR RESPONDENT:

Signature: *J. D. Greulich* Date: 3/5/08
Name (print): Joseph D. Greulich
Title (print): President / CEO

Anderson Development Company

FOR COMPLAINANT:

Richard C. Karl Date: 3/19/08
for Richard C. Karl, Director
Superfund Division

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

Mary A. Gade Date: 3/21/08
Mary A. Gade,
Regional Administrator *for*



U.S. ENVIRONMENTAL PROTECTION AGENCY

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SUMMARY

REASON FOR INSPECTION: This inspection is for the purpose of determining compliance with the accidental release prevention requirements of Section 112(r)(7) of the Clean Air Act (Act), 42 U.S.C. § 7412(r)(7), and the regulations set forth at 40 C.F.R. Part 68. The scope of this inspection may include, but is not limited to: reviewing and obtaining copies of documents and records; interviews and taking of statements; reviewing chemical storage, handling, processing, and use; taking samples and photographs; and any other inspection activities necessary to determine compliance with the Act.

FACILITY NAME Anderson Development Company - NF3	<input checked="" type="checkbox"/> PRIVATE # EMPLOYEES 12	<input type="checkbox"/> GOVERNMENTAL/MUNICIPAL POPULATION SERVED
FACILITY ADDRESS 525 Gulf Street Adrian, Michigan 49221	INSPECTION START DATE AND TIME: 04/10/2007, 9:00am INSPECTION END DATE AND TIME: 04/10/2007, 3:00pm	
RESPONSIBLE OFFICIAL, TITLE, PHONE NUMBER Monika Chrzaszcz, Environmental Engineer, (312) 886-0181	EPA FACILITY ID# 1000 0015 9026	
FACILITY REPRESENTATIVE(S), TITLE(S), PHONE NUMBER(S) Tom Mckelvey, NF3 Team Coordinator, (517) 438-5324 Christopher Goeloe, Environmental Manager, (517) 438-5324	INSPECTOR NAME(S), TITLE(S), PHONE NUMBER(S) Monika Chrzaszcz, Environmental Engineer, (312) 886-0181	
FACILITY REPRESENTATIVE, SIGNATURE DATE	INSPECTOR SIGNATURE <i>Monika Chrzaszcz</i>	DATE 8/20/07

INSPECTION FINDINGS

IS FACILITY SUBJECT TO RMP REGULATION (40 CFR 68)?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
DID FACILITY SUBMIT AN RMP AS PROVIDED IN 68.150 TO 68.185?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO
DATE RMP FILED WITH EPA: 1999	DATE OF LATEST RMP UPDATE: 06/17/2004	
1) PROCESS/NAICS CODE: 32532512 Industrial Gas Manufacturing REGULATED SUBSTANCE: Hydrogen fluoride/hydrofluoric acid	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/>	MAX. QUANTITY IN PROCESS: 35,000 lbs.
2) PROCESS/NAICS CODE: 32532512 Industrial Gas Manufacturing REGULATED SUBSTANCE: Ammonia	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/>	MAX. QUANTITY IN PROCESS: 12,000 lbs.
3) PROCESS/NAICS CODE: _____ REGULATED SUBSTANCE: _____	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>	MAX. QUANTITY IN PROCESS: _____
4) PROCESS/NAICS CODE: _____ REGULATED SUBSTANCE: _____	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>	MAX. QUANTITY IN PROCESS: _____
5) PROCESS/NAICS CODE: _____ REGULATED SUBSTANCE: _____	PROGRAM LEVEL: 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/>	MAX. QUANTITY IN PROCESS: _____
DID FACILITY CORRECTLY ASSIGN PROGRAM LEVELS TO PROCESSES?	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO

ATTACHED CHECKLIST(S):

PROGRAM LEVEL 1 PROCESS CHECKLIST PROGRAM LEVEL 2 PROCESS CHECKLIST PROGRAM LEVEL 3 PROCESS CHECKLIST

OTHER ATTACHMENTS: Picture Attachments #1-4

INSPECTION SYMBOL KEY: Y - YES, N - NO, N/A - NOT APPLICABLE, S - SATISFACTORY, M - MARGINAL, U - UNSATISFACTORY

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

All comments and suggestions are in bold and italicized.

Date RMP submitted: <u>Original 6/29/99, Update 6/17/04</u>	Date process(es) came online: <u>1997</u>
Section A-Management [68.15]	
Management system developed and implemented as provided in 40 CFR 68.15? Comments:	<input checked="" type="checkbox"/> S <input type="checkbox"/> M <input type="checkbox"/> U <input type="checkbox"/> N/A
Has the owner or operator:	
1. Developed a management system to oversee the implementation of the risk management program elements? [68.15(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Assigned a qualified person or position that has the overall responsibility for the development, implementation, and integration of the risk management program elements? [68.15(b)] <i>Chris Gold has been assigned overall responsibility for the development, implementation, and integration of the risk management program elements.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Documented other persons responsible for implementing individual requirements of the risk management program and defined the lines of authority through an organization chart or similar document? [68.15(c)] <i>A responsibility matrix, from ADC was received via email on 04/18/2007.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
Section B: Hazard Assessment [68.20-68.42]	
Hazard assessment conducted and documented as provided in 40 CFR 68.20-68.42? Comments:	<input type="checkbox"/> S <input checked="" type="checkbox"/> M <input type="checkbox"/> U <input type="checkbox"/> N/A
Hazard Assessment: Offsite consequence analysis parameters [68.22]	
1. Used the following endpoints for offsite consequence analysis for a worst-case scenario: [68.22(a)] <input checked="" type="checkbox"/> a. For toxics: the endpoints provided in Appendix A of 40 CFR Part 68? [68.22(a)(1)] <input type="checkbox"/> b. For flammables: an explosion resulting in an overpressure of 1 psi? [68.22(a)(2)(i)] or <input type="checkbox"/> c. For flammables: a fire resulting in a radiant heat/exposure of 5 kw/m ² for 40 seconds? [68.22(a)(2)(ii)] or <input type="checkbox"/> d. For flammables: a concentration resulting in a lower flammability limit, as provided in NFPA documents or other generally recognized sources? [68.22(a)(2)(iii)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Used the following endpoints for offsite consequence analysis for an alternative release scenario: [68.22(a)] <input checked="" type="checkbox"/> a. For toxics: the endpoints provided in Appendix A of 40 CFR Part 68? [68.22(a)(1)] <input type="checkbox"/> b. For flammables: an explosion resulting in an overpressure of 1 psi? [68.22(a)(2)(i)] <input type="checkbox"/> c. For flammables: a fire resulting in a radiant heat/exposure of 5 kw/m ² for 40 seconds? [68.22(a)(2)(ii)] <input type="checkbox"/> d. For flammables: a concentration resulting in a lower flammability limit, as provided in NFPA documents or other generally recognized sources? [68.22(a)(2)(iii)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Used appropriate wind speeds and stability classes for the release analysis? [68.22(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
4. Used appropriate ambient temperature and humidity values for the release analysis? [68.22(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
5. Used appropriate values for the height of the release for the release analysis? [68.22(d)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
6. Used appropriate surface roughness values for the release analysis? [68.22(e)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
7. Do tables and models, used for dispersion analysis of toxic substances, appropriately account for	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

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dense or neutrally buoyant gases? [68.22(f)]	
8. Were liquids, other than gases liquefied by refrigeration only, considered to be released at the highest daily maximum temperature, based on data for the previous three years appropriate for a stationary source, or at process temperature, whichever is higher? [68.22(g)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
Hazard Assessment: Worst-case release scenario analysis [68.25]	
9. Analyzed and reported in the RMP one worst-case release scenario estimated to create the greatest distance to an endpoint resulting from an accidental release of a regulated toxic substance from covered processes under worst-case conditions? [68.25(a)(2)(i)] <i>At the time of the inspection, documents were reviewed that reflected the worst-case release submitted in 1999 (the initial RMP). The most recent RMP reflects a different release. The facility must make sure that they update this quantity release amount to accurately reflect its worst case scenario submitted.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
10. Analyzed and reported in the RMP one worst-case release scenario estimated to create the greatest distance to an endpoint resulting from an accidental release of a regulated flammable substance from covered processes under worst-case conditions? [68.25(a)(2)(ii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
11. Analyzed and reported in the RMP additional worst-case release scenarios for a hazard class if the a worst-case release from another covered process at the stationary source potentially affects public receptors different from those potentially affected by the worst-case release scenario developed under 68.25(a)(2)(i) or 68.25(a)(2)(ii)? [68.25(a)(2)(iii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
12. Has the owner or operator determined the worst-case release quantity to be the greater of the following: [68.25(b)] <input checked="" type="checkbox"/> a. If released from a vessel, the greatest amount held in a single vessel, taking into account administrative controls that limit the maximum quantity? [68.25(b)(1)] <input type="checkbox"/> b. If released from a pipe, the greatest amount held in the pipe, taking into account administrative controls that limit the maximum quantity? [68.25(b)(2)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
13a. Has the owner or operator for <u>toxic substances</u> that are <u>normally gases</u> at <u>ambient temperature</u> and handled as <u>a gas or liquid under pressure</u> :	
13.a.(1) Assumed the whole quantity in the vessel or pipe would be released as a gas over 10 minutes? [68.25(c)(1)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.a.(2) Assumed the release rate to be the total quantity divided by 10, if there are no passive mitigation systems in place? [68.25(c)(1)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.b. Has the owner or operator for <u>toxic gases</u> handled as <u>refrigerated liquids</u> at <u>ambient pressure</u> :	
13.b.(1) Assumed the substance would be released as a gas in 10 minutes, if not contained by passive mitigation systems or if the contained pool would have a depth of 1 cm or less? [68.25(c)(2)(i)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.b.(2) [Optional for owner / operator] Assumed the quantity in the vessel or pipe would be spilled instantaneously to form a liquid pool, if the released substance would be contained by passive mitigation systems in a pool with a depth greater than 1 cm? [68.25(c)(2)(ii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.b.(3) Calculated the volatilization rate at the boiling point of the substance and at the conditions specified in 68.25(d)? [68.25(c)(2)(ii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.c. Has the owner or operator for <u>toxic substances</u> that are <u>normally liquids</u> at <u>ambient temperature</u> :	
13.c.(1) Assumed the quantity in the vessel or pipe would be spilled instantaneously to form a liquid pool? [68.25(d)(1)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

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13.c.(2) Determined the surface area of the pool by assuming that the liquid spreads to 1 cm deep, if there is no passive mitigation system in place that would serve to contain the spill and limit the surface area, or if passive mitigation is in place, the surface area of the contained liquid shall be used to calculate the volatilization rate? [68.25(d)(1)(i)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.c.(3) Taken into account the actual surface characteristics, if the release would occur onto a surface that is not paved or smooth? [68.25(d)(1)(ii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.c.(4) Determined the volatilization rate by accounting for the highest daily maximum temperature in the past three years, the temperature of the substance in the vessel, and the concentration of the substance if the liquid spilled is a mixture or solution? [68.25(d)(2)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.c.(5) Determined the rate of release to air from the volatilization rate of the liquid pool? [68.25(d)(3)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.c.(6) Determined the rate of release to air by using the methodology in the RMP Offsite Consequence Analysis Guidance, any other publicly available techniques that account for the modeling conditions and are recognized by industry as applicable as part of current practices, or proprietary models that account for the modeling conditions may be used provided the owner or operator allows the implementing agency access to the model and describes model features and differences from publicly available models to local emergency planners upon request? [68.25(d)(3)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.d. Has the owner or operator for <u>flammables</u> :	
13.d.(1) Assumed the quantity in a vessel(s) of flammable gas held as a gas or liquid under pressure or refrigerated gas released to an undiked area vaporizes resulting in a vapor cloud explosion? [68.25(e)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.d.(2) For refrigerated gas released to a contained area or liquids released below their atmospheric boiling point, assumed the quantity volatilized in 10 minutes results in a vapor cloud? [68.25(f)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
13.d.(3) Assumed a yield factor of 10% of the available energy is released in the explosion for determining the distance to the explosion endpoint, if the model used is based on TNT-equivalent methods? [68.25(e)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
14. Used the parameters defined in 68.22 to determine distance to the endpoints? [68.25(g)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
15. Determined the rate of release to air by using the methodology in the RMP Offsite Consequence Analysis Guidance, any other publicly available techniques that account for the modeling conditions and are recognized by industry as applicable as part of current practices, or proprietary models that account for the modeling conditions may be used provided the owner or operator allows the implementing agency access to the model and describes model features and differences from publicly available models to local emergency planners upon request? [68.25(g)] a. What modeling technique did the owner or operator use? [68.25(g)] <i>SLAB was used for analysis</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
16. Ensured that the passive mitigation system, if considered, is capable of withstanding the release event triggering the scenario and will still function as intended? [68.25(h)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
17. Considered also the following factors in selecting the worst-case release scenarios: [68.25(i)] <input type="checkbox"/> a. Smaller quantities handled at higher process temperature or pressure? [68.25(i)(1)] <input type="checkbox"/> b. Proximity to the boundary of the stationary source? [68.25(i)(2)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
Hazard Assessment: Alternative release scenario analysis [68.28]	
18. Identified and analyzed at least one alternative release scenario for each regulated toxic substance held in a covered process(es) and at least one alternative release scenario to represent all	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A

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comments and suggestions are in bold and italicized.

flammable substances held in covered processes? [68.28(a)]	
19. Selected a scenario: [68.28(b)] <input checked="" type="checkbox"/> a. That is more likely to occur than the worst-case release scenario under 68.25? [68.28(b)(1)(i)] <input type="checkbox"/> b. That will reach an endpoint off-site, unless no such scenario exists? [68.28(b)(1)(ii)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
20. Considered release scenarios which included, but are not limited to, the following: [68.28(b)(2)] <input type="checkbox"/> a. Transfer hose releases due to splits or sudden hose uncoupling? [68.28(b)(2)(i)] <input checked="" type="checkbox"/> b. Process piping releases from failures at flanges, joints, welds, valves and valve seals, and drains or bleeds? [68.28(b)(2)(ii)] <input type="checkbox"/> c. Process vessel or pump releases due to cracks, seal failure, or drain, bleed, or plug failure? [68.28(b)(2)(iii)] <input type="checkbox"/> d. Vessel overfilling and spill, or overpressurization and venting through relief valves or rupture disks? [68.28(b)(2)(iv)] <input type="checkbox"/> e. Shipping container mishandling and breakage or puncturing leading to a spill? [68.28(b)(2)(v)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
21. Used the parameters defined in 68.22 to determine distance to the endpoints? [68.28(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
22. Determined the rate of release to air by using the methodology in the RMP Offsite Consequence Analysis Guidance, any other publicly available techniques that account for the modeling conditions and are recognized by industry as applicable as part of current practices, or proprietary models that account for the modeling conditions may be used provided the owner or operator allows the implementing agency access to the model and describes model features and differences from publicly available models to local emergency planners upon request? [68.28(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
23. Ensured that the passive and active mitigation systems, if considered, are capable of withstanding the release event triggering the scenario and will be functional? [68.28(d)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
24. Considered the following factors in selecting the alternative release scenarios: [68.28(e)] <input type="checkbox"/> a. The five-year accident history provided in 68.42? [68.28(e)(1)] <input type="checkbox"/> b. Failure scenarios identified under 68.67? [68.28(e)(2)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
Hazard Assessment: Defining off-site impacts--Population [68.30]	
25. Estimated population that would be included in the distance to the endpoint in the RMP based on a circle with the point of release at the center? [68.30(a)] <i>At the time of the inspection, there was no documentation available on population information, unable to review whether or not estimated population was based on a circle with the point of release at the center.</i>	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
26. Identified the presence of institutions, parks and recreational areas, major commercial, office, and industrial buildings in the RMP? [68.30(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
27. Used most recent Census data, or other updated information to estimate the population? [68.30(c)] <i>At the time of the inspection, there was no documentation available on Census data, so was unable to review whether or not most recent Census data was used.</i>	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
28. Estimated the population to two significant digits? [68.30(d)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
Hazard Assessment: Defining off-site impacts--Environment [68.33]	
29. Identified environmental receptors that would be included in the distance to the endpoint based on a circle with the point of release at the center? [68.33(a)] <i>At the time of the inspection, there was no documentation available on environmental receptors and how they were identified, so was unable to review whether or not environmental</i>	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

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All comments and suggestions are in bold and italicized.

receptors were identified based on a circle with the point of release at the center.	
30. Relied on information provided on local U.S.G.S. maps, or on any data source containing U.S.G.S. data to identify environmental receptors? [Source may have used LandView to obtain information] [68.33(b)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
Hazard Assessment: Review and update [68.36]	
31. Reviewed and updated the off-site consequence analyses at least once every five years? [68.36(a)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
32. Completed a revised analysis and submit a revised RMP within six months of a change in processes, quantities stored or handled, or any other aspect that might reasonably be expected on increase or decrease the distance to the endpoint by a factor of two or more? [68.36(b)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
Hazard Assessment: Documentation [68.39]	
Has the owner/operator maintained the following records:	
33. For worst-case scenarios: a description of the vessel or pipeline and substance selected, assumptions and parameters used, the rationale for selection, and anticipated effect of the administrative controls and passive mitigation on the release quantity and rate? [68.39(a)] <i>At the time of the inspection, the owner or operator had documentation that reflected the initial worst case release scenario submitted in the original RMP in 1999, but did not have documentation for the most recent submission. Information was provided that included the correct worst case scenario. This scenario was detailed in the facilities Risk Management Plan Executive Summary.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
34. For alternative release scenarios: a description of the scenarios identified, assumptions and parameters used, the rationale for the selection of specific scenarios, and anticipated effect of the administrative controls and mitigation on the release quantity and rate? [68.39(b)] <i>At the time of the inspection, the owner or operator did not documentation on the alternative release scenario. The facility did provide information on the alternative release scenarios, this information was detailed in the Risk Management Plan Executive Summary. This information is incomplete and does not include all the information required by the regulation. Information missing includes a complete description of the scenarios identified and the rationale for the selection of specific scenarios.</i>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
35. Documentation of estimated quantity released, release rate, and duration of release? [68.39(c)] <i>At the time of the inspection, the owner or operator did not have documentation on the estimated quantity released and release rate.</i>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
36. Methodology used to determine distance to endpoints? [68.39(d)] <i>At the time of the inspection, the owner or operator did not have documentation on the methodology used to determine distance to endpoint. Documentation was provided that detailed the methodology used. The company used the RMP Offsite Consequence Analysis Guidance and EPA's toxic endpoints specified.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
37. Data used to estimate population and environmental receptors potentially affected? [68.39(e)] <i>At the time of the inspection, the owner or operator did not have documentation on the data used to estimate population and environmental receptors potentially affected.</i>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
Hazard Assessment: Five-year accident history [68.42]	
38. Has the owner or operator included all accidental releases from covered processes that resulted in deaths, injuries, or significant property damage on site, or known offsite deaths, injuries, evacuations, sheltering in place, property damage, or environmental damage? [68.42(a)] <i>At the time of the inspection, the facility stated that they had not had any accidents in the past</i>	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

All comments and suggestions are in bold and italicized.

<p>five years.</p> <p>39. Has the owner or operator reported the following information for each accidental release: [68.42(b)]</p> <p><input type="checkbox"/> a. Date, time, and approximate duration of the release? [68.42(b)(1)]</p> <p><input type="checkbox"/> b. Chemical(s) released? [68.42(b)(2)]</p> <p><input type="checkbox"/> c. Estimated quantity released in pounds and percentage weight in a mixture (toxics)? [68.42(b)(3)]</p> <p><input type="checkbox"/> d. NAICS code for the process? [68.42(b)(4)]</p> <p><input type="checkbox"/> e. The type of release event and its source? [68.42(b)(5)]</p> <p><input type="checkbox"/> f. Weather conditions (if known)? [68.42(b)(6)]</p> <p><input type="checkbox"/> g. On-site impacts? [68.42(b)(7)]</p> <p><input type="checkbox"/> h.. Known offsite impacts? [68.42(b)(8)]</p> <p><input type="checkbox"/> i. Initiating event and contributing factors (if known)? [68.42(b)(9)]</p> <p><input type="checkbox"/> j. Whether offsite responders were notified (if known)? [68.42(b)(10)]</p> <p><input type="checkbox"/> k. Operational or process changes that resulted from investigation of the release? [68.42(b)(11)]</p>	<p><input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A</p>
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Section C: Prevention Program

<p>Implemented the Program 3 prevention requirements as provided in 40 CFR 68.65 - 68.87?</p> <p>Comments: <i>The facility has a NF3 PSM Policy it follows for prevention program elements.</i></p>	<p><input type="checkbox"/> S <input checked="" type="checkbox"/> M <input type="checkbox"/> U <input type="checkbox"/> N/A</p>
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Prevention Program- Process Safety information [68.65]

<p>1. Has the owner or operator compiled written process safety information, which includes information pertaining to the hazards of the regulated substances used or produced by the process, information pertaining to the technology of the process, and information pertaining to the equipment in the process, before conducting any process hazard analysis required by the rule? [68.65(a)]</p> <p><i>At the time of the inspection, MSDS's were reviewed. MSDS are in the lab and Doug Green has final copies at all times. Ammonia MSDS- Tanner Industries, Dev. Nov. 1994, HF (100%) – Honeywell, Dec. 2005</i></p> <p>Does the process safety information contain the following for hazards of the substances: [68.65(b)]</p> <p><input checked="" type="checkbox"/> a. Toxicity information? [68.65(b)(1)]</p> <p><input checked="" type="checkbox"/> b. Permissible exposure limits? [68.65(b)(2)]</p> <p><input checked="" type="checkbox"/> c. Physical data? [68.65(b)(3)]</p> <p><input checked="" type="checkbox"/> d. Reactivity data? [68.65(b)(4)]</p> <p><input checked="" type="checkbox"/> e. Corrosivity data? [68.65(b)(5)]</p> <p><input checked="" type="checkbox"/> f. Thermal and chemical stability data? [68.65(b)(6)]</p> <p><input checked="" type="checkbox"/> g. Hazardous effects of inadvertent mixing of materials that could foreseeably occur? [68.65(b)(7)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
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<p>2. Has the owner documented information pertaining to technology of the process?</p> <p><i>Reviewed the following drawings at the time of the inspection: ADN-20-300-PFD01, updated 9/17/2004, AND-20-300-0002, updated 9/17/2004 (Liquid HF Storage Tank), and AND-20-300-0003, updated 9/17/2004 (Anhydrous Ammonia Tank)</i></p> <p><input checked="" type="checkbox"/> A block flow diagram or simplified process flow diagram? [68.65(c)(1)(i)]</p> <p><input checked="" type="checkbox"/> Process chemistry? [68.65(c)(1)(ii)]</p> <p><input type="checkbox"/> Maximum intended inventory? [68.65(c)(1)(iii)]</p> <p><i>At the time of the inspection, SAF-0213 needed to be updated with correct maximum intended inventories of each pieces of equipment within the covered processes.</i></p> <p><input checked="" type="checkbox"/> Safe upper and lower limits for such items as temperatures, pressures, flows, or compositions? [68.65(c)(1)(iv)]</p> <p><i>Limits are specified in P&ID's and also in the computer system.</i></p> <p><input type="checkbox"/> An evaluation of the consequences of deviation? [68.65(c)(1)(iv)]</p> <p><i>At the time of the inspection, did not review consequences of deviation.</i></p> <p><input type="checkbox"/> Does the process safety information contain the following for the equipment in the process: [68.65(d)(1)]</p> <p><input checked="" type="checkbox"/> Materials of construction? 68.65(d)(1)(i)]</p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>
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RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

All comments and suggestions are in bold and italicized.

<p><input checked="" type="checkbox"/> Piping and instrumentation diagrams [68.65(d)(1)(ii)] <input type="checkbox"/> Electrical classification? [68.65(d)(1)(iii)] <i>At the time of the inspection, did not review electrical classification.</i> <input checked="" type="checkbox"/> Relief system design and design basis? [68.65(d)(1)(iv)] <i>Project No. 95234</i> <input checked="" type="checkbox"/> Ventilation system design? [68.65(d)(1)(v)] <input checked="" type="checkbox"/> Design codes and standards employed? [68.65(d)(1)(vi)] <i>ASME-Ansi 31.3, API 570, APR 510, APR 653, DuPont Standard for Unified Pressure Vessels</i> <input checked="" type="checkbox"/> Material and energy balances for processes built after June 21, 1999? [68.65(d)(1)(vii)] <input type="checkbox"/> Safety systems? [68.65(d)(1)(viii)] <i>At the time of the inspection, did not review safety systems.</i></p>	
<p>3. Has the owner or operator documented that equipment complies with recognized and generally accepted good engineering practices? [68.65(d)(2)]</p>	<p align="right"><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>4. Has the owner or operator determined and documented that existing equipment, designed and constructed in accordance with codes, standards, or practices that are no longer in general use, is designed, maintained, inspected, tested, and operating in a safe manner? [68.65(d)(3)]</p>	<p align="right"><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>Prevention Program- Process Hazard Analysis [68.67]</p>	
<p>5. Has the owner or operator performed an initial process hazard analysis (PHA), and has this analysis identified, evaluated, and controlled the hazards involved in the process? [68.67(a)] <i>PHA's were completed in 9/1995, 1/1999, 3/2001, 1/2003, 2/2004, 9/2005, 1/2006 and 4/2006.</i></p>	<p align="right"><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>6. Has the owner or operator determined and documented the priority order for conducting PHAs, and was it based on an appropriate rationale? [68.67(a)]</p>	<p align="right"><input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A</p>
<p>7. Has the owner used one or more of the following technologies to conduct process PHA: [68.67(b)] <input type="checkbox"/> What-if? [68.67(b)(1)] <input type="checkbox"/> Checklist? [68.67(b)(2)] <input type="checkbox"/> What-if/Checklist? [68.67(b)(3)] <input checked="" type="checkbox"/> Hazard and Operability Study (HAZOP) [68.67(b)(4)] <input type="checkbox"/> Failure Mode and Effects Analysis (FMEA) [68.67(b)(5)] <input type="checkbox"/> Fault Tree Analysis? [68.67(b)(6)] <input type="checkbox"/> An appropriate equivalent methodology? [68.67(b)(7)]</p>	<p align="right"><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>8. Did the PHA address: <input checked="" type="checkbox"/> The hazards of the process? [68.67(c)(1)] <input checked="" type="checkbox"/> Identification of any incident which had a likely potential for catastrophic consequences? [68.67(c)(2)] <input checked="" type="checkbox"/> Engineering and administrative controls applicable to hazards and interrelationships? [68.67(c)(3)] <input checked="" type="checkbox"/> Consequences of failure of engineering and administrative controls? [68.67(c)(4)] <input checked="" type="checkbox"/> Stationary source siting? [68.67(c)(5)] <i>API recommended Practice 752</i> <input checked="" type="checkbox"/> Human factors? [68.67(c)(6)] <input checked="" type="checkbox"/> An evaluation of a range of the possible safety and health effects of failure of controls? [68.67(c)(7)]</p>	<p align="right"><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>9. Was the PHA performed by a team with expertise in engineering and process operations and did the team include appropriate personnel? [68.67(d)]</p>	<p align="right"><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>10. Has the owner or operator established a system to promptly address the team's findings and recommendations; assured that the recommendations are resolved in a timely manner and documented; documented what actions are to be taken; completed actions as soon as possible; developed a written schedule of when these actions are to be completed; and communicated the actions to operating, maintenance, and other employees whose work assignments are in the process and who may be affected by the recommendations? [68.67(e)]</p>	<p align="right"><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

All comments and suggestions are in bold and italicized.

<p><i>The owner or operator identified recommendations from PHA's but did not establish a system to promptly address the team's findings and recommendations; assure that the recommendations are resolved in a timely manner and documented; documented what actions are to be taken; completed actions as soon as possible; developed a written schedule of when these actions are to be completed; and communicated the actions to operating, maintenance, and other employees whose work assignments are in the process and who may be affected by the recommendations.</i></p>	
<p>11. Has the PHA been updated and revalidated by a team every five years after the completion of the initial PHA to assure that the PHA is consistent with the current process? [68.67(f)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>12. Has the owner or operator retained PHAs and updates or revalidations for each process covered, as well as the resolution of recommendations for the life of the process? [68.67(g)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>Prevention Program- Operating procedures [68.69]</p>	
<p>13. Has the owner or operator developed and implemented written operating procedures that provides instructions or steps for conducting activities associated with each covered process consistent with the safety information? [68.69(a)]</p> <p><i>At the time of the inspection, operating procedures were reviewed via a computer based system that was first used in 2000. Procedures are available via the computer; hard copies are located in the control room. They are currently working on consolidating spill procedures. The following procedures and work instructions were reviewed at the time of the inspection: 6.0 Work Instructions, WI-0357 Unloading, WI0072 Raw Material Receiving, WI0093 Electrolysis Operations, WI0064 Interlock Shutdown, WI0017 Critical Operating Parameters</i></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>14. Do the procedures address the following: [68.69(a)]</p> <p><input checked="" type="checkbox"/> <i>Steps for each operating phase: [68.69(a)(1)]</i></p> <p><input checked="" type="checkbox"/> Initial Startup? [68.69(a)(1)(i)]</p> <p><input checked="" type="checkbox"/> Normal operations? [68.69(a)(1)(ii)]</p> <p><input type="checkbox"/> Temporary operations? [68.69(a)(1)(iii)]-NA</p> <p><input checked="" type="checkbox"/> Emergency shutdown including the conditions under which emergency shutdown is required, and the assignment of shutdown responsibility to qualified operators to ensure that emergency shutdown is executed in a safe and timely manner? [68.69(a)(1)(iv)]</p> <p><input type="checkbox"/> Emergency operations? [68.69(a)(1)(v)]- <i>Automatically shut down the system.</i></p> <p><input checked="" type="checkbox"/> Normal shutdown? [68.69(a)(1)(vi)]</p> <p><input checked="" type="checkbox"/> Startup following a turnaround, or after emergency shutdown? [68.69(a)(1)(vii)]</p> <p><input checked="" type="checkbox"/> <i>Operating limits: [68.69(a)(2)]</i></p> <p><input checked="" type="checkbox"/> Consequences of deviations [68.69(a)(2)(i)]</p> <p><input checked="" type="checkbox"/> Steps required to correct or avoid deviation?[68.69(a)(2)(ii)]</p> <p><input checked="" type="checkbox"/> <i>Safety and health considerations: [68.69(a)(3)]</i></p> <p><input checked="" type="checkbox"/> Properties of, and physical hazards presented by, the chemicals used in the process[68.69(a)(3)(i)]</p> <p><input checked="" type="checkbox"/> Precautions necessary to prevent exposure, including engineering controls, administrative controls, and personal protective equipment? [68.69(a)(3)(ii)]</p> <p><input checked="" type="checkbox"/> Control measures to be taken if physical contact or airborne exposure occurs? [68.69(a)(3)(iii)]</p> <p><input checked="" type="checkbox"/> Quality control for raw materials and control of hazardous chemical inventory levels? [68.69(a)(3)(iv)]</p> <p><input checked="" type="checkbox"/> Any special or unique hazards? [68.69(a)(3)(v)]</p> <p><input type="checkbox"/> Safety systems and their functions? [68.69(a)(4)]</p> <p><i>At the time of the inspection, did not review procedures on safety systems and their functions.</i></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>15. Are operating procedures readily accessible to employees who are involved in a process? [68.69(b)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>16. Has the owner or operator certified annually that the operating procedures are current and accurate and that procedures have been reviewed as often as necessary?[68.69(c)]</p> <p><i>At the time of the inspection, it was unclear as to whether or not operating procedures were</i></p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

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<p><i>certified annually and what procedures were to be certified annually. On March 10, 2007 an email was received that included document history of certification/approval of operating procedures. The owner or operator stated that they track annual certifications in their document history section of their operating procedures. The first document history showed approvals and revisions in 2001, 2002, 2003, 2004, 2006 and 2007. There was no history of approval for 2005. The second document history showed approvals and revisions for 2001, 2002, 2004, 2005, and 2006. There was no approval for 2003. It is unclear as to whether these are approvals for release of each particular operating procedure or if these are actual dates of annual certification that "operating procedures are current and accurate and that the procedures have been reviewed as often as necessary".</i></p>	
<p>17. Has the owner or operator developed and implemented safe work practices to provide for the control of hazards during specific operations, such as lockout/tagout? [68.69(d)] <i>SAF-0115</i></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>Prevention Program - Training [68.71]</p>	
<p>18. Has each employee involved in operating a process, and each employee before being involved in operating a newly assigned process, been initially trained in an overview of the process and in the operating procedures?[68.71(a)(1)] <i>Training requirements of operators are specified in SOP-0057. NF3 Certification Training is required according to the facility.</i></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>19. Did initial training include emphasis on safety and health hazards, emergency operations including shutdown, and safe work practices applicable to the employee's job tasks? [68.71(a)(1)] <i>Initial training includes 3 weeks to a month of basic safety training, a general overview exam, and a certification exam that takes from 3-6 months of hands on and classroom work, with a grade of 85% or better to pass. Operators cannot work by themselves unless they have signed off on procedures and the plant manager has approved them. In addition a statement of qualification is completed for each employee.</i></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>20. In lieu of initial training for those employees already involved in operating a process on June 21, 1999, an owner or operator may certify in writing that the employee has the required knowledge, skills, and abilities to safely carry out the duties and responsibilities as specified in the operating procedures [68.71(a)(2)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>21. Has refresher training been provided at least every three years, or more often if necessary, to each employee involved in operating a process to assure that the employee understands and adheres to the current operating procedures of the process? [68.71(b)] <i>According to the training procedures, refresher training is supposed to be conducted at least every three years. There is no documentation/ records to show that refresher training has been completed. The owner or operator must maintain records of refresher training. According to the owner or operator, operators do participate in five minute safety talks/training a week. In addition the owner or operator stated that monthly safety training is conducted that covered topics such as confined space, hot work, control, fork lift, fall protection, respirators, Hazcom, Emergency procedures, PPE and Aerial Work Platforms.</i></p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>22. Has owner or operator ascertained and documented in record that each employee involved in operating a process has received and understood the training required?] <i>The owner or operator must maintain documentation that ascertains that each employee involved in operating a process has received and understood training required.</i></p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>23. Does the prepared record contain the identity of the employee, the date of the training, and the means used to verify that the employee understood the training? [68.71(c)] <i>For the training records that were available, the required information was included.</i></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

All comments and suggestions are in bold and italicized.

Prevention Program - Mechanical Integrity [68.73]	
24. Has the owner or operator established and implemented written procedures to maintain the on-going integrity of the process equipment listed in 68.73(a)? [68.73(b)] <i>The mechanical integrity at the facility is governed by SOP-0216. The owner or operator explained that the facility uses a Maintenance Management System (JD Edwards) to track maintenance on equipment. The ammonia storage tank is leased from Tanner Industries. At the time of the inspection, the lease agreement dated December 20, 1995 was reviewed for the 4,965 gallon tank. The agreement specified that Tanner will do visual inspections on the tank 4 times a year and is responsible for gauges, valves, fittings, vaporizers, and heaters associated with the tank. The lessee is responsible for UT testing of the tank.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
25. Has the owner or operator trained each employee involved in maintaining the on-going integrity of process equipment? [68.73(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
26. Performed inspections and tests on process equipment? [68.73(d)(1)] <i>The following inspection records were reviewed at the time of the inspection: review of when Hydrostatic testing of the relief valve on the ammonia storage tank needs to be completed every time the tank is dropped off, dated 1/21/2011 for recertification. Invoice dated 6/30/2000 was reviewed for replacement of two relief valves on tanks. Relief valves should be replaced every 5 years and it is the responsibility of the company to make sure that the equipment they use, even if leased, is maintained accordingly. 10/27/2006 and 3/28/2006 inspection of tank, serial no M137107. Pressure relief valves for tank M137107, according to other documentation has relief valves dated for expiring on 2/28/2006 and 2/28/2009 NF3 UT testing dated 3/29/2007 for 522-456. Rupture disk records for PSE-058 which was replaced on 9/26/2003 and failed and replaced on 9/20/199, PSE-40 replaced on 8/5/2003 and 5/9/2000, PSE-37 which was replaced on 8/5/2003 and 5/9/2000, PSE-034 which was replaced on 5/9/2000 and 6/20/2005. PSE-034 had a priority requested date of 4/27/2005 for being replaced, but was not completed until 6/20/2005. PRV on tank 4865 had a noted expiration date of 10/12/2005, but was not replaced until 3/28/2006. Owner or operators must make sure that the facility is inspecting equipment according to their specified schedule and according to manufacturer's recommended time schedule. Although the ammonia tank is leased and resides at the facility, the maintenance on the equipment on the tank should be verified.</i>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
27. Followed recognized and generally accepted good engineering practices for inspections and testing procedures? [68.73(d)(2)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
28. Ensured the frequency of inspections and tests of process equipment is consistent with applicable manufacturers' recommendations, good engineering practices, and prior operating experience? [68.73(d)(3)] <i>Please see #26 above.</i>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
29. Documented each inspection and test that had been performed on process equipment, which identifies the date of the inspection or test, the name of the person who performed the inspection or test, the serial number or other identifier of the equipment on which the inspection or test was performed, a description of the inspection or test performed, and the results of the inspection or test? [68.73(d)(4)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
30. Corrected deficiencies in equipment that were outside acceptable limits defined by the process safety information before further use or in a safe and timely manner when necessary means were taken to assure safe operation? [68.73(e)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
31. Assured that equipment as it was fabricated is suitable for the process application for which it will be used in the construction of new plants and equipment? [68.73(f)(1)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
32. Performed appropriate checks and inspections to assure that equipment was installed properly and	

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

All comments and suggestions are in bold and italicized.

consistent with design specifications and the manufacturer's instructions? [68.73(f)(2)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
33. Assured that maintenance materials, spare parts and equipment were suitable for the process application for which they would be used? [68.73(f)(3)] <i>Critical Spare parts, gaskets, compressor parts, basic parts, control valves and spare hand valves are available on site.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
Prevention Program - Management Of Change [68.75]	
34. Has the owner or operator established and implemented written procedures to manage changes to process chemicals, technology, equipment, and procedures, and changes to stationary sources that affect a covered process? [68.75(a)] <i>At the time of the inspection, MOC's were not reviewed.</i>	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
35. Do procedures assure that the following considerations are addressed prior to any change: [68.75(b)] <input type="checkbox"/> The technical basis for the proposed change? [68.75(b)(1)] <input type="checkbox"/> Impact of change on safety and health? [68.75(b)(2)] <input type="checkbox"/> Modifications to operating procedures? [68.75(b)(3)] <input type="checkbox"/> Necessary time period for the change? [68.75(b)(4)] <input type="checkbox"/> Authorization requirements for the proposed change? [68.75(b)(5)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
36. Were employees, involved in operating a process and maintenance, and contract employees, whose job tasks would be affected by a change in the process, informed of, and trained in, the change prior to start-up of the process or affected parts of the process? [68.75(c)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
37. If a change resulted in a change in the process safety information, was such information updated accordingly? [68.75(d)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
38. If a change resulted in a change in the operating procedures or practices, had such procedures or practices been updated accordingly? [68.75(e)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
Prevention Program - Pre-startup Safety Review [68.77]	
39. Did the pre-startup safety review confirm that prior to the introduction of a regulated substance to a process: [68.77(b)] <i>At the time of the inspection, Pre-startup Safety Reviews were not reviewed.</i> <input type="checkbox"/> Construction and equipment was in accordance with design specifications? [68.77(b)(1)] <input type="checkbox"/> Safety, operating, maintenance, and emergency procedures were in place and were adequate? [68.77(b)(2)] <input type="checkbox"/> For new stationary sources, a process hazard analysis had been performed and recommendations had been resolved or implemented before startup? [68.77(b)(3)] <input type="checkbox"/> Modified stationary sources meet the requirements contained in management of change? [68.77(b)(3)] <input type="checkbox"/> Training of each employee involved in operating a process had been completed? [68.77(b)(4)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
Prevention Program - Compliance audits [68.79]	
1. Has the owner or operator certified 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)] <i>An initial RMP audit was conducted in 1999. In addition, audits were conducted in August of 2002 and March of 2004. The most recent compliance audit was a PSM Compliance Audit conducted by Prima Tech Inc. in December 2005.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Has the audit been conducted by at least one person knowledgeable in the process? [68.79(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Are the audit findings documented in a report? [68.79(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

/// comments and suggestions are in bold and italicized.

<p>4. Has the owner or operator promptly determined and documented an appropriate response to each of the findings of the audit and documented that deficiencies had been corrected? [68.79(d)]</p> <p><i>The owner or operator has not promptly determined and documented an appropriate response to each of the finding of the audit and documented that deficiencies had been corrected.</i></p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>5. Has the owner or operator retained the two most recent compliance reports? [68.79(e)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>Prevention Program - Incident investigation [68.81]</p>	
<p>1. Has the owner or operator investigated each incident which resulted in, or could reasonably have resulted in a catastrophic release of a regulated substance? [68.81(a)]</p> <p><i>At the time of the inspection, incident investigations were reviewed. The facility has a Incident investigations team that reviews incidents. Incidents dated 12/15/2006 and 2/5/2006 were reviewed.</i></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>2. Were all incident investigations initiated not later than 48 hours following the incident? [68.81(b)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>3. Was an accident investigation team established and did it consist of at least one person knowledgeable in the process involved, including a contract employee if the incident involved work of a contractor, and other persons with appropriate knowledge and experience to thoroughly investigate and analyze the incident? [68.81(c)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>4. Was a report prepared at the conclusion of every investigation?[68.81(d)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>5. Does every report include: [68.81(d)]</p> <p><input type="checkbox"/> Date of incident? [68.81(d)(1)]</p> <p><input type="checkbox"/> Date investigation began? [68.81(d)(2)]</p> <p><i>The date of the incident is specified on the 12/25/2006 and the initiation date is specified for the 2/5/2007 incident. The facility must clearly record the date of the incident and the date of the investigation.</i></p> <p><input checked="" type="checkbox"/> A description of the incident? [68.81(d)(3)]</p> <p><input checked="" type="checkbox"/> The factors that contributed to the incident? [68.81(d)(4)]</p> <p><input checked="" type="checkbox"/> Any recommendations resulting from the investigation? [68.81(d)(5)]</p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>6. Has the owner or operator established a system to address and resolve the report findings and recommendations, and are the resolutions and corrective actions documented? [68.81(e)]</p> <p><i>The report identified findings and corrective measures that must be taken, but the report does not address these findings and does not document the resolutions and corrective actions.</i></p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>7. Was the report reviewed with all affected personnel whose job tasks are relevant to the incident findings including contract employees where applicable? [68.81(f)]</p> <p><i>There is no formal procedure for reviewing incidents with all affected personnel whose job tasks are relevant to the incident findings.</i></p>	<p><input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>8. Has the owner or operator retained the incident investigation reports for five years? [68.81(g)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>Section D - Employee Participation [68.83]</p>	
<p>1. Has the owner or operator developed a written plan of action regarding the implementation of the employee participation required by this section?[68.83(a)]</p> <p><i>Employee Participation procedures are included in SAF-0213</i></p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>2. Has the owner or operator consulted with employees and their representatives on the conduct and development of process hazards analyses and on the development of the other elements of process safety management in chemical accident prevention provisions? [68.83(b)]</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>
<p>3. Has the owner or operator provided to employees and their representatives access to process</p>	<p><input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A</p>

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

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hazards analyses and to all other information required to be developed under the chemical accident prevention rule? [68.83(c)]	
Section E - Hot Work Permit [68.85]	
1. Has the owner or operator issued a hot work permit for each hot work operation conducted on or near a covered process? [68.85(a)] <i>Hot work permits follow SAD-0196. The facility has not recently issued hot work permits.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Does the permit document that the fire prevention and protection requirements in 29CFR 1910.252(a) have been implemented prior to beginning the hot work operations? [68.85(b)] <i>The permits that are issued must document that fire prevention and protection requirements in 29CFR 1910.252(a) have been implemented prior to beginning the hot work operations</i>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
3. Does the permit indicate the date(s) authorized for hot work and the object(s) upon which hot work is to be performed? [68.85(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
4. Are the permits being kept on file until completion of the hot work operations? [68.85(b)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
Section F - Contractors [68.87]	
1. Has the owner or operator obtained and evaluated information regarding the contract owner or operator's safety performance and programs when selecting a contractor? [68.87(b)(1)] <i>The facility has a procedure in place, SAF-0207 that stated contractors must complete a checklist/sign-off as part of their selection process. At the time of the inspection, reviewed Soule & Company Safety Manual. Soule & Company, Clegg Electric, Inc., and Fairbank Scales, Inc. are three main contractors used at the facility. All contractors participate in a safety training/orientation which include a video and in which contractors must sign-off on. The facility provided, after the inspection, signed ADC Contractor Safety Checklists from JDI Group, Soule & Co., Clegg Electric, and US Inspection. The facility must make sure that they are receiving sign-offs as per their procedures.</i>	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. Informed contract owner or operator of the known potential fire, explosion, or toxic release hazards related to the contractor's work and the process? [68.87(b)(2)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
3. Explained to the contract owner or operator the applicable provisions of the emergency response or the emergency action program? [68.87(b)(3)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
4. Developed and implemented safe work practices consistent with §68.69(d), to control the entrance, presence, and exit of the contract owner or operator and contract employees in the covered process areas? [68.87(b)(4)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
Section G - Emergency Response [68.90 - 68.95]	
Developed and implemented an emergency response program as provided in 40 CFR 68.90-68.95? <input type="checkbox"/> S <input type="checkbox"/> M <input type="checkbox"/> U <input type="checkbox"/> N/A Comments: <i>The Facility is not a first responder. They follow SOP-0093 NF3 Plant Emergency Info & Procedures. Youngs Environmental is contracted to do any cleanup. The Adrian Fire Department if the facilities first responder. The facility does have some responding equipment on site. They have Level A suits, SCBA's, APR's and treatment kits. On 11/4/2004, the facilities participated in a MOC incident. Hydrostatic testing is performed by Jamle Williams from Enviro. Tech, who is also responsible for making sure recerts are completed on time. Tanks were reviewed. Invoice date of 3/1/2007 was reviewed for tanks #7, serial T9764 and Tanks #20, 12, 18, and 2.</i>	
1. Is the facility designated as a "first responder" in case of an accidental release of regulated substances?	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
1.a. If the facility is not a first responder:	

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

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1.a.(1) For stationary sources with any regulated substances held in a process above threshold quantities, is the source included in the community emergency response plan developed under 42 U.S.C. 11003? [68.90(b)(1)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
1.a.(2) For stationary sources with only regulated flammable substances held in a process above threshold quantities, has the owner or operator coordinated response actions with the local fire department? [68.90(b)(2)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
1.a.(3) Are appropriate mechanisms in place to notify emergency responders when there is need for a response? [68.90(b)(3)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. An emergency response plan which is maintained at the stationary source and contains the following? [68.95(a)(1)] <input type="checkbox"/> a. Procedures for informing the public and local emergency response agencies about accidental releases? [68.95(a)(1)(i)] <input type="checkbox"/> b. Documentation of proper first-aid and emergency medical treatment necessary to treat accidental human exposures? [68.95(a)(1)(ii)] <input type="checkbox"/> c. Procedures and measures for emergency response after an accidental release of a regulated substance? [68.95(a)(1)(iii)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
3. Procedures for the use of emergency response equipment and for its inspection, testing, and maintenance? [68.95(a)(2)] <i>For the emergency response equipment on site, the facility must have a procedure in place for inspection, testing and maintenance of equipment. In addition, the facility must maintain records on inspection, tests, and maintenance conducted, whether internal or external.</i>	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A
4. Training for all employees in relevant procedures? [68.95(a)(3)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
5. Procedures to review and update, as appropriate, the emergency response plan to reflect changes at the stationary source and ensure that employees are informed of changes? [68.95(a)(4)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
6. Did the owner or operator use a written plan that complies with other Federal contingency plan regulations or is consistent with the approach in the National Response Team's Integrated Contingency Plan Guidance ("One Plan")? If so, does the plan include the elements provided in paragraph (a) of 68.95, and also complies with paragraph (c) of 68.95? [68.95(b)]	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A
7. Has the emergency response plan been coordinated with the community emergency response plan developed under EPCRA? [68.95(c)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
Section H - Risk Management Plan [68.190 - 68.195]	
1. Has the owner or operator reviewed and updated the RMP and submitted it to EPA [68.190(a)]? Reason for update. <input checked="" type="checkbox"/> Five-year update. [68.190(b)(1)] <input type="checkbox"/> Within three years of a newly regulated substance listing. [68.190(b)(2)] <input type="checkbox"/> At the time a new regulated substance is first present in an already regulated process above threshold quantities. [68.190(b)(3)] <input type="checkbox"/> At the time a regulated substance is first present in a new process above threshold quantities. [68.190(b)(4)] <input type="checkbox"/> Within six months of a change requiring revised PHA or hazard review. [68.190(b)(5)] <input type="checkbox"/> Within six months of a change requiring a revised OCA as provided in 68.36. [68.190(b)(6)] <input type="checkbox"/> Within six months of a change that alters the Program level that applies to any covered process. [68.190(b)(7)]	<input checked="" type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A
2. If the owner or operator experienced an accidental release that met the five-year accident history reporting criteria (as described at 68.42) subsequent to April 9, 2004, did the owner or operator	<input type="checkbox"/> Y <input type="checkbox"/> N <input checked="" type="checkbox"/> N/A

RISK MANAGEMENT PROGRAM INSPECTION FINDINGS, ALLEGED VIOLATIONS AND PROPOSED PENALTY SHEET

Program Level 3 Process Checklist

Facility Name: Anderson Development Company, 525 Gulf Street, Adrian, MI 49221

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submit the information required at 68.168, 68.170(j) and 68.175(l) within six months of the release or by the time the RMP was updated as required at 68.190, whichever was earlier. [68.195(a)]

3. If the emergency contact information required at 68.160(b)(6) has changed since June 21, 2004, did the owner or operator submit corrected information within thirty days of the change? [68.195(b)]

Y N N/A

U.S. ENVIRONMENTAL PROTECTION AGENCY

RISK MANAGEMENT PROGRAM INSPECTION REPORT

FACILITY NAME AND ADDRESS Anderson Development Company 525 Gulf Street Adrian, MI 49221	INSP. START DATE / TIME 04/10/2007, 9:00am INSP. END DATE / TIME 04/10/2007, 3:00pm	RMP SUBMITTAL DATE: PHONE NUMBER (312) 886-0181
RESPONSIBLE OFFICIAL Monika Chrzaszcz	TITLE Environmental Engineer	PHONE NUMBER(S) (517) 438-5324
FACILITY REPRESENTATIVE(S) Tom Mckelvey Christopher Goeloc	TITLE(S) NF3 Team Coordinator Environmental Manager	CONTACTED X YES NO

INSPECTION FINDINGS

(S = Satisfactory, M = Marginal, U = Unsatisfactory, N = Not Evaluated, X = Not Applicable)

S	Management System	M	Haz Assess Back Up Docs	M	Training	S	Hot Work Permits
S	Hazard Assessment	X	Five Year Accident History	M	Mechanical Integrity	S	Contractors
S	OCA Parameters			N	Management of Change	M	Emergency Response
S	Offsite Impact Analysis	M	Prevention Program	M	Compliance Audits	S	Certifications
S	Alternative Release Scenario	M	Process Safety	M	Incident Investigations	M	Implementation of Program
S	Review and Update	M	Process Hazard Analysis	S	Employee Participation		
		M	SOP'S				

SECTION C: APPLICABILITY

Program Level	Regulated Substance	LEPC	Attachments
Program Level 3	Ammonia Hydrogen Fluoride/ Hydrofluoric Acid	Lenawee County LEPC	

SECTION D: PROCESS DESCRIPTION (attach additional sheets if necessary)

Anderson Development Companies NF3 Plant in Adrian, Michigan, started operating in 1996, with actual production beginning in 1997. The facility operates 24 hours a day, seven days a week with 12 employees. This facility manufactures high purity nitrogen trifluoride gas. The facility uses two RMP covered chemicals, HF and ammonia. HF is received on a 30 day interval, 1 tank truck at a time. Honeywell, who is the HF supplier, does the unloading of the HF from the tank truck to the process. Anderson operators are responsible for monitoring the unloading. The HF is unloaded into a 7,000 gal. capacity storage vessel that is normally filled at 75%, but operating procedures call for no more than 85%. The ammonia storage vessel is leased from Tanner Industries. The company has a contract in place dated December 20, 1995. Ammonia is received approximately one time per quarter via tank truck. All unloading is conducted by tank truck driver. Anderson has another plant that is approximately 100 yards away, Chemtru, separates the two facilities.

SECTION E: SUMMARY FINDINGS/COMMENTS (Attach additional sheets if necessary)

On April 10, 2007, a Risk Management Program inspection was conducted at the Anderson Development Company – NF3 facility in Adrian, Michigan. The purpose of the inspection was to determine the facilities compliance with the Risk Management Program, or CAA 112(r) regulations. Chris Gold was the point of contact prior to the RMP inspection. Several employees greeted the inspector and were notified that the inspector would need to see documentation as well as take a walk through of the facility; especially taking note of the RMP covered process equipment.

During the facility walk thru, the following observations and notes were made:

- Ammonia is used in the gas phase and is set up for automatic shut-off if any problems occur in the feed room. At the time of the inspection, the facility was not feeding ammonia. Tank approximately operating at 45.3% ammonia.
- There are no leak detectors outside near ammonia storage tank, no means of knowing if release is occurring outside. Do use sticks to detect if needed outside. Recommend evaluating placing ammonia detectors outside.
- Control room is staffed 24/7, with computer system for monitoring processes.
- HF is a two phased system. At the time of the inspection, the facility was operating at approximately 57.4% HF. There are 2 HF detectors on the upper and lower levels of the HF building. Also there is a detector near the feed injection area. These detectors are set at 3ppm, at which the blower starts evacuating the leak and sends it to the scrubber. The limits have been dictated to the company based on the parent companies requirements.
- Packing on some process piping is falling apart and needs to be replaced.
- Process piping is rusty in some areas, may want to consider inspecting those lines.

The following notes, recommendations, and violations are being noted as a result of reviewing documentation and interviewing individuals during the RMP inspection:

- The owner or operator should make sure that NF3 Process Safety Management (PSM) Policy actually reflects what the facility is doing/following in terms of PSM and RMP. The policy should clearly reference correct procedures and documentation.

Management

- Chris Gold has been assigned overall responsibility for the development, implementation, and integration of the risk management program elements.

Hazard Assessment

- At the time of the inspection, documentation was reviewed that reflected the worst-case release submitted in the 1999 RMP submittal. The most recent RMP reflects a different release. The facility did send additional information in its Risk Management Plan Executive Summary that detailed the correct worst-case scenario. The facility should make sure that they have the correct information available.
- At the time of the inspection, the owner or operator did not have documentation on the alternative release scenario. The facility did provide additional information in its Risk Management Plan Executive Summary after the inspection that included some of the information required by the RMP regulation for alternative release scenarios. The owner or operator failed to maintain documentation on the complete description of the alternative release scenarios identified and the rationale for the selection of specific scenarios, as required under 68.39(b).
- At the time of the inspection, the owner or operator did not have documentation on the estimated quantity released and release rate, as required under 68.39(c).
- At the time of the inspection, the owner or operator did not have documentation on the methodology used to determine distance to endpoint. Documentation was provided after the inspection that detailed the methodology used.

-At the time of the inspection, the owner or operator did not maintain documentation on the data used to estimate population and environmental receptors potentially affected, as required under 68.39(e). Because there was no documentation available on population information, unable to review whether or not estimated population was based on a circle with the point of release at the center and unable to review whether or not the most recent Census data was used. In addition, unable to review whether or not environmental receptors identified were based on a circle with the point of release at the center.

Prevention Program – Process Safety Information

- At the time of the inspection, SAF-0213 needed to be updated with correct maximum intended inventories of each pieces of equipment within the covered process and their maximum intended inventory, as required under 68.65(c)(1)(iii).
- At the time of the inspection, did not review documentation on consequences of deviation.
- At the time of the inspection, did not review documentation on electrical classification.
- At the time of the inspection, did not review documentation on safety systems.

Prevention Program – Process Hazard Analysis (PHA)

-The owner or operator identified recommendations in its 2006 PHA, but failed to establish a system to promptly address the team's findings and recommendations; assure that the recommendations are resolved in a timely manner and documented; documented what actions are to be taken; completed actions as soon as possible; developed a written schedule of when these actions are to be completed; and communicated the actions to operating, maintenance, and other employee whose work assignments are in the process and who may be affected by the recommendations, as required under 68.67(e).

Prevention Program – Operating Procedures

- At the time of the inspection, operating procedures were reviewed via a computer based system that was first used in 2000. Procedures are available via the computer; hard copies are located in the control room. The facility is currently working on consolidating spill procedures. The following procedures and work instructions were reviewed at the time of the inspection: 6.0 Work Instructions, WI-0357 Unloading, WI0072 Raw Material Receiving, WI0093 Electrolysis Operations, WI0064 Interlock Shutdown, and WI0017 Critical Operating Parameters.
- At the time of the inspection, did not review procedures on safety systems and their functions.
- At the time of the inspection, it was unclear as to whether or not operating procedures were certified annually and what procedures were to be certified annually, as required under 68.69(c). On March 10, 2007 an email was received that included document history of certification/approval of operating procedures. The owner or operator stated that they track annual certifications in their document history section of their operating procedures. The first document history showed approvals and revisions in 2001, 2002, 2003, 2004, 2006 and 2007. There was no history of approval for 2005. The second document history showed approvals and revisions for 2001, 2002, 2004, 2005, and 2006. There was no approval for 2003. It is unclear as to whether these are approvals for release of each particular operating procedure or if these are actual dates of annual certification that "operating procedures are current and accurate and that the procedures have been reviewed as often as necessary".

Prevention Program – Training

- According to the training procedures, refresher training is supposed to be conducted at least every three years. There is no documentation/ records to show that refresher training has been completed. The owner or operator must maintain records of refresher training and provide refresher training on operating procedures at least every three years, as required under 68.71(b).
- The owner or operator must maintain documentation that ascertains that each employee involved in operating a process has received and understood training required, as required under 68.71(c).

Prevention Program – Mechanical Integrity

- The owner or operator failed to perform inspections and tests on process equipment, as required under 68.73(d)(1).
- The owner or operator failed to ensure that the frequency of inspections and tests of process equipment is consistent with applicable manufacturers' recommendations, good engineering practices, and prior operating experience, as required under 68.73(d)(3).

Prevention Program – Management of Change (MOC)

- At the time of the inspection, MOC's were not reviewed.

Prevention Program- Pre—startup Safety Review (PSSR)

- At the time of the inspection, PSSR's were not reviewed.

Prevention Program – Compliance Audits-

- At the time of the inspection, the owner or operator did not promptly determine and document an appropriate response to each of the December 2005, Prima Tech Inc. compliance audit findings, as required under 68.79(d).

Prevention Program – Incident Investigations

- At the time of the inspection, two incident reports were reviewed dated 12/15/2006 and 2/5/2006. The date of the incident is specified on the 12/25/2006 report and the initiation date is specified for the 2/5/2007 incident. Neither report has both the date of the incident and the date the investigation began, as required under 68.81(d)(1) and 68.81(d)(2).
- At the time of the inspection, the reports reviewed identified findings and corrective measure that must be taken, but the report does not address these findings and does not document the resolutions and corrective actions, are required under 68.81(e).
- At the time of the inspection, there were no formal procedures for reviewing incidents with all affected personnel whose job tasks are relevant to the incident findings, as required under 68.81(f).

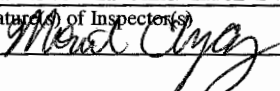
Hot Work Permit

- Permits that are issued must document that fire prevention and protection requirements in 29CFR 1910.252(a) have been implemented prior to beginning the hot work operations. The facility has not recently issued hot work permits.

Emergency Response

- For the emergency response equipment on site, the facility must have a procedure in place for inspection, testing, and maintenance of equipment, as required under 68.95(a)(2). In addition, the facility must maintain records on inspection, tests, and maintenance conducted, whether internal or external.

At the conclusion of the inspection, an exit interview was conducted, notifying company representatives of areas of concern of the inspector. In addition, the inspector notified company representatives of contact information as well as possible enforcement actions that are possible.

Names(s) and Signature(s) of Inspector(s) Monika Chrzaszcz 	Agency/Office/Telephone Number US EPA/CEPPS/ (312) 886-0181	Date 08/28/2007
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