



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

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ENVIRONMENTAL PROTECTION
AGENCY REGION VII
REGIONAL HEARING CLERK

EXPEDITED SETTLEMENT AGREEMENT (ESA)

DOCKET NO.: CAA-07-2011-0001

This ESA is issued to: Siouxland Ethanol LLC

At: 1501 Knox Boulevard, Jackson, Nebraska 68743

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

The United States Environmental Protection Agency, Region 7 (EPA) and Siouxland Ethanol LLC, 1501 Knox Boulevard, Jackson, Nebraska 68743 (Respondent), have agreed to a settlement of this action before filing of a complaint, and thus this action is simultaneously commenced and concluded pursuant to Rules 22.13(b) and 22.18(B)(2) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits (Consolidated Rules), 40 C.F.R. §§ 22.13(b), 22.18(b)(2).

The Complainant, by delegation of the Administrator of EPA, is the Director of the Air, and Waste Management Division. The Respondent is Siouxland Ethanol LLC, 1501 Knox Boulevard, Jackson, Nebraska 68743.

This is an administrative action for the assessment of civil penalties instituted pursuant to Section 113(d) of the Clean Air Act (CAA). Pursuant to Section 113(d) of the CAA, 42 U.S.C. § 7413(d), the Administrator and the Attorney General jointly determined that cases which meet the criteria set forth in EPA's policy entitled "Use of Expedited Settlements in Addressing Violations of the Clean Air Act Chemical Accident Prevention Provision, 40 C.F.R. Part 68," dated January 5, 2004, are appropriate for administrative penalty action.

ALLEGED VIOLATIONS

On May 25, 2010, an authorized representative of the EPA conducted a compliance inspection of the Respondent's facility located at 1501 Knox Boulevard, Jackson, Nebraska 68743, to determine compliance with the Risk Management Plan (RMP) regulations promulgated at 40 C.F.R. Part 68 under Section 112(r) of the CAA. The EPA found that the Respondent had violated regulations implementing Section 112(r) of the CAA by failing to comply with the regulations as noted on the enclosed Risk Management Program Inspection Findings (RMP Findings), which is hereby incorporated by reference.

SETTLEMENT

In consideration of Respondent's size of business, its full compliance history, its good faith effort to comply, and other factors as justice may require, and upon consideration of the entire record, the parties enter into the ESA in order to settle the violations, described in the enclosed RMP Findings, for the total penalty amount of **\$1,080**.

This settlement is subject to the following terms and conditions:

The Respondent by signing below waives any objections that it may have regarding jurisdiction, neither admits nor denies the specific factual allegations contained herein and in the RMP Findings, and consents to the assessment of the penalty as stated above. Respondent waives its rights to a hearing afforded by Section 113(d)(2)(A) of the CAA, 42 U.S.C. § 7413(d)(2)(A), and to appeal this ESA. Each party to this action shall bear its own costs and fees, if any. Respondent also certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the Respondent has corrected the violations listed in the enclosed RMP Findings and has sent a cashier's check or certified check (payable to the "United States Treasury") in the amount of **\$1,080** in payment of the full penalty amount to the following address:

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

The Docket Number of this ESA is CAA-07-2011-0001, and must be included on the check.

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

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

A copy of the check must also be sent to:

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

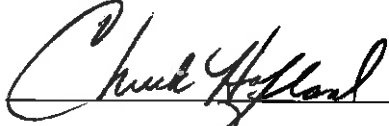
Upon Respondent's submission of the signed original ESA, EPA will take no further civil action against Respondent for the alleged violations of the CAA referenced in the RMP Findings. The EPA does not waive any other enforcement action for any other violations of the CAA or any other statute.

If the signed original ESA with an attached copy of the check is not returned to the EPA Region 7 office at the above address in correct form by the Respondent within 45 days of the date of Respondent's receipt of it (90 days if an extension is granted), the proposed ESA is withdrawn, without prejudice to EPA's ability to file an enforcement action for the violations identified herein and in the RMP Findings.

This ESA is binding on the parties signing below.

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

FOR RESPONDENT:



Date: 12/6/10

Name (print): Chuck Holland

Title (print): General manager
Siouxland Ethanol LLC

FOR COMPLAINANT:



Becky Weber
Director
Air and Waste Management Division
EPA Region 7

Date: 12/16/10



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

Date: 12/14/10

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

Karina Borrromeo
Karina Borrromeo
Regional Judicial Officer

Date: 1/4/11

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

Siouxland Ethanol LLC
1501 Knox Boulevard
Jackson, Nebraska 68743
Docket No. CAA-07-2011-0001

COMPLETE THIS FORM AND RETURN IT WITH THE ESA.

VIOLATIONS

PENALTY AMOUNT

Prevention Program \$ 750
Process Safety Information [§ 68.65(d)(2)]
The owner or operator failed to document that equipment complies with recognized and generally accepted good engineering practices.

How was this addressed:

See letter and attachment A

Prevention Program \$ 600
Operating Procedures [§ 68.69(c)]
The owner or operator failed to certify annually that operating procedures are current and accurate.

How was this addressed:

See letter and attachment B & C

Prevention Program \$ 450
Contractors [§ 68.87(b)(1)]
The owner or operator failed to obtain from their contractors information regarding the contract owner or operator's safety performance and programs (i.e., employee I.D., date of training, and means to verify training was understood).

VIOLATIONS

PENALTY AMOUNT

How was this addressed:

see letter and attachment D + E

Total Unadjusted Penalty \$ 1,800

Calculation of Adjusted Penalty

1st Reference the multipliers for calculating proposed penalties for violations found during RMP inspection matrix. Finding the row for number of employees 21-50 and column for 10 times the threshold quantity of 314,160 pounds of flammable (1-Butene, Isobutane, Butane, Isopentane, and Pentane) as listed in 40 C.F.R. Part 68.130 for the amount in a process gives a multiplier factor of 0.6. Therefore, the multiplier for Siouxland Ethanol LLC = 0.6.

2nd Adjusted Penalty = \$1,800 (Unadjusted Penalty) X 0.6 (Size-Threshold Multiplier)
Adjusted Penalty = \$1,080

3rd An Adjusted Penalty of \$1,080 would be assessed to Siouxland Ethanol LLC for violations found during the RMP Compliance Inspection. This amount will be found in the Expedited Settlement Agreement.

Total Adjusted Penalty \$ 1,080

This section must be also be completed and signed.

The approximate cost to correct the above items: \$ 0

Compliance staff name: Chuck Holland

Signed: Chuck Holland Date: 12/6/10



SIUXLAND ETHANOL^{LLC}

Siouxland Ethanol, LLC • Box 147 • Jackson, NE 68743
Phone: 402-632-CORN (2676) • Fax: 402-632-2677

December 3, 2010

Kristen Nazar
EPA Region 7
901 N 5th Street
Kansas City, KS. 66101

Dear Kristen:

In Response to EPA Findings Docket No. CAA-07-2011-0001

Identified Violation #1: Prevention Program Process Safety Information: The owner or operator failed to document that equipment complies with recognized and generally accepted good engineering practices.

Addressed: Checking our documentation of the plant when it was built by Fagen, Inc. We were not able to locate a letter or written statement that stated the equipment complies with recognized and generally accepted good engineering practices.

We have made contact with the design company who designed the facility. This Company also started the facility. We inquired if they would provide us with such a letter or statement so that we feel comfortable making the statement in the PSM Program. The attached Statement is now posted in the PSM Program. (See attached)

Identified Violation #2: Prevention Program Operating Procedures: The owner or operator failed to certify annually that operating procedures are current and accurate.

Addressed: Siouxland Ethanol, LLC started in the spring of 2007. Between the spring of 2007-2010 we operated under the current SOPs without a certification letter. Shortly before the inspection our Standard Operating Procedures (SOP) were reviewed and deemed accurate dated 5-17-2010 (See attachment). We have added an entry that will print out a reminder each year to review SOPs in the Maintenance Work Order Program. Starting in May 2011 the attached work order will print reminding us to update SOP's pertaining to PSM Program. (See attached work order) (This specific work order was printed in November 5th for the purpose of including it as an attachment).



SIUXLAND ETHANOL LLC

Siouxland Ethanol, LLC • Box 147 • Jackson, NE 68743

Phone: 402-632-CORN (2676) • Fax: 402-632-2677

Identified Violation #3: Contractors: The owner or operator failed to obtain from their contractors information regarding the contract owner operator's safety performance and programs (i.e., employee I.D. Date of training and means to verify training was understood).

Addressed: Siouxland Ethanol, LLC is meeting with contractors to make sure that their employees had been safely trained through their employer. The employer signs a list of safety topics and subjects that the contractor deems appropriate for the work they perform. The list is documented as a guide.

Siouxland Ethanol had a contractor packet before the inspection. This packet asks for safety performance programs. Since the inspection we have added an additional form to request for more specific information on employees coming on site to include individual documentation of each worker as to their training, the date, and the means to verify training was understood. (See attached)

At the completion of your review of the violations and our response to them please respond back to us as to their acceptance. If you have any questions give me a call at 402.632.2676 or chuck.hofland@siouxlandethanol.com

Sincerely,

Chuck Hofland
Siouxland Ethanol LLC

CC: Deanna Smith
Kathy M. Robinson

Enclosure/Attachment: Compliance and accepted good engineering practice letter or statement
Example Work Order 15377
SOP Certification
Contractor Form Letter
Contractor Employee Qualification Summary

IN THE MATTER OF Siouxland Ethanol LLC, Respondent
Docket No. CAA-07-2011-0001

CERTIFICATE OF SERVICE

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

Copy hand delivered to
Attorney for Complainant:

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

Copy by Certified Mail Return Receipt to:

Chuck Hofland, General Manager
Siouxland Ethanol LLC
1501 Knox Boulevard
Jackson, Nebraska 68743

Dated: 1/5/11



Kathy Robinson
Hearing Clerk, Region 7