



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

2014 SEP 16 AM 10:42

EXPEDITED SETTLEMENT AGREEMENT (ESA)

DOCKET NO.: CAA-07-2014-0024

This ESA is issued to: Farmers Cooperative Association

At: 35885 Ravenna Road, Ravenna, Nebraska 68869

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

The United States Environmental Protection Agency, Region 7 (EPA) and Farmers Cooperative Association (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 the EPA, is the Director of the Air and Waste Management Division. The Respondent is Farmers Cooperative Association, 35885 Ravenna Road, Ravenna, Nebraska 68869.

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 November 21, 2013, an authorized representative of the EPA conducted a compliance inspection of the Respondent's facility located at 35885 Ravenna Road, Ravenna, Nebraska, 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 **\$2,700**.

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 **\$2,700** 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-07-2014-0024, 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:

Christine Hoard
Chemical Risk Information Branch
U.S. Environmental Protection Agency, Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219.

A copy of the check must also be sent to:

Kathy M. Robinson
Regional Hearing Clerk
U.S. Environmental Protection Agency, Region 7
11201 Renner Boulevard
Lenexa, Kansas 66219.

Upon Respondent's submission of the signed original ESA, the 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:

Dan Rayburn

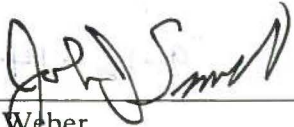
Date: 9-5-2014

Name (print): DAN RAYBURN

Title (print): OPERATIONS MANAGER
Farmers Cooperative Association

*Farmers Cooperative Association
Janet M. Keefe
CEO-President*

FOR COMPLAINANT:



Becky Weber
Director
Air and Waste Management Division
EPA Region 7

Date: 9/15/14



Kent Johnson
Assistant Regional Counsel
Office of Regional Counsel
EPA Region 7

Date: 9/12/14

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

Karina Borromeo

Date: 9-16-14

Karina Borromeo
Regional Judicial Officer

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

Farmers Cooperative Association
35885 Ravenna Road
Ravenna, Nebraska 68869
Docket No. CAA-07-2014-0024

COMPLETE THIS FORM AND RETURN IT WITH THE ESA.

VIOLATIONS

PENALTY AMOUNT

Hazard Assessment

Defining off-site impacts – Population [68.30(a)]

No penalty assessed

The owner or operator shall estimate in the RMP the population within a circle with its center at the point of the release and a radius determined by the distance to the endpoint defined in §68.22(a).

Facility addressed this post inspection.

Prevention Program

Safety Information [68.48(b)]

\$1,500

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

Facility addressed this post inspection.

Prevention Program

Compliance Audit [68.58(a)]

\$1,200

The owner or operator shall certify that they have evaluated compliance with the provisions of this subpart at least every three years to verify that the procedures and practices developed under the rule are adequate and are being followed.

*How was this addressed: We have completed a new compliance audit.
see attachment.*

Risk Management Plan

Registration [68.160(b)(1)]

No penalty assessed

The owner or operator failed to accurately report its longitude and latitude coordinates in its registration.

Facility addressed this post inspection.

Total Unadjusted Penalty

\$2,700

Calculation of Adjusted Penalty

1st Reference the Multipliers for calculating proposed penalties for violations found during RMP inspection matrix. Finding the column for 10-100 employees and the row for > 10 times the threshold quantity of 10,000 pounds of anhydrous ammonia as listed in 40 C.F.R. Part 68.130 for the amount in a process gives a multiplier factor of 1.0. Therefore, the multiplier for Farmers Cooperative Association = 1.0

***No adjusted penalty since multiplier is 1*

Total Penalty

\$2,700

This section must be also completed and signed by Farmers Cooperative Association:

The approximate cost to correct the above items: \$ _____ 36 Hours

Compliance staff name: DAN RAYBURN

Signed: Dan Rayburn Date: 9-5-2014

*Farmers Cooperative Association
Conda M. Beffa
CEO-President*

RISK MANAGEMENT PLAN

COMPLIANCE AUDIT

Farmers Cooperative, Assn.

35885 Ravenna Rd.
Box 170

Facility Name RAVENNA NH3 PLANT

Facility Location RAVENNA, NE 68869

Product NH3 (Anhydrous Ammonia)

RMP ID# 1000-0007-6543

DATE
Corrective Measures
were Completed

RMP SEGMENT:

1. Is current copy of RMPlan available? Yes / No
Location of Plan is Office - Operations Manager
If No, explain problem & corrective measures _____

2. Does Community Emergency Coordinator and/or LEPC have a copy of current RMPlan? Yes / No
If No, explain problem & corrective measures _____

3. Is information in Chapter I, Facility Information, and information in the Executive Summary correct? Yes / No
If No, explain problem & corrective measures _____

4. Is Chapter II Prevention Program Implementation, & Chapter IV, Safety Information correct? Yes / No
If No, explain problem & corrective measures _____

5. Has the Facility's Emergency Action Plan been reviewed within the last 12 months? Yes / No
If No, explain problem & corrective measures _____

DATE
Corrective Measures
were Completed

SAFETY INFORMATION SEGMENT:

1. Is there a current copy of product's SDS available for emergency use? Yes / No

If No, explain problem & corrective measures _____

2. Is product listed in Facility's OSHA Hazard Communication Program? {Refer to Company's Policy & Procedures for "Hazardous Material List". } Yes / No

If No, explain problem & corrective measures _____

3. Is the inventory or inventories of product listed in the Safety Information Section current? Yes / No

If No, explain problem & corrective measures _____

4. Safe upper and lower temperatures available in the Safety Information Chapter? Yes / No

If No, explain problem & corrective measures _____

5. Are main tank valves kept closed when the installation is unattended? Yes / No

If No, explain problem & corrective measures _____

Are main tank valves protected by suitable means against tampering and theft of product? Yes / No

(In addition to locking main tank valves, additional means of protection may be needed depending on the site. Examples: lighting, motion detectors, alarms, remote surveillance, security systems, fencing, etc.)

Note: This could be a Best Management Practice (BMP) or may be required by State regulatory agencies.

DATE
Corrective Measures
were Completed

EQUIPMENT SEGMENT:

1. Have piping & related equipment been visibly checked to ensure it is the type approved for the product and documented on "Hazard Review, Equipment Hazard Checklist"? Yes / No
If No, explain problem & corrective measures _____

2. For Anhydrous Ammonia, is all threaded piping Schedule 80 or welded piping Schedule 40? Yes / No
If No, explain problem & corrective measures _____

3. Are relief valves of the type approved for the product? Yes / No
If No, explain problem & corrective measures _____

4. Are all Pop-off valves protected with rain caps? Yes / No
If No, explain problem & corrective measures _____

5. Are piping, pumping equipment, and storage tank/tanks free of leaks? Yes / No
If No, explain problem & corrective measures _____

6. Is piping and storage tank/tanks' protective paint in good condition? Yes / No
If No, explain problem & corrective measures _____

HAZARD REVIEW SEGMENT:

1. Is the last Hazard Review less than 5 years old? Yes / No
If No, explain problem & corrective measures _____

2. Has there been a major change in the regulated product's use, or major change in equipment used to transfer product or other change that would have required a change in the operating procedures? Yes / No
If YES to question 2, was a new Hazard Review completed? Yes / No
If No, explain problem & corrective measures _____

3. Does the completed Hazard Review contain the date with the signature of RMP Officer? Yes / No

OPERATING PROCEDURES SEGMENT:

1. Have there been any major changes in Operating Procedures or equipment since last Operating Procedures? Yes / No
If YES to question 1, was a new Operating Procedure completed and put into place? Yes / No
If No, explain problem & corrective measures Completed a new version of operating procedures. Re-numbered sections and updated some language to improve employee understanding of procedures 8-27-2014
2. Do Operating Procedures address:
- (1) Initial startup; Yes / No
 - (2) Normal operations; Yes / No
 - (3) Temporary operations; Yes / No
 - (4) Emergency shutdown and operations; Yes / No
 - (5) Normal shutdown; Yes / No
 - (6) Startup following a normal or emergency shutdown; Yes / No
 - (7) Consequences of deviations; Yes / No
 - (8) Equipment inspections. Yes / No
3. Are current Operating Procedures available and provided to affected employees? Yes / No
If No, explain problem & corrective measures _____

4. Do the Operating Procedures contain the date with the signature of RMP Officer? Yes / No

DATE
Corrective Measures
were Completed

TRAINING SEGMENT:

1. Have all employees that are working with the product been trained on proper handling techniques? Yes / No
If No, explain problem & corrective measures _____

2. Have all employees that are working with the product been trained on proper actions to take in the event of a release? Yes / No
If No, explain problem & corrective measures _____

3. Do the employees that are involved in the maintenance of product's equipment have proper training and/or experience to perform maintenance? Yes / No
If No, explain problem & corrective measures _____

4. Are all employee trainings current? Yes / No
If No, explain problem & corrective measures _____

5. Have employees been consulted about training needs? Yes / No
If No, explain problem & corrective measures _____

6. Is current format for employee training adequate (classroom, observations, etc.)? Yes / No
If No, explain problem & corrective measures _____

7. Is current format for employee testing adequate (written, oral test, demonstration, etc.)? Yes / No
If No, explain problem & corrective measures _____

DATE
Corrective Measures
were Completed

MAINTENANCE SEGMENT:

1. Are inspection/maintenance records available? Yes / No
If No, explain problem & corrective measures _____

2. Are current inspection/maintenance intervals adequate based on maintenance records? Yes / No
If No, explain problem & corrective measures _____

3. Based on maintenance records, no equipment is past due for maintenance and/or replacement? Yes / No
If No, explain problem & corrective measures _____

4. Do the maintenance inspection records contain the date when equipment was inspected? Yes / No _____
5. Do the maintenance records contain the information of replacement component/equipment along with the date the replacement took place? Yes / No _____
6. Are the maintenance inspection records reviewed at least annually by a competent person or RMP Officer? Yes / No _____

COMPLIANCE AUDITS SEGMENT:

1. Has a Compliance Audit been conducted within the last 3 years? Yes / No
If No, explain problem & corrective measures _____

2. Is previous RMP Compliance Audit(s) available? Yes / No
NOTE: For Program 2: the two (2) most recent Compliance Audit reports are available. However, this requirement does not apply to any Compliance Audit report that is more than five years old.
For Program 3: the two (2) most recent Compliance Audit reports are available.
If No, explain problem & corrective measures _____

3. Is the Compliance Audit certified with a signature of RMP Officer? Yes / No

ACCIDENT HISTORY SEGMENT:

1. Has there been an Accidental Release of product within the last 5 years?

Yes No

2. If YES, has the Incident Investigation Report and all associated components of the Incident Investigation Report been completed in Chapter X of the RMP?

Yes / No

If No, explain problem & corrective measures _____

RISK MANAGEMENT PROGRAM COMPLIANCE AUDIT CERTIFICATION

I certify that this Compliance Audit has been evaluated for compliance with the prevention program provisions of the U.S. Environmental Protection Agency's Chemical Accident Prevention Provisions (40 CFR Part 68) and verify that the procedures and practices developed under the rule are adequate and are being followed.

Any items found to be deficient during the audit were corrected at time of discovery.

Person Conducting Audit

Dan Rayburn
Signature

9-4-2014
Date

DAN RAYBURN
Print Name of RMP Officer

Dan Rayburn
Signature

9-4-2014
Date

IN THE MATTER OF Farmers Cooperative Association, Respondent
Docket No. CAA-07-2014-0024

CERTIFICATE OF SERVICE

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

Copy by email to Attorney for Complainant:

johnson.kent@epa.gov

Copy by First Class Mail to:

Dan Rayburn
Operations Manager
Farmers Cooperative Association
35885 Ravenna Road
Ravenna, Nebraska 68869

Dated: 9/16/14



Kathy Robinson
Kathy Robinson
Hearing Clerk, Region 7

