

CAA112(r) INSPECTION REPORT

Name: Coldpoint Logistics	
Address: 31301 West 181 st Street, Edgerton, KS 66021	Date of Inspection: 8/29-30/2024
County: Johnson	Case No: 24KS0830
Phone: 913-229-3800	RMP No: 1000 0023 5907
High Risk: No	FRS No: 110071846279
CAA Title V: No	Program Level: Program 3
Mailing Address: 31301 West 181 st Street, Edgerton, KS 66021	
Process: Anhydrous Ammonia Refrigeration	

A review of the Coldpoint Logistics documents and facility revealed the following deficiencies:

- 1. Coldpoint Logistics failed to update and revalidate their PHA every five years as required by 40 CFR 68.67(f).**
- 2. Coldpoint Logistics failed to complete the east refrigeration system's compliance audit every 3 years as required by 40 CFR 68.79(a).**

INTRODUCTION

I, Diana Chaney, a Compliance Inspector with the U.S. Environmental Protection Agency (EPA), Region VII, and Omari Pettway an inspector in training, conducted an inspection to determine if the facility complies with Section 112(r) of the Clean Air Act, as amended in 1990. The inspection also included reporting provisions of the Emergency Planning and Community Right to Know Act and the release reporting provisions of the Comprehensive Environmental Response, Compensation, and Liability Act.

EPA's regulations describing how these laws are to be implemented are found in the Code of Federal Regulations, Title 40, Part 68 (CAA), 355, 370, and 372 (EPCRA). The law and the implementing regulations 40 CFR 68, Chemical Accident Prevention Program require that the facilities must submit a complete Risk Management Plan to the EPA for those regulated chemicals they process in amounts above the applicable threshold quantities after June 21, 1999 and to implement the program described in the RMP.

HISTORY OF BUSINESS

Coldpoint Logistics, located in Edgerton, Kansas, was established in 2014 as a logistics provider specializing in temperature-controlled storage and distribution. The facility built near the BNSF Intermodal facility; that company handles rail and truck transportation. The facility was built in four phases, for phases 1 & 2 (the east refrigeration system) construction was completed in 2017 and phases 3 & 4 (the west refrigeration system) were completed in 2019. The facility uses anhydrous ammonia as its refrigerant. Coldpoint Logistics employs roughly 250 employees during their slow season and 270 employees during their busy season.

Regarding the regulated chemical, the total anhydrous ammonia at Coldpoint Logistics:

Quantity - pounds	
Maximum Intended Inventory	72,758
Actual Quantity at the Time of Inspection	58,114
Tier II Maximum Daily Amount	58,223
Quantity Listed on RMP	73,000

PERSONS INTERVIEWED AND INDIVIDUAL RESPONSIBILITIES

Josh Peterson.....Chief Engineer, Coldpoint Logistics
 Rusty Robinson.....Lead Ammonia Technician, Coldpoint Logistics

OPENING CONFERENCE

We arrived at the facility on Thursday, August 22, 2024. We were greeted by Josh Peterson. I presented my credentials. I explained that we were conducting the inspection and Coldpoint Logistics been chosen at random for inspection. During the opening conference, I reviewed forms that would be completed during the inspection, explained I would review of the facility's risk management program documents, take a tour of the facility and conduct a closing conference to share preliminary findings.

EPCRA TIER II

Coldpoint Logistics lists anhydrous ammonia in their 2023 Kansas Tier II, which can be seen in appendix 2. There are two other chemicals listed in their Tier II, these substances are below the threshold quantities that would make them subject to the risk management program.

HAZARD ASSESSMENT

Josh Peterson provided the hazard assessments for the facility. The hazard assessments are conducted separately for the east and west refrigeration systems. The hazard assessments can be found in appendix 3. The parameters specified in 40 CFR 68 Subpart B for offsite consequence analysis were followed. RMP*Comp was utilized for the worst-case scenario and the alternative release scenario. The distance-to-endpoint for anhydrous ammonia was 1.8 miles for the WCS and 0.2 miles for the ARS. The population potentially affected by WCS is 8,255. The offsite consequence analysis is dated on June 5th, 2020, and the prior offsite consequence analysis is dated July 23rd, 2018.

PROCESS SAFETY INFORMATION

Coldpoint Logistics compiled information on the hazards of the regulated substances stored on site. The process safety information included information pertaining to the hazards of anhydrous ammonia. Documentation for both the east and west refrigeration systems can be seen in appendix 4. Josh Peterson confirmed this information is available to both management and operators, ensuring that all personnel have the tools needed to understand the hazards associated with the facility's processes. The facility's records contain Safety Data Sheets for all regulated substances, which include toxicity information, permissible exposure limits, and physical data. Information on the reactivity and corrosivity of chemicals was readily available. The facility's procedures described how to handle materials according to their chemical properties, minimizing the risk of hazardous reactions. The facility documented the stability data of chemicals used, including conditions under which substances may become unstable. Block flow diagrams and process flow diagrams were available and provided an overview of the chemical processes. The maximum intended inventory for each chemical in the covered process was documented. Safe upper and lower limits for parameters such as temperature, pressure, and flow rates were outlined for each process. The facility has conducted evaluations of the consequences of deviations from operating limits. Information on the materials used in constructing process equipment was available, ensuring compatibility with the chemicals being processed. The facility has complete and accurate P&IDs for all processes, which are essential for understanding the operation of equipment and process flows. Documentation for electrical classification and relief system design was found to be comprehensive and aligned with industry standards. The facility's ventilation system was designed and maintained according to recognized design codes and standards. Safety interlocks, detection, and suppression systems were well documented, ensuring that they function as intended to prevent accidents. The facility adheres to ANSI/ASHRAE 15, ANSI/IIAR-2 and ASME B31.5 as recognized and generally accepted good engineering practices in the design, construction, and maintenance of its equipment.

PROCESS HAZARD ANALYSIS (PHA)

Coldpoint Logistics completed their PHAs for each refrigeration system separately, which can be found in appendix 5. The east refrigeration system's last PHA was completed on 04/15/2022, using the What-If/Checklist method with the help of Innovative Refrigeration Services, Inc.. The previous east refrigeration system PHA was completed on 05/12/2017. The west refrigeration system's last PHA was conducted on 07/22/2024, using the What-If/Checklist method with the help of IRS. The previous west refrigeration system PHA was completed on 08/01/2018. The gap between the completion of these PHAs is 5 years, 11 months, and 21 days.

Due to the tardiness on the west refrigeration system's PHA, I find the following deficiency:

Coldpoint Logistics failed to update and revalidate their PHA every five years as required by CFR 68.67(f).

The PHA documented potential failure scenarios and provided specific responses to prevent or mitigate hazards. The analysis was completed before the required deadline and was updated to

address subsequent changes in process operations and equipment. The facility applied the What-If/Checklist methodology, which included the following elements of CFR 68.67(c):

- Identified hazards related to fire, explosion, and toxic release for each covered process.
- Documented prior incidents that had the potential for catastrophic consequences, ensuring that lessons learned were incorporated into current operations.
- Evaluated current controls, including process alarms, automatic shutdown systems, and backup power for critical systems.
- Considered possible failures of both engineering and administrative controls, assessing their impact on health and safety.
- Considered the location of processes within the facility and potential risks to the public in case of a release.
- Included an analysis of operator performance, workload, and potential for human error, with strategies in place to mitigate these risks.
- Reviewed possible external hazards, such as earthquakes or extreme weather, that could exacerbate accidental releases.

The facility reviewed and documented alternative safety technologies, though no inherently safer technologies were deemed practical based on the facility's specific processes and layout. The PHA team comprised of Rusty Robinson, who worked directly with the process being analyzed, and another member, Hunter Andrieu, who had specific expertise in the What-If/Checklist methodology. Josh Peterson informed us that most recommendations would be resolved in 90 days and large capital expenses would be resolved within 6 months to 1 year. Josh Peterson also confirmed Coldpoint Logistics has maintained records of all PHA activities, including initial analyses, revalidations, and documented resolutions of recommendations. These records were accessible and were retained for the life of the processes.

STANDARD OPERATING PROCEDURES

The operating procedures for Coldpoint Logistics can be found in appendix 6. These procedures include instructions for each operating phase, including initial startup, normal operations, emergency shutdown, and startup following an emergency. The facility outlined the properties and hazards of chemicals used in the process, including detailed precautions to prevent exposure. Engineering controls, administrative controls, and personal protective equipment were specified for each process. The facility has ensured that all operating procedures are readily accessible to employees who work in or maintain the covered processes. Operators have access to digital copies via the facility's internal management system. Employees are required to demonstrate familiarity with accessing and utilizing these procedures. The operating procedures include safe work practices for controlling hazards during specific operations such as lockout/tagout, confined space entry, and maintenance activities involving process equipment. These practices apply to both employees and contractors working at the facility.

TRAINING

Omari Pettway and Rusty Robinson discussed how Coldpoint Logistics handles the training of new employees. Rusty and Josh provided all of the documentation and we reviewed it all together. They have an initial training program as well as a refresher course given within 3 years. The training included safety and health hazards, emergency operations including shutdown, and safe work practices applicable to the employee's job tasks. I observed their record of training for their staff and collected one example which can be found in appendix 7.

MECHANICAL INTEGRITY

Coldpoint Logistics has a mechanical integrity policy which includes requirements for maintaining the integrity of key process equipment. This includes pressure vessels, storage tanks, piping systems, relief devices, emergency shutdown systems, and controls. Each inspection and test is documented, including details such as date, personnel involved, equipment identifier, inspection description, and test results. The mechanical integrity policy and example inspections can be found in appendix 8.

MANAGEMENT OF CHANGE & PRE-STARTUP SAFETY REVIEW

Coldpoint Logistics has a management of change policy to manage changes to process chemicals, technology, equipment, and procedures. The facility documents the technical basis for changes, including a risk assessment of potential impacts on safety and health. Modifications to operating procedures are reviewed and documented to reflect any changes that could affect operations. A blank management of change form was provided at the time of inspection. In the event of a change, Coldpoint Logistics has a pre-startup safety review policy. The PSSR covers construction, equipment, and procedural changes. The MOC and PSSR for the phase 4 facility expansion was provided during the inspection; this change occurred on July 7th, 2019. The MOC and PSSR documents can be seen in appendix 9.

COMPLIANCE AUDIT

Coldpoint Logistics conducts compliance audits for the east and west refrigeration systems separately. Josh Peterson provided the east refrigeration system's 07/24/2024 compliance audit, as well as the east refrigeration system's 08/12/2020 compliance audit. The east refrigeration system compliance audits are dated 3 years, 11 months, and 12 days apart. Josh Peterson also provided the west refrigeration system's 04/15/2022 compliance audit. The compliance audits can be seen in appendix 10.

Due to the tardiness of the east refrigeration system's compliance audit, I find the following deficiency:

Coldpoint Logistics failed to complete the east refrigeration system's compliance audit every 3 years as required by CFR 68.79(a).

The facility's compliance audits were conducted by teams that included personnel with knowledge of the plant's processes. The report covered various aspects of process safety

management, including equipment inspections, operational procedures, and safety practices. Each finding was assigned a corrective action, which was documented along with the completion date and person responsible. The facility has a system for tracking and closing out audit findings, ensuring that any deficiencies were resolved.

INCIDENT INVESTIGATION

Coldpoint Logistics starts incident investigations within 48 hours of an incident. The incident investigation team consists of at least one person with knowledge of the covered process. An example of the incident investigation form was provided at the time of inspection. The form includes date of incident, date investigation began, a description of the incident, factors that contributed to the incident, and recommendations resulting from the investigation. The incident investigation policy and form can be found in appendix 11.

EMPLOYEE PARTICIPATION

Coldpoint Logistics has a policy for employee participation, which can be found in appendix 12. As part of employee participation, the facility holds PSM committee meetings on at least a quarterly basis. Subcommittee meetings meet monthly when possible. The PSM committee makes recommendations to management. Minutes from the PSM meetings are available to all employees and retained for three years. Employees also have access to operating procedures and safety information electronically and hardcopies are in the employee break area.

HOT WORK PERMIT

The facility rarely does hot work; if hot work is needed it is done in accordance with their policy. In anticipation of hot work, facility personnel complete a hot work permit. The hot work permit includes dates for authorized hot work, location with a description, fire prevention and protection requirements. The hot work policy and permit can be seen in appendix 13.

CONTRACTORS

Coldpoint Logistics has a policy for contractors, which can be seen in appendix 14. Josh Peterson explained contractors are seldom used for facility maintenance. The facility has a contractor selection process in place that evaluates the safety performance and programs of potential contractors. Prior to the start of contractor work, Coldpoint Logistics provides contractors with detailed information on potential fire, explosion, and toxic release hazards. Contractors are made aware of the applicable provisions of subpart E, including emergency response procedures and relevant safety standards. Contractors are required to verify that their employees are trained in the necessary work practices to perform their jobs safely. Training records for contractor employees were reviewed and found to include all required elements, including work practices, emergency procedures, and process hazards. Contractors would have procedures in place to inform their employees of potential fire, explosion, and toxic release hazards specific to the facility. Contractors would also document employee understanding of these hazards and the emergency action plan. The facility maintains a system to ensure that

contractors document the training of their employees, including the identity of the employee, date of training, and verification of understanding.

EMERGENCY RESPONSE

Coldpoint Logistics' Emergency Response Plan can be seen in appendix 15. The facility plans to call 911 in the event of a release. Josh Peterson coordinates with the local fire department and the Johnson County LEPC. I called and left a voicemail for the Johnson County LEPC, inquiring if Coldpoint Logistics had submitted its emergency action plan or its Tier II, but I have not received a response as of the completion of this report.

MANAGEMENT SYSTEM

Coldpoint Logistics provided their distribution of responsibilities to document their management system, which can be seen in appendix 16. Josh Peterson has overall responsibility for the RMP at the facility. Some program elements are completed with the assistance of Innovative Refrigeration Services, Inc.

RISK MANAGEMENT PLAN

Coldpoint Logistics seems to have completed the executive summary, offsite consequence analysis, five-year accident history and section nine information in an accurate and timely fashion. The risk management plan was submitted June 5th, 2020, and can be seen in appendix 17.

FIELD TOUR & PHOTO LOG

A field tour of both the east and west refrigeration system was conducted on Friday, August 23, 2024. The field tour resulted in 140 digital photographs of the RMP process area, all of which can be seen in appendix 18. Photos 1 to 64 are of the east refrigeration system and photos 65 to 138 are of the west refrigeration system. Both refrigeration systems appeared to have some ice accumulation on the process equipment.

CLOSING CONFERENCE

At the closing conference, I indicated that all scanned and digital photos taken at the site were recorded on the Receipt of Samples and Documents form, which was signed by Josh Peterson. I went over the Preliminary Findings and explained I may identify more upon return to the office. Josh Peterson signed the Preliminary Findings form. The signed forms can be seen in appendix 1. I explained that I would write my report and turn it into management who will review it and assign a case review officer. Then the facility will be sent a copy of the report within 70 days. We departed the facility on Friday, August 23, 2024.

DIANA CHANEY

Digitally signed by DIANA
CHANEY
Date: 2024.11.08 14:31:30
-06'00'

Diana Chaney
Compliance Inspector

Hensley,
Dave

Digitally signed by
Hensley, Dave
Date: 2024.11.13 11:38:50
-06'00'

Dave Hensley
Chemical Accident Prevention Section Supervisor

Appendices

- 1 – Inspection Forms
- 2 – EPCRA Tier II
- 3 – Hazard Assessment
- 4 – Process Safety Information
- 5 – Process Hazard Analysis
- 6 – Operating Procedures
- 7 – Training
- 8 – Mechanical Integrity
- 9 – MOC - PSSR
- 10 – Compliance Audit
- 11 – Incident Investigation
- 12 – Employee Participation
- 13 – Hot Work Permit
- 14 – Contractors
- 15 – Emergency Response
- 16 – Management
- 17 – RMP
- 18 – Photo Log

NOTICE OF PRELIMINARY FINDINGS

FIRM NAME: Coldpoint Logistics

RMP/TRI NO: 1000-087018

FIRM ADDRESS: 31301 W 181st

Edgerton KS, 66021

INSPECTOR: Diana Chaney

DATE: 8/30/24

An inspection of the above facility has just been completed. The purpose of the inspection was to determine compliance with the requirements of the Clean Air Act Section 112r and Emergency Planning Community Right-to-Know Act. The following potential violations were identified:

CITATION	DESCRIPTION
1 68.67(f)	PHA was 11 months late
2 68.79(a)	Compliance Audit was 11 months late

This Notice is provided to call your attention to those areas of potential noncompliance at the earliest possible time. This Notice does not constitute a Notice of Violation, Order, or Civil Action pursuant to the Emergency Planning Community Right-to-Know Act of 1986 (SARA Title III) or Section 113 of the Clean Air Act (CAA), and may not be a complete listing of all violations which may be identified as a result of this inspection.

You are encouraged to take corrective action to address these preliminary findings. Please submit the actions you take and/or a schedule of the actions to EPA in writing as soon as possible.

Diana Chaney

Phone: 913-551-7701

U.S. Environmental Protection Agency
11201 Renner Blvd.
Lenexa, Kansas 66219

Corrective actions you have taken may be considered in any subsequent U.S. EPA enforcement follow-up, to the extent allowed by Agency regulations, guidance, and policies.

The undersigned hereby acknowledges receipt of a copy of this Notice.

PRINTED NAME: Josh Peterson

TITLE: Engineer

SIGNATURE: Josh Peterson

DATE: 8/30/24