United States Environmental Protection Agency

Region 6 - Enforcement & Compliance Assurance Division

INSPECTION REPORT

Inspection Date(s):	07/19/2022 - 07/21/2022	
Media Program:	Air	
Regulatory Program(s)	Clean Air Act (CAA) Section 112(r) and 40 Code of Federal Regulations (C.F.R.) Part 68 Chemical Accident Risk Management Plan (RMP)	
Company Name:	**DPC Industries, INC**	
Facility Name:	**DXI Industries, INC.**	
Facility Physical Location:	1919 Jacintoport Blvd.	
(city, state, zip code)	Houston, Texas 77015	
Mailing address:	P.O. Box 24600	
(city, state, zip code)	Houston, Texas 77229-4600	
County/Parish:	Harris	
Facility Phone Number	(281) 457-4835	
Facility Contact:	Ellen Beverly	EHSS Specialist
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FRS Number:	1000 0008 4259	
Identification/Permit Number:	N/A	
Media Identifier Number:	RMP 1000 0014 1526	
NAICS:	42469	
SIC:	N/A	
Personnel participating in inspection:		
Sherronda Phelps	US EPA	Air Inspector
Rene Ulloa	DPC	Plant Manager
Joy Montanio	DPC	EHSS Manager
Brad DuBose	DPC	Training Manager
EPA Lead Inspector Signature/Date	Sherronda Phelps	09/19/2022
	Sherronda Phelps	Date
Supervisor Signature/Date	SAMUEL TATES Digitally signed by SAMUEL TATES Date: 2022.09.20 22:01:45 -05'00'	
	Samuel Tates	Date

6ENFORM-019-R8.2 (02/12/2020)

Section I – INTRODUCTION

PURPOSE OF THE INSPECTION

I , Sherronda Phelps, United States Environmental Protection Agency (EPA) Region 6 inspector arrived at the DXI Industries (DXI) facility at 9:00 AM on July 20, 2022, for an announced inspection. I was greeted by Joy Montanio, EHSS Mgr., and other facility personnel at the opening conference. I presented my credentials to all present and informed them that this was an EPA inspection to determine compliance with CAA Section 112(r)(1) and 112(r)(7). The scope of the inspection was a partial compliance evaluation (PCE) and included evaluation of the compliance of the facility with 40 C.F.R. Subpart 68 – Chemical Accident Prevention Provisions. An employee representative was invited to participate in the inspection; however, this site is a non-union facility.

FACILITY DESCRIPTION

According to the facility's executive summary, DXI Industries is a manufacturer and distributor of water treatment chemicals. Specializing in packaged and bulk Chlorine, Sulfur Dioxide(anhydrous) and Compressed Gas. The only chemicals meeting the threshold quantity as determined under 40 CFR § 68.115 is Chlorine and Sulfur Dioxide(anhydrous). The facility employs approximately 72 full-time employees (FTE's).

Section II – OBSERVATIONS

The initial documentation review began in person with Joy Montanio (EHSS Manager), Ellen Beverly (EHSS Specialist), and Brad DuBose (Training Manager).

40 C.F.R. Part 68 – CHEMICAL ACCIDENT PREVENTION PROVISION

Subpart A – General

40 C.F.R. § 68.10 Applicability – DXI Industries is a stationary source that has more than a threshold quantity of regulated substances in their process. The last submittal was made May 20, 2022, due to the five-year resubmission date. DXI Industries is a RMP Program 3 facility. The facility is subject to the Occupational Safety and Health Administration's (OSHA) Process Safety Management (PSM) Standard (29 CFR § 1910.119).

40 C.F.R. § 68.12 General requirements – DXI Industries submitted their most recent RMP submission on May 20, 2022. The regulated substance(s) chlorine and sulfur dioxide (toxics) are the regulated substances listed over the threshold quantity for the RMP Program Level 3 processes.

40 C.F.R. § 68.15 Management – DXI Industries developed a management system to oversee the implementation of the risk management program elements. DXI provided an organizational chart that outlined the positions to implement the individual elements of the RMP, as required by this subpart.

Subpart B – Hazard Assessment

40 C.F.R. § 68.20 Applicability – DXI Industries operates an RMP program level 3 process which is subject to this subpart and thus is required to prepare a worst-case release scenario analysis and complete the five-year accident history. I reviewed the documentation provided to make this analysis and identified no areas of concern with this subpart.

40 C.F.R. § 68.22 Offsite Consequence Analysis Parameters – DXI employed the parameters specified by EPA in this rule by using the RMP*Comp™ software. I reviewed the offsite consequence analysis and supporting documentation to assure the data was accurate and correct.

40 C.F.R. § 68.25 Worse-case release scenario analysis – DXI identified and analyzed at least one worst-case scenario in its Program 3 processes using the RMP* Comp™ software, thus meeting the requirements of the regulation.

40 C.F.R. § 68.28 Alternative Release Scenario Analysis – DXI identified and analyzed at least one alternative release scenario in its Program 3 processes using the RMP* Comp™ software, thus meeting the requirements of the regulation.

40 C.F.R. § 68.30 Defining offsite impacts- Population – DXI used the most current Census Bureau population data and the distances to endpoints, as specified in the regulation, to calculate the population numbers reported in their RMP.

40 C.F.R. § 68.33 Defining offsite impacts- Environment – DXI used US Geological Survey maps data to determine the environmental receptors and the distances to endpoints.

40 C.F.R. § 68.36 Review and update - DXI understands documentation associated with the worst-case scenarios that should be updated and reviewed at least every five years and are anticipating a review in 2027.

40 C.F.R. § 68.39 Documentation - DXI operates a RMP program level 3 process which is subject to this subpart and thus is required to prepare a worst-case release scenario analysis and complete the five-year accident history. I reviewed the documentation provided to make this analysis and identified no areas of concern with information pertaining to this subpart to include the Offsite Consequence Analysis (OCA) data. The facility used the EPA Model RMP*Comp™.

40 C.F.R. § 68.42 Five-year accident history - DXI did not report any accidental release(s) in their RMP that resulted in deaths, injuries, or property damage.

Subpart D – Program 3 Prevention Program

40 C.F.R. § 68.65 Process safety information (PSI) - I reviewed various sections of the process safety information (PSI) for the RMP covered process at DXI. There were no areas of concern identified.

40 C.F.R. § 68.67 Process Hazard Analysis (PHA) - I reviewed the PHA's conducted for the Sulfur Dioxide and Chlorine packaging processes. Specifically titled: **"Sulfur Dioxide Repacking and Sodium Sulfite Manufacturing Process Hazard Analysis (11/2017)" and "Chlorine Packaging, Bleach Manufacturing, and Compressed Gas Warehousing Process Hazard Analysis (10/2017)".** The next revalidation is set for the last quarter of 2022. The PHA study was conducted using What-if, Checklist, and the Hazard and Operability Analysis (HAZOP) method.

40 C.F.R. § 68.69 Operating procedures - I reviewed several operating procedures for the covered process. I reviewed and discussed with DXI personnel operating procedures, which included the Standard Operating Procedure (SOP) certification procedure, confined space entry, and lockout/tag out procedures. DXI certified that the operating procedures were current, accurate, and that the procedures were reviewed as often as necessary, as required by this subpart, and used a single certification document for operating procedures annually. Hard copies of the operating procedures are available in control room for operators. No areas of concerns were identified with this subpart.

40 C.F.R. § 68.71 Training - I requested training records for review and was provided the files for several employees at different experience levels. Of the employee files I reviewed, all took the initial training to operate within the unit and should be up for refresher training later this year while others are scheduled to refresh well into the year 2022. Training was a combination of classroom and hands on. There were no areas of concern identified.

40 C.F.R. § 68.73 Mechanical integrity - I reviewed mechanical integrity records for randomly selected inspections of RMP covered process equipment and the written procedure for maintaining the integrity of the process. EPA requested a list of past due/overdue MI inspections. There were none to populate from that query. EPA reviewed records of DXI's relief devices, Rupture disks, specifically regarding the daily checks that are to be conducted every 2 hours. EPA reviewed records of these daily checks conducted in the last three months from the date the request was made. From the review, there were at least 5 days dating from July 1st to July 5th of daily checks not completed. See Attachment A noting the missing daily checks. The facility noted they shut down at 3 AM on the 2nd of July and came back on around 5 am on the 5th of July due to the holiday. However, documents show there was still a lack of checks between July 1st up until the shut-down at 3 AM. DXI failed to document each inspection that had been performed on process equipment as required by **§** 68.73(d)(4).

40 C.F.R. § 68.75 Management of change (MOC) – EPA discussed DXI's written procedure for MOC and the documentation with site personnel. The MOCs were implemented using an electronic System, Reliance. I reviewed several MOCs to evaluate the implementation of the procedures in place. No areas of concern were identified.

40 C.F.R. § 68.77 Pre-startup safety review – DXI provided documentation regarding pre-startup safety review which accompanied several MOC's reviewed, all PSSR requirements were satisfied before startup.

40 C.F.R. § 68.79 Compliance audits – EPA requested the two most recent compliance audits for review. DXI provided compliance audit reports completed July 2016 and July 2019. Action Items from the audit were placed in the electronic tracking system titled, Reliance. I followed up on several items from the most recent audit to observe DXI's follow through, and implementation of each action item created. DXI brought each action item to a close in a timely manner as required by the regulation.

40 C.F.R. § 68.81 Incident investigation - I reviewed a list of incident reports/investigations for all incidents, which resulted in, or could have reasonably resulted in, a catastrophic release of a regulated substance for the last five years. All incident investigations appear to have been conducted as required per the subpart.

40 C.F.R. § 68.83 Employee participation – DXI implemented the requirements of this subpart.

40 C.F.R. § 68.85 Hot work permit - DXI discussed the process for conducting hot work onsite and several hot work permits were reviewed. All permits are scanned into Avantis upon completion and are kept one year on site and archived into Avantis.

40 C.F.R. § 68.87 Contractors – DXI hires contractors on occasion to conduct specific maintenance and construction activities. Prior to selecting a contractor, a thorough evaluation of safety performance of the contractor is carried out. The company has a strict policy of informing the contractors of known potential hazards related the contractor's work and the processes. Contractors are also informed of all the procedures for emergency response should an accidental release of a regulated substance occur. No areas of concern were identified.

Subpart E – Emergency Response

40 C.F.R. § 68.90 Applicability – DXI is a "non-responding" stationary source in case of an accidental release of a regulated substance, therefore, the facility need not comply with the requirements of part 68.95.

40 C.F.R. § 68.93 Emergency Response Coordination Activities – DXI coordinates with the local emergency planning and response organizations to ensure that local response organization are aware of the regulated substances of the stationary source. I reviewed DXI Industries coordination notification documentation which included the names of the individuals involved, their contact information, dates of the coordination activities, and the nature of the coordination activities. DXI coordinates with the local authorities in the city at least annually. I reviewed the facility's Emergency Response Drill forms. The facility conducts drills on a quarterly basis that consist of exercises such as: air monitoring, entry control, medical checks, decontamination, and HAZMAT immediate control.

40 C.F.R § 68.96 Emergency response exercises – As part of coordination with local emergency response officials required by § 68.93, DXI consult with officials to establish an appropriate frequency for tabletop exercises. In addition, DXI provided notification exercises dates and indicated that notification exercises are conducted on an annual basis.

Subpart G – Risk Management Plan

40 C.F.R. § 68.190 Updates – There have been no recent additions or upgrades to the unit that would have triggered an update to the Risk Management Plan.

40 C.F.R. § 68.195 Required corrections -The next RMP re-submission is due by May 20, 2027, unless an update or correction is required by 40 C.F.R. § 68.190 and § 68.195.

Section III – AREAS OF CONCERN (AOC)

1) 40 C.F.R. § 68.81 (b), DXI failed to document each inspection that had been performed on process equipment as required by their procedures.

EPA Region 6 inspector, Sherronda Phelps, conducted a closing conference at DXI Industries on July 21, 2021, for the inspection. During the closing conference, Sherronda Phelps, reviewed the area of concern noted during the inspection.

Section IV – FOLLOW UP

DXI Industries submitted additional information on July 26, 2022, via email. EPA will review and evaluate the information provided accordingly.

Section V – LIST OF APPENDICES

Attachment A – This item has been marked as BUSINESS CONFIDENTIAL and will be treated as such.