



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 1

Enforcement & Compliance Assurance Division
5 Post Office Square, Suite 100
Boston, MA 02109-3912

Subj: Inspection Report - Clean Water Act

Inspector: Joseph Canzano, Clean Water Act Lead Inspector
Enforcement & Compliance Assurance Division (ECAD-EWC)
Water Compliance Section (WCS)

**JOSEPH
CANZANO** Digitally signed by
JOSEPH CANZANO
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I. Facility Information

A. *Facility Owner:* Catania-Spagna Corporation

B. *Facility Operator:* Catania-Spagna Corporation
1 Nemco Way
Ayer, MA 01432

42° 33' 55.89" N
71° 31' 58.29" W

C. *Facility Operator
Contacts:* Joseph Basile, President
jbasile@cataniaoils.com
(978) 391-8310

Dan Brackett, Vice President of Operations
DBrackett@cataniaoils.com
(978) 391-8318

D. *ID Nos.:* ICIS- NPDES¹ CGP² (MAR10039V)
National Oil Data Base (R1-MA-00227)
Facility Registry Service ID (110066901464)

II. Background Information

E. *Date of inspection:* May 31, 2023

¹ National Pollutant Discharge Elimination System

² Construction General Permit

- F. *Weather Conditions:* Sunny, 80-degree Fahrenheit
Previous 30-Day Rainstorm Events³:
May 1st - .34”
May 2nd - .31”
May 20th - 1.17”
May 24th - .26”
- G. *US EPA Inspectors:* Joseph Canzano, Karen Way, and Damian Bednarz.
- H. *State/Local Representative(s):* None.
- I. *Federally Enforceable Requirements Covered During the Inspection:*
- 40 C.F.R. Part 112, Oil Pollution Prevention Regulations
 - 40 C.F.R. Part 122, Industrial Stormwater Regulations
 - 40 C.F.R. Part 403, Pretreatment Regulations

III. Type and Purpose of Inspection

The purpose of the site inspection was to view company operations associated with oil storage and transfer, locations where portable and mobile oil storage containers are located, and spill containment and runoff controls from industrial operations and activities. The inspection also included reviewing operation/sources for wastewaters introduced into the Publicly Owned Treatment Works (“POTW”), and runoff and outfall locations to surface waters.

IV. Disclaimer

Unless otherwise noted, this report describes conditions observed by EPA inspector/s, and/or through records provided to and/or information reported to EPA by Facility representatives and as understood by EPA. This report may not capture all operations and activities ongoing at the Facility. This report does not make final determination/s on potential areas of concern and/or deficiencies. Nothing in this report affects EPA’s authorities under federal statutes and regulations to pursue further investigations.

V. Pre-inspection Facility File/Information Review

According to Federal Emergency Management Agency (“FEMA”) flood information,⁴ the property at 1 Nemco Way and 3 Nemco Way is within ¼-mile of a federally identified Flood Hazard Zone and have reasonable potential to discharge pollutants including oils directly and/or indirectly to a wetland area that drains to an unnamed stream which is a tributary to Bennet’s Brook and Spectacle Pond. As a preliminary matter, EPA recommends that the company review areas where materials are stored or operations occur for elevated water levels and store mobile and portable containers,

³ https://www.wunderground.com/dashboard/pws/KMAAYER11?cm_ven=localwx_pwsdash. The inspector selected days when daily rainfall amount recorded greater than ¼-inch.

⁴ <https://msc.fema.gov/portal/home>.

industrial materials, chemicals, and other waste, if possible, above potential flood elevation. For more information about preparing for natural disasters and resilience go to: <https://www.epa.gov/natural-disasters/flooding>, and https://www.epa.gov/sites/default/files/2015-08/documents/flood_resilience_guide.pdf.

On June 25, 2018, EPA conducted an inspection of the company operations and reviewed, among other things, the SPCC plan⁵ and Facility Response Plan⁶ (“FRP”) under the Oil Pollution Prevention Regulations. On September 14, 2018, the company, through its consultant, submitted a response to findings for the inspection. On April 17, 2019, EPA informed the company that all deficiencies identified from the inspection had been addressed.

Sometime between April 2019 and the present, the company changed the property at 1 Nemco Way by filling a pond and constructing a new warehouse building with loading docks, relocated an emergency generator and oil tank, and reconstructing the south loading dock and truck parking areas, according to publicly available information.⁷ The changes may have modified drainage paths/areas and discharge point/s to surface waters.

On April 26, 2023, EPA received from the National Response Center an Incident Report⁸ from the company’s spill response contractor reporting, on April 20, 2023, the spill of 9,000-gallons of vegetable oil from a railcar to the ground and that oil reached surface waters from a building drain system that discharges from a pipe to surface waters. The oil spill reportedly occurred at the 1 Nemco Way property. In response to the spill, EPA deployed On-Scene Coordinators to the scene and issued the Facility a Notice of Federal Interest (“NOFI”). On May 4, 2023, EPA was informed that the spill had occurred on April 18, instead of April 20, 2023. On May 11, 2023, EPA was informed the correct amount of oil spilled from a 24,000-gallon capacity railcar, which was 6,830-gallons, instead of 9,000-gallons.

The Town of Ayer, Massachusetts’ National Discharge Elimination System Permit (“NPDES”)⁹ requires the Town to implement a federally enforceable industrial pretreatment program. The requirements include developing specific effluent limits based on legal authority (Sewer Rules and Regulations)¹⁰ to protect the POTW from, among other things, Pass Through and Interference. Under the federal General Pretreatment Regulation, the Town is the Control Authority while EPA is the Approval Authority. According to Town’s annual pretreatment report, the 1 Nemco Way and 3 Nemco Way facilities are not identified as Significant Industrial Users.

Under 40 C.F.R. §122.26(b)(14)(i)-(xi), stormwater discharges associated with specific

⁵ Revision 4; Management Signature July 5, 2018; Engineer Signature February 16, 2018.

⁶ Revision 2; Management Signature July 5, 2018; Engineer Signature February 16, 2018.

⁷ Google Earth Pro Images.

⁸ Incident Report # 1365648.

⁹ MA0100013 (MAG590000)

¹⁰ The Sewer Use Rules and Regulations were updated and approved by USEPA on February 3, 2020 and then adopted by the Town in June 2021.

categories of industrial activity are to be covered under a NPDES permit, unless otherwise excluded. The Facility falls under Category Eleven (xi): Light manufacturing (e.g., food processing). Public information indicates that the Facility's primary standard industrial code is 2079, an identified code within EPA's 2021 Multi-Sector General Permit ("MSGP"). However, EPA has no record of the company applying for coverage under EPA's 2021 MSGP or filing for a conditional exclusion for "no exposure" of industrial activities and materials to stormwater. Information obtained by EPA indicate drainage pipe and stormwater discharges from the 1 Nemco Way property to a wetland area that itself drains to an unnamed stream which is a tributary to Bennet's Brook and Spectacle Pond.

VI. In-Briefing

On May 2, 2023, EPA inspector Joseph Canzano contacted Joseph Basile, President of the Catania-Spagna Corporation ("Catania- Spagna"), to announce a May 31, 2023, EPA inspection, and requested copies of the company's SPCC plan and FRP. On May 12, 2023, EPA received a copy of the SPCC plan¹¹ and FRP.¹²

On May 31, 2023, EPA inspectors Mr. Canzano, Karen Way and Damian Bednarz arrived at the 1 Nemco Way property at approximately 9:00 a.m. and were greeted by company representatives Mr. Basile, and Catania- Spagna's Vice President of Operations Dan Brackett, as well as the company's consultant Dan Berler. Inspectors presented their credentials and requested permission to conduct a site inspection. Company representatives granted access. The group then reviewed health and safety protocols and logistics for conducting the inspection.

Inspector Canzano introduced the EPA team and explained the purpose of the inspection including, but not limited to, a review of oil tank farm and transfer operations, location for parking oil tanker trucks, runoff and potential spill path/s direction, discharge points/outfalls, and location of railcar spill. Inspector Canzano informed company representatives that pictures may be taken during the site walk.

Facility personnel explained that the company operates at two locations: 1 Nemco Way and 3 Nemco Way. Operations began at the 1 Nemco Way plant and 3 Nemco Way property in 1995 and 2014, respectively. The company's primary activities include blending and packaging vegetable/edible oils for commercial and retail distribution. Bulk oil is received by cargo tanker-trailers, bulk portable containers (drums and/or totes), and railcars. Oil is promptly transferred from mobile containers to storage tanks inside the building upon arrival.

Following the blending and mixing for certain oils and the addition of other ingredients, the final product is bottled and placed in warehouse storage and/or transferred to tanker-trailers and/or other bulk portable and mobile storage containers for distribution to customers. Operations occur 24-hours a day, 5 days a week and the company employees about 200 people. Total vegetable oil

¹¹ Revision 4; Management Signature July 5, 2018; Engineer Signature February 16, 2018.

¹² Revision 2; Management Signature July 5, 2018; Engineer Signature February 16, 2018.

storage capacity at the 1 Nemco Way plant is about 1,855,700-gallons and the largest single tank is 29,600-gallons.

In 2022, a 49,000-sq-ft building expansion was constructed at the 1 Nemco Way plant for increased warehouse storage. The expansion occurred on the southside of the plant and part of the construction work included filling in a retention pond and altering stormwater runoff and site drainage. The company additionally changed stormwater runoff and site drainage along the northern side of the plant. The company redirected runoff to an oil-water separator unit which flows into a subsurface stormwater dual detention and infiltration system. As part of the improvements, the company also relocated the plant's emergency generator and fuel oil tank. During the inspection, company officials acknowledged and recognized plant changes and informed inspectors that the company is in the process of reviewing and amending the Facility's SPCC plan and FRP.

A majority of bulk oil containers located at 3 Nemco Way plant were less than 55-gallons in capacity. The plant also includes an emergency generator with a 693-gallon double-wall fuel oil tank, and a certain number of drums and totes that add up to a total aggregate volume of less than 10,000-gallons. However, the plant's total aggregate volume for warehoused oil could be more than 1 million gallons. Company officials informed inspectors that there are no floor drains in the building and any spill occurring in the warehouse space is expected to be contained within the building. Inspector Canzano informed company officials that EPA's inspection will cover conditions and operations at the 1 Nemco Way plant.

Inspector Canzano also requested an explanation for the cause of the spill from the railcar in April 2023. Company officials explained that the original licensed site professional ("LSP") for the company's emergency response contractor was released for lack of performance. Company officials also stated that a new LSP from a new company had been hired and assigned to oversee the cleanup efforts and that all was proceeding as expected. Mr. Basile explained that the railcar's faulty belly valve was not in the correct position relative to the valve's operating handle. The valve was in the open position and the operator believed that the valve was in the closed position because the handle to the valve indicated that the valve was in the closed position. Company officials indicated that the railcar was delivered to the plant in this condition by the supplier. Mr. Basile indicated that he is in communication with the railcar supplier regarding the matter. Mr. Brackett indicated that about 6,000-gallons from a 26,000-gallon railcar spilled before the operator successfully stopped the release. The incident occurred on April 18, 2023, and subsequently the spill was reported to local and state emergency response teams.

VII. Site Inspection – 1 Nemco Way Plant

The group conducted a site walk by first viewing certain exterior plant operations and activities. At the main entrance of the building, along Westford Road, inspectors observed an oil-filled electrical transformer. The transformer was protected from traffic by bollards and contained more than 55-gallons of dielectric oil. Mr. Brackett informed inspectors that the company does not own the electrical transformer and is not responsible for it. Inspector Canzano recommended that the transformer be identified in the SPCC plan and shown on site diagram/s.

The inspection team also viewed the newly constructed warehouse loading docks, a dock trench drain, and stormwater drain/s. The warehouse has 4 loading docks enclosed in the building and the doorways have a rain sealer/shelter protection. Runoff from employee parking, access road to the dock and loading dock flow into the new warehouse building drain system which connects with an outfall located on the opposite side of the building. The approximate location for the outfall and drain for this area is shown as "OF-1" and "SD-1" on Plate A in the Photo Attachment. The new warehouse is primarily used for storing empty containers in various sizes to be used for oil packaging and bottling operations. However, the largest single oil bulk storage container that moves through the loading dock onto or off of a truck is a 275-gallon tote. Totes are moved with fork trucks. Inspector Canzano asked Mr. Brackett if runoff from the area, specifically the loading dock trench drain flow through a control measure, e.g., an oil-water separator. Mr. Brackett stated that it did not.

Inspector Canzano recommended that the company consider installing a valve for the trench drain that could stop and capture any spills in the trench, or an oil-water separator, or a tee/down turned elbow for capturing floating debris and oils at the catch basin outlet pipe. At a minimum, an operator would need to quickly deploy an active measure such as oil materials to stop the spill in the trench.

Inspectors proceeded to walk to the northern side of the plant and viewed an emergency generator and fuel oil tank, loading docks and the tanker and semi-trailer parking area. The emergency generator is identified in the SPCC plan as "Emergency Generator (Location H)". The fuel oil tank for the generator was detached and was sitting on a newly poured concrete pad. The tank was not bolted down but was protected by bollards, and the oil lines to the generator motor was single-wall steel pipe. Piping was exposed, unprotected and was not within containment. The tank was UL listed, 550-gallons in capacity and was double-walled with an interstitial monitoring tube.

Stormwater runoff and a potential oil spill from the generator tank or during a transfer activity, or any type of spill within the yard area, if not captured, will flow down gradient into yard storm drains which flow to an oil-water separator unit. Treated water from the unit flows into a storm drain detention and infiltration system. The approximate location for the yard drains, oil-water separator unit and infiltration system are shown on Plate A in the Photo Attachment.

Mr. Brackett informed inspectors that the generator and fuel oil tank was recently moved as part of site improvements and that oil transfer to the oil tank was supervised by company personnel.

Along the northern side parking area for the property, inspectors observed several parked tankers and semi-trailers as well as loading docks. At the loading docks along the building, portable and mobile oil storage containers are loaded to and from semi-trailers that may be moving product to warehouse at 3 Nemco Way or to consumers. Loading dock doorways had a rain sealer/shelter protection. Mr. Brackett indicated that tanker trailers can hold up to 6,500-gallons of vegetable oil and that some are currently parked with compartments full and waiting to be picked up for delivery to customers. Some are parked empty and were waiting to go into the garage to be loaded. Oil transfer to tanker trailers occur at loading racks located inside the building in a garage space.

The pavement in the area is pitched to direct runoff flow with any potential oil spilling into yard drains. Mr. Brackett explained that the north parking lot yard drains, which are along the loading docks, are connected into an underground 11,000-gallon oil-water separator unit. The discharge from the separator flows into an underground/subsurface detention and infiltration system located under the parking lot/area. Inspectors were shown the manhole covers for the oil-water separator unit and the location of the system's headwall and overflow pipes. Mr. Brackett stated that he had not observed a discharge from the pipes since their installation. The overflow drainage was designed to combine with the railcar building drain system and discharge through a common outfall. The approximate location for the outfall ("OF-2") is shown in Plate A in the Photo Attachment.

Inspectors were then escorted inside the building to view the location for loading vegetable oil into tanker trailers. The space is identified in the SPCC plan as "North Loading Dock/Truck Loading Rack Area (location C)". The garage can accommodate up to four tanker trucks at any one time. The garage appeared to be about 80-feet wide by 90-feet in length, or about 7,200-square-feet. The overhead supported by the building roof structure was fixed piping for top loading tanker trailers.

Piping for the loading racks appeared to be 6-inches in diameter and included, but was not limited to, loading arm swivel joints and drop pipes. As for the transfer operation, Mr. Brackett explained that an operator climbs to the top of the tanker trailer and places the drop pipe into the trailer compartment fill port. Prior to transfer, the operator will manually confirm that the receiving trailer has correct ullage by using a level gauge. This information is communicated to a remote-control room. The amount of oil pumped through the loading rack into the trailer is preprogrammed. The pump automatically turns off once the programmed amount is delivered. The transfer is visually monitored by people in the garage and control room. According to the SPCC plan, the oil delivery pump rate to loading racks is 200-gallons per minute ("gpm"). The maximum volume that the trailer can hold is 6,500-gallons.

The floor to the garage is pitched inward and toward internal trench/floor drains. According to the SPCC plan, the garage space can contain a 12,000-gallon spill by way of floor drains, garage scale (which inspectors did not observe) and a "grease trap" unit. The unit is connected/plumbed to the sanitary sewer system and discharges to the sewer via a control valve. Company representatives show inspectors the location for unit and control valve. Mr. Brackett explained that the discharge is released following visual inspection and under supervision by manually opening the valve. The valve is operated (open/close) using a T-bar handle. Access to the control valve is locked and kept in the closed position. The valve appears to support a 4-inch in diameter discharge pipe. The unit is not equipped with an alarm system to detect oil discharge and the discharge is not monitored analytically for oil concentration. Mr. Brackett informed inspectors that Town of Ayer has not required or requested the company to apply for a permit to discharge into the sewer system.

A substantial oil spill in the garage that escapes the garage space and is introduced into the sanitary sewer system may result in Pass Through and Interference at the municipal wastewater treatment plant. The connection from garage drains to the sewer system present a potential Slug Load and may exceed sewer discharge specific prohibition limitations for oil.

Inspectors observed on the garage floor concrete corrosion as well. Company representatives indicated that reason and source for the corrosion may be condensate wastewaters from boilers that flow into the garage drain. The boilers generate steam for steam-coils that warm oil through heat transfer which assist in oil movement through pumps and piping. Amount of condensate generated from the boilers and introduced into the sewer system is unknown.

Inspectors were then escorted from the garage to the control room for monitoring oil transfer and liquid level in tanks throughout the plant. The room is manned and includes computer monitors showing, in real time, oil/liquid level in tanks, oil movement through pipes and pumps, and display for tanker trailer loading racks, train offloading area and tank farms. Mr. Brackett explained that tanks have liquid level sensors that control pump activation switches. Inspector Canzano asked if an alarm activated in the control room informing personnel of the April 18, 2023, railcar spill. Company representatives said no.

Leaving the control room, the inspection group entered a secured area/room that contained many vertical oil aboveground storage tanks. An elevated walkway allows passage through the space and between tanks and piping. The location is labeled on a site diagram in the FRP as a “recessed tank farm” and in the SPCC plan as “Tank Farm (Location A)”. According to the SPCC plan, the room contains 40 aboveground tanks with oil storage capacity ranging from 5,000-gallons to 29,075-gallons, and the oil fill pump rate into the tanks from the railcar is 350-gpm. The total oil storage capacity for the farm is 995,000-gallons while the total spill storage capacity is 121,135-gallons. Oil piping from the railcar area entering the tank farm is double walled and buried underground. The pitch of the pipe and interstitial space between the pipe direct a spill to flow into the tank farm dike. The room is enclosed, and the building floor and part of the wall is poured concrete forming a containment dike.

Inspection group then walked through a secured doorway and into the plant’s newer tank farm building. The area is noted in the SPCC plan as “New Tank Farm Addition (Location I)”. According to the SPCC plan, the building addition contains 27 aboveground tanks, and each tank is 29,600-gallons, and the oil fill pump rate into the tanks from the railcar is 350-gpm. The total oil storage capacity for the newer farm is 779,200-gallons while the total spill storage capacity is 56,365-gallons. The plan does not explain fully piping from the railcar area entering the tank farm. The room is enclosed, and the building floor and part of the wall is poured concrete forming a containment dike.

Inspectors also viewed the tote container wash booth and an oil-water skimmer operation. The tote washing and oil-skimmer is identified in the SPCC plan as “Waste Oil Storage Area (Location D)”. The area can contain approximately 5 to 10 totes filled with waste oil. Totes can hold up to 257-gallons. Totes are moved throughout the facility using fork trucks and sent off-site for disposal. Totes are washed using a power washer and wand. According to the SPCC plan, floor drains from the tote washing and production area flow to an oil-water separator unit that is equipped with an oil belt skimmer. The flow to the separator may be pumped. The discharge from the system is introduced into the sanitary sewer system. A roller squeezes/removes waste oil from the skimmer and directs waste oil flow into a waste oil tote. Once the tote is full, a float switch shuts off the skimmer motor to prevent the tote from overfilling. It is unknown whether the discharge from the unit into the sewer system continues when the skimmer motor turns off. Waste oil in the full waste

oil tote is pumped manually into an empty tote. The flow rate to the sanitary sewer system, capacity for the system and skimmer oil removal rate is unclear. The system does not appear to include a detection mechanism for oil discharges into the sanitary sewer system. Mr. Brackett indicated the discharge to the sewer system is periodically monitored. A spill from an overfill or punctured tote or piping would be contained within the area.

The inspection team was then escorted to the railcar off-loading yard/building. The building is described in the SPCC plan as “Railcar Loading Area (Location B)”. The building is enclosed with exception to its entrance doors which can be opened for railcar movement in and out of the building.

The SPCC plan indicates that the yard supports four sets of tracks that can hold up to a total of 24 railcar positions, or about 6 railcars per track. The company added additional tracks when the new tank farm was constructed. Oil storage capacity for an individual railcar is 26,000-gallons. The building can hold a potential total aggregate amount of 624,000-gallons of oil stored in railcars while waiting to be off-loaded. A utility trench and track troughs, when dammed using absorbant materials, would yield about 41,250-gallons of spill containment in the rail yard.

Inspectors were shown belly valve operation instructions for a typical railcar. The instructions were stenciled on the side of the railcar and placed above the belly valve. Flexible piping, about 6 to 8-inches in diameter, connect the railcar to a manifold pipe system (intake lines). Intake pipes in a concrete utility trench located between tracks and are plumbed to the bulk tanks. Piping plan diagrams in the SPCC plan for the system show two utility trenches and four intake pumps. Certain sections of the trench were observed to contain free oil and should be cleaned.

Inspectors were lastly escorted to the approximate location in the yard where peanut oil spilled from a railcar during offloading on April 18, 2023. The railcar was parked on the 3rd outer most track from the building in space that is in close proximity to the building entrance. The ground and concrete apron between the tracks for a certain distance in the yard appears to slope and pitch outward toward the building entrance. Facility representatives showed inspectors the oil flow path after it spilled from the railcar and onto the ground. Some of the oil, infiltrated into the ground and through the soil and flowed into a building foundation drainpipe that connects to surface waters through an outfall pipe. Mr. Brackett showed inspectors the direction oil flowed and the staining it caused on the ground and building foundation wall. The company was still cleaning the area and new aggregate material had been put down to replace excavated contaminated material. The design for the building foundation drainage system is shown in the SPCC plan in diagram C-1.1 and labeled Proposed Rail Plan. The approximate location for Outfall 2 is identified by EPA in Photo Attachment, Plate A. The inspection team viewed Outfall 2 and observed oil absorbant material and boom in the water. Facility representatives indicated that spill equipment and recovery efforts will continue for some time.

Inspector Canzano indicated that the site walk was complete, and the inspection team conducted a closing conference.

VIII. Closing Conference

Following the site walk, the following issues and observations were communicated to company representatives:

Since EPA's last inspection in 2018, the company has made facility improvements and changes. Certain changes require the company to amend the SPCC plan and FRP. Changes include, but are not limited to, the reconstruction of plant drainage for north loading dock area and installation of an oil-water separator unit, elimination of a detention pond and construction of a new warehouse.

Site diagrams in the SPCC plan do not fully include, among other things, oil loading rack area, exterior oil offloading area for railcars, and parking area for tank trailers.

Certain areas for offloading railcars (toward the entrance) of the building and an area used for exterior railcar offloading do not fully provide a containment system capable of containing oil.

The facility may be subject to federal industrial stormwater regulations. EPA has no record of the company applying for coverage under the federal 2021 MSGP or filing for a conditional exclusion for "no exposure" of industrial activities and materials to stormwater. The company's primary standard industrial code is likely 2079 (Shortening, Table Oils, Margarine, and Other Edible Fats and Oils, Not Elsewhere Classified) which is identified in EPA's "MSGP" and the facility has at least two confirmed outfalls to surface waters.

A substantial oil spill at the oil tank trailer loading rack garage, for whatever reason, introduced into the sanitary sewer system may result in Pass Through and Interference at the municipal wastewater treatment plant. The connection from garage drain to the sewer system presents a potential Slug Load.

As a result of the spill in April 2023, the company can expect to receive an information request letter from the EPA. The letter will require the company to provide certain information about the details of the spill event, process wastewater sources and connections into the sanitary sewer system, and industrial stormwater discharges to surface waters.

The inspectors exited the Facility at approximately 2:00 p.m. End of report.