CAA112(r) INSPECTION REPORT

Name: Kruger Feed and Seed	
Address: 1923 County Road 8, North Bend, NE 68649	**Date of Inspection**: June 17, 2021
County: Dodge County	**Case No**: 21NE0617
Phone: (402) 652-8384	**RMP No**: 1000 0018 0804
High Risk: No	**FRS No**: 1100 1339 9394
CAA Title V: No	**Program Level**: Program 2
Mailing Address: 1300 W. 7th Street, North Bend, NE 68649	
Process: Agronomy business, including sale of anhydrous ammonia	

SUMMARY OF OBSERVATIONS

A review of documents pertaining to Kruger Feed and Seed at 1923 County Road 8, North Bend, Nebraska (facility), and an inspection at that facility—both with focus on Chemical Accident Prevention Provisions (Title 40 *Code of Federal Regulations* [CFR] Part 68)—revealed the following deficiencies:

1. **The facility had not maintained the required records on the off-site consequence analysis (OCA), as required by 40 CFR 68.39.** *This preliminary finding was identified based on post-inspection findings.*

2. **The facility had not maintained documentation of safe upper and lower temperatures and pressures, as required by 40 CFR 68.48(a)(3).**

3. **The facility had not compiled and maintained all required equipment specifications and codes and standards used to design, build, and operate the process, as required by 40 CFR 68.48(a)(4) and 68.48(a)(5).** *This preliminary finding was identified based on post-inspection findings.*

4. **The facility had not maintained documentation of hazard reviews, as required by *40 CFR 68.50(c).*** *During post-inspection review of documentation, the inspector identified that the facility had failed to document each of the required elements of hazard review of 40 CFR 68.50(a-d).*

5. **The facility had not maintained written operating procedures, as required by 40 CFR 68.52.**

6. **The facility had not maintained written procedures to maintain process equipment, as required by 40 CFR 68.56(a).**

7. **The facility had not retained the two most recent compliance audits, as required by 40 CFR 68.58(e).** *During post-inspection review of documentation, the inspector identified that the facility had failed to document each of the required elements of compliance audits of 40 CFR 68.58(a-e).*

8. **The facility had not developed a documented management system to oversee implementation of the risk management plan elements, as required by 40 CFR 68.15.**

INTRODUCTION

I, Robert Monnig, Tetra Tech, Inc. (Tetra Tech), as a representative of U.S. Environmental Protection Agency (EPA) Region 7, inspected the Kruger Feed and Seed facility in Dodge County, Nebraska, on June 17, 2021. On June 15, 2021, I had attempted to reach Mr. Jerry Kruger, President of Kruger Feed and Seed by phone to notify him of the upcoming inspection. I had called the emergency (402-652-8384) and 24-hour emergency phone numbers (402-720-3162) listed in the facility's Risk Management Plan (RMP) submission. Receiving no answer or voicemail prompt when I had called the emergency number, I then called the 24-hour emergency number at approximately 10:40 a.m. on June 15, 2021, and left a voicemail message giving notice of the inspection. After leaving the voicemail message, I emailed the facility using the email address listed in the facility's RMP submission to notify of the upcoming inspection. On the morning of June 16, 2021, having received no response from the facility, I called Mr. William (Bill) Giddings, Jr. of Kruger Feed and Seed at 401-720-3163 (I had found his contact information on the facility's Emergency Planning and Community Right-to-Know Act [EPCRA] Tier II report as the facility's secondary emergency contact). Mr. Giddings answered the phone, and I notified him of the upcoming inspection, and confirmed an inspection start time.

Intent of the inspection was to determine if the facility complies with Section 112(r) of the Clean Air Act (CAA), as amended in 1990. EPA's regulations describing implementation of this law are included in 40 CFR 68 (CAA). All attachments cited in this inspection report (Attachments 1 through 4) are also in a folder on the accompanying CD. Folder numbers on the CD correspond to attachment numbers. As an example, Attachment #2 is in Folder #2. The CD contains a copy of this inspection report, photographs taken during the inspection, emails between the facility and the compliance inspector, checklists, and completed forms.

HISTORY OF BUSINESS

The covered process of the facility is at 1923 County Road 8 in unincorporated Dodge County approximately 1.25 miles north-northeast of downtown North Bend, Nebraska. At this location, the facility has three anhydrous ammonia bulk storage tanks, a loadout station for filling nurse tanks, and nurse tanks. No facility building is at the location. A Kruger Feed and Seed office is at 1300 W. 7th Street, North Bend, Nebraska. The facility supplies anhydrous ammonia to farmers for use as fertilizer.

The following summarizes reported/observed amounts of anhydrous ammonia at the facility:

	Quantity (pounds)
	Anhydrous Ammonia
Quantity at the Time of Inspection (storage tanks only)	< 7,874 [(a)]
Quantity listed in 2017 RMP Submission	200,000 [(b)]
EPCRA Tier II Maximum Daily Amount	100,000 – 499,999 [(c)]

Notes:

(a) On June 17, 2021, I observed the liquid level gauges of the 7,000-gallon and two 12,000-gallon anhydrous ammonia storage vessels that each indicated less than 5 percent. By reference to a liquid anhydrous ammonia density of 5.08 pounds per gallon (at 70 degrees Fahrenheit), the amount of anhydrous ammonia in the storage vessels was less than 7,874 pounds.

(b) See facility's 2017 RMP Submission (Attachment 4 on CD).

(c) See facility's 2020 EPCRA Tier II report (Attachment 2).

PERSONS INTERVIEWED AND INDIVIDUAL RESPONSIBILITIES

I interviewed the following person as part of the inspection process:

Jerry Kruger .... President, Kruger Feed and Seed
William (Bill) Giddings, Jr. .... Manger, Kruger Feed and Seed

OPENING CONFERENCE

I arrived at the Kruger Feed and Seed facility office at 1300 W. 7th Street on June 17, 2021, at approximately 8:00 a.m., and entered a reception/break area where I met Mr. Kruger. We sat down in a conference room and I explained that I was conducting the inspection under authority of the CAA's Chemical Accident Prevention Provisions. I explained that I would have to conduct a walk-through of the covered process, taking photographs. I also stated that after completing the walk-through and reviewing all applicable documents, I would conduct an exit interview to explain my findings, provide a receipt for any requested document copies, and answer questions. I showed Mr. Kruger my inspector credentials from EPA Region 7. I then filled out a Notice of Inspection Form (see Attachment 1), and I explained that my inspection was for enforcement purposes and that enforcement actions could result from the inspection. Mr. Kruger signed the Notice of Inspection form.

After the introduction, Mr. Kruger told me that Mr. Giddings, manager and operator of the anhydrous ammonia system for Kruger Feed and Seed, would be arriving shortly to provide a walk-through of the facility and to answer any questions I had. While we waited for Mr. Giddings, Mr. Kruger told me about the business. He told me that Kruger Feed and Seed sells anhydrous ammonia to farmers in the fall and spring, and that Kruger Feed and Seed had bought the three anhydrous ammonia storage vessels more than 30 years ago from another business. He also stated that no accidental releases of anhydrous ammonia had occurred at the facility. After Mr. Giddings arrived, he and I drove to the anhydrous ammonia facility at 1923 County Road 8.

During the walk-through, I observed the anhydrous ammonia storage vessels, a loading rack for nurse tanks, and nurse tanks. I saw three storage vessels interconnected via liquid and vapor piping. I noted that the liquid level gauge on each of the storage vessels read less than 5 percent. I saw staged nurse tanks west of the storage vessels. Photographs I took during the walk-through are in the photographic log in Attachment 3 and in Folder 3 of the CD.

Mr. Giddings and I returned to the Kruger Feed and Seed office, and I asked to see the facility RMP documentation, including the off-site consequence analysis, safety information, hazard reviews, operating procedures, training records, maintenance records, and compliance audits. Mr. Giddings presented available documentation to me, and I directed any questions I had to him. I noted my findings on the RMP Program Level 2 Process Checklist (see Attachment 1). Mr. Giddings told me that Kruger Seed and Feed's previous office a few blocks away in downtown North Bend had been flooded in 2019, and that documents kept at the office had been destroyed in the flooding.

HAZARD ASSESSMENT

I asked Mr. Giddings for the facility's hazard assessment OCA documentation, including the facility's prepared worst-case and alternative release scenarios. Except for a copy of the facility's 2017 RMP submission, Mr. Giddings was not able to locate documentation related to the OCA. Mr. Giddings gave me a hardcopy of the 2017 RMP submission (see Attachment 4), which contained some information regarding the facility's OCA. Following the inspection, I reviewed the OCA information available in the RMP submission and noted that the RMP submission did not document all OCA information required by 40 CFR 68.39. Required OCA information not on the facility's RMP submission and thus not documented at the time of the inspection, included:

- Parameters and assumptions, including failure scenarios identified under the Hazard Review; information used to estimate population within the distance-to-end-point radii; and data sources used to identify environmental receptors.
- Rationale for selection of the specific alternative release scenario.
- The methodology applied to determine distance to endpoints. *I noted that the RMP submission provides conflicting information, as RMP*Comp is listed in Section 3 in the RMP as the model used, but the executive summary of the RMP states that "the offsite consequences were calculated using 'TFI's RMP Guidance for Ammonia Retailers'."*

Therefore, I identified the following post-inspection preliminary finding:

1. **The facility had not maintained the required records on the OCA, as required by 40 CFR 68.39.**

PROCESS SAFETY INFORMATION

I examined the facility's process safety information and obtained a copy of the facility's safety data sheet (SDS) for anhydrous ammonia (see Folder 5).

Following the inspection, I noted that the facility's 2017 RMP submission in Section 1 lists an anhydrous ammonia quantity of 200,000 pounds and that this amount is consistent with the "total facility storage capacity" of 46,000 gallons water capacity listed in the executive summary of the RMP (referencing a maximum fill volume of 85 percent and a liquid density of 5.08 pounds per gallon, a water capacity of 46,000 gallons corresponds to a maximum inventory of 198,628 pounds of anhydrous ammonia).

I asked if the facility had established safe upper and lower temperatures and pressures. Mr. Giddings replied that the facility did not have written documentation of these parameters, and thus I identified the following finding:

2. **The facility had not maintained documentation of safe upper and lower temperatures and pressures, as required by 40 CFR 68.48(a)(3).**

I asked Mr. Giddings if the facility had compiled written information regarding the anhydrous ammonia equipment. Mr. Giddings responded that the 7,000-gallon anhydrous ammonia storage vessel had a nameplate, but that the two 12,000-gallon storage tanks did not. Mr. Kruger showed me a bill of sale for the three storage vessels; however, the bill of sale did not document equipment specifications.

Following the inspection, I compared these observations to the requirements of 40 CFR 68.48(a)(4) and 68.48(a)(5) to compile and maintain equipment specifications, as well as codes and standards used to design, build, and operate the process. Because the nameplates were missing from the two 12,000-gallon storage tanks and the facility did not have other documentation of the specifications and codes and standards used to design and build these two vessels, I identified the following post-inspection preliminary finding:

3. **The facility had not compiled and maintained all required equipment specifications and codes and standards used to design, build, and operate the process, as required by 40 CFR 68.48(a)(4) and 68.48(a)(5).** *This preliminary finding was identified based on post-inspection findings.*

HAZARD REVIEW

I asked Mr. Giddings whether the facility had conducted hazard reviews as required by 40 CFR 68.50. He replied that the facility had no documentation of such reviews and that any documentation from such reviews would have been lost in the 2019 flood. Therefore, I identified the following finding:

4. **The facility had not maintained documentation of hazard reviews, as required by 40 CFR 68.50(c).**

During my post-inspection review of documentation, I noted that the facility had failed to document each of the required elements of hazard review of 40 CFR 68.50(a-d).

OPERATING PROCEDURES

I asked to review the facility's operating procedures for the facility's anhydrous ammonia process. Mr. Giddings told me that the facility had no written operating procedures and that written procedures may have been lost in the 2019 flood. Therefore, I identified the following finding:

5. **The facility had not maintained written operating procedures, as required by 40 CFR 68.52.**

TRAINING

Mr. Giddings told me that Kruger Feed and Seed provides training for employees involved in the anhydrous ammonia system. He stated that the training includes on-the-job training and training during weekly safety meetings. Mr. Giddings also said that he and Mr. Kruger had attended a 3-day course on anhydrous ammonia safety, and he provided me copies of the training certificates from that course (see Folder 6).

MAINTENANCE

I asked to see the facility's maintenance procedures and inspection documentation. Mr. Giddings was not able to show me such written procedures and presumed such documentation had been lost in the 2019 flood. Therefore, I identified the following finding.

6. **The facility had not maintained written procedures to maintain process equipment, as required by 40 CFR 68.56(a).**

I asked Mr. Giddings how the facility maintains the anhydrous ammonia equipment. Mr. Giddings told me that maintenance includes replacement of pop-off valves and hoses every 5 years, repair of minor leaks, periodic painting of vessels, and replacement of nurse tank trailer wheel bearings and tires as needed. I asked Mr. Giddings how the facility obtains spare or replacement parts for the anhydrous ammonia equipment, and he replied that parts are purchased from suppliers dealing specifically with anhydrous ammonia parts (e.g., Dultmeier of Omaha, Nebraska; Ag Spray Equipment of Columbus, Nebraska; or FarmChem of Floyd, Iowa).

Mr. Giddings showed me some documentation related to Department of Transportation registration for the facility's nurse tanks that verified some inspections of the nurse tanks, and I obtained a copy of that documentation (see Folder 7).

COMPLIANCE AUDITS

I asked to see the two most recent compliance audits the facility had conducted. Mr. Giddings was not able to locate any documentation of compliance audits by the facility, and presumed the documentation had been lost in the 2019 flood; therefore, I identified the following preliminary finding:

7. **The facility had not retained the two most recent compliance audits, as required by 40 CFR 68.58(e).**

During my post-inspection review of documentation, I noted that the facility had failed to document each of the required elements of compliance audits of 40 CFR 68.58(a-e).

INCIDENT INVESTIGATION

I asked Mr. Kruger and Mr. Giddings if any previous incidents had resulted in or posed potential for catastrophic releases. They responded that no such incidents had occurred. I asked to review Kruger's Occupational Safety and Health Administration (OSHA) 300 logs for years 2016-2020; however, Mr. Giddings could not locate any OSHA 300 logs.

EMERGENCY RESPONSE

Mr. Giddings told me that the facility would not respond to an accidental release of anhydrous ammonia, but in that event would rely on the local fire department for response. Mr. Giddings stated that the facility had emailed copies of the facility's 2020 EPCRA Tier II report to the Dodge County Local Emergency Planning Committee (LEPC), Morse Bluff Volunteer Fire Department, and the North Bend Fire Department. I obtained a copy of the 2020 EPCRA Tier II report and the contact information pertaining to these organizations (see Folder 8).

On July 15, 2021, I left a voice message with Mr. Thomas Smith, Emergency Manager for Dodge County, Nebraska, and Director of the Dodge County LEPC, inquiring about the facility's coordination with local emergency planners and responders. I have not received a reply from Mr. Smith.

MANAGEMENT

I asked Mr. Giddings if the facility had developed a management system to oversee implementation of the risk management program elements. He was not able to show me documentation of such a management system; therefore, I identified the following preliminary finding:

8. **The facility had not developed a documented management system to oversee implementation of the risk management plan elements, as required by 40 CFR 68.15.**

PHOTOGRAPHS

During the site walk-through, I took 49 digital photographs. All of these are in Folder 3 of the CD, and selected photographs appear in a photographic log in Attachment 3.

CLOSING CONFERENCE

At the end of the inspection, I reviewed my observations and the preliminary findings with Mr. Giddings and explained that additional findings could be identified via post-inspection review of the documents obtained. I provided the Confidentiality Notice and the completed Receipt for Samples and Documents form (see Attachment 1). Mr. Giddings reviewed the receipt for documents first, signed it, and completed the Confidentiality Notice, indicating that the document copies provided to me did not contain confidential business information. I then filled out the Notice of Preliminary Findings form (see Attachment 1) and provided it to Mr. Giddings for review and signature.

I departed the facility around 11:40 p.m. on June 17, 2021.

This report concludes my inspection activities regarding the Kruger Feed and Seed facility in North Bend, Nebraska.

Robert Monnig

Robert Monnig
Compliance Inspector

ATTACHMENTS

1 – Inspection Forms and Checklists
2 – EPCRA Tier II Report
3 – Photographic Log
4 – 2017 RMP Submission (hardcopy provided by facility)
CD – Attached to Report