

**Executive Summary – Enforcement Matter – Case No. 49512**

**Pilgrim's Pride Corporation  
RN102178597 and RN107933368  
Docket No. 2014-1560-MLM-E**

**Order Type:**

1660 Agreed Order

**Findings Order Justification:**

N/A

**Media:**

MLM - IHW, WQ

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Pilgrim's Pride Nacogdoches, located at 7550 East State Highway 7, eight miles east of State Loop 224 on State Highway 7, east of Nacogdoches, Nacogdoches County ("Facility No. 1");

Pilgrim's Pride Nacogdoches Feedmill Complex, located at 3412 Rayburn Drive, Nacogdoches, Nacogdoches County ("Facility No. 2")

**Type of Operation:**

Chicken hatchery and poultry feedmill

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: The complainant has expressed an interest in this matter but does not wish to speak at Agenda.

**Texas Register Publication Date:** May 8, 2015

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$13,464

**Amount Deferred for Expedited Settlement:** \$2,692

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$10,772

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**Supplemental Environmental Project ("SEP") Conditional Offset:** \$0

Name of SEP: N/A

**Compliance History Classifications (RN102178597):**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Compliance History Classifications (RN107933368):**

Person/CN - Satisfactory

Site/RN - N/A

**Major Source:** No

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** April 2014

**Executive Summary – Enforcement Matter – Case No. 49512**  
**Pilgrim's Pride Corporation**  
**RN102178597 and RN107933368**  
**Docket No. 2014-1560-MLM-E**

***Investigation Information***

**Complaint Date(s):** August 9, 2014

**Complaint Information:** Alleged there were chemicals dumped into the Sam Rayburn Lake causing contamination.

**Date(s) of Investigation:** August 5, 2014 and September 3, 2014

**Date(s) of NOE(s):** September 26, 2014 and October 22, 2014

***Violation Information***

Facility No. 1:

1. Failed to meet the requirements of 30 TEX. ADMIN. CODE ch. 25, Environmental Testing Laboratory Accreditation and Certification. Specifically, the Facility was using a non-certified laboratory for soil analysis [30 TEX. ADMIN. CODE § 305.125(1) and TCEQ Permit No. WQ0004970000, Monitoring Requirements No. 2.b.].
2. Failed to accurately calibrate all automatic flow measuring or recording devices and all totalizing meters for measuring flows by a trained person at Facility start-up and as often thereafter as necessary to ensure accuracy, but not less often than annually [30 TEX. ADMIN. CODE §§ 305.125(1) and 319.11(d) and TCEQ Permit No. WQ0004970000, Monitoring Requirements No. 5].
3. Failed to notify the Executive Director and to obtain authorization from the TCEQ prior to modification to the Facility. Specifically, the Respondent did not obtain authorization from the TCEQ prior to expanding the irrigation application site. Also, the Respondent was adding Ozo-Matic and Bioenzymatic Formulation (“BEF”) chemicals to the lift stations without prior authorization [30 TEX. ADMIN. CODE §§ 305.125(1) and 305.126(b) and TCEQ Permit No. WQ0004970000, Permit Conditions No. 2.e.].
4. Failed to conduct the annual soil sampling from the root zone of the land application area and submit the results to the TCEQ Beaumont Regional Office and the Enforcement Division by September 30, 2013 [30 TEX. ADMIN. CODE § 305.125(1) and TCEQ Permit No. WQ0004970000, Special Provisions, Section H].
5. Failed to submit the annual total kjeldahl nitrogen and maximum organic loading results for 2012 to the TCEQ Beaumont Office, Water Quality Assessment Team, and the Enforcement Division by September 30, 2013 [30 TEX. ADMIN. CODE § 305.125(1) and TCEQ Permit No. WQ0004970000, Special Provisions, Section B].
6. Failed to submit the irrigation log to the TCEQ Beaumont Regional Office and the Enforcement Division by September 30, 2013 [30 TEX. ADMIN. CODE § 305.125(1) and TCEQ Permit No. WQ0004970000, Special Provisions, Section M].

**Executive Summary – Enforcement Matter – Case No. 49512**  
**Pilgrim's Pride Corporation**  
**RN102178597 and RN107933368**  
**Docket No. 2014-1560-MLM-E**

Facility No. 2:

7. Failed to obtain a permit to process, store, and dispose of industrial solid waste. Specifically, the Respondent was disposing of waste feed (decomposing corn and soybean) mixed with storm water into two pits in the wooded area west of the Facility without a permit [30 TEX. ADMIN. CODE § 335.2(a)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

- a. By August 14, 2014, calibrated the flow meter at Facility No. 1.
- b. By August 27, 2014, contracted with a laboratory that meets the requirements of 30 TEX. ADMIN. CODE ch. 25, Environmental Testing Laboratory Accreditation and Certification at Facility No. 1.
- c. By October 11, 2014, analyzed, removed and properly disposed of the industrial solid waste from the pits in the wooded area west of Facility No. 2.
- d. By November 5, 2014:
  - i. Submitted the results for the 2012-2013 annual soil sampling from the root zone of the land application area to the TCEQ Beaumont Regional Office and the Enforcement Division for Facility No. 1;
  - ii. Submitted the results for the 2012-2013 annual total kjeldahl nitrogen and maximum organic loading information to the TCEQ Beaumont Regional Office, Water Quality Assessment Team, and the Enforcement Division for Facility No. 1; and
  - iii. Submitted the irrigation log to the TCEQ Beaumont Regional Office and the Enforcement Division for Facility No. 1.

**Technical Requirements:**

The Order will require the Respondent to:

- a. Within 30 days:
  - i. Update the operational guidance and conduct employee training at Facility No. 1 to ensure that soil samples are collected and analyzed and all reporting requirements are

**Executive Summary – Enforcement Matter – Case No. 49512  
Pilgrim's Pride Corporation  
RN102178597 and RN107933368  
Docket No. 2014-1560-MLM-E**

met, including requirements for total kjeldahl nitrogen, organic loading, and irrigation logs; and

ii. Submit a permit application for a major amendment to TCEQ Permit No. WQ0004970000.

b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application within 30 days after the date of such requests or by any other deadline specified in writing.

c. Within 45 days, submit written certification of compliance with a.

d. Within 365 days, submit written certification that the permit amendment has been obtained.

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

**Hearing Date(s):** N/A

**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Had Darling, Enforcement Division, Enforcement Team 1, MC 169, (512) 239-2520; Melissa Cordell, Enforcement Division, MC 219, (512) 239-2483

**TCEQ SEP Coordinator:** N/A

**Respondent:** David A. Townsend, Vice President, Pilgrim's Pride Corporation, P.O. Box 93, Pittsburg, Texas 75686

William Lovette, President, Pilgrim's Pride Corporation, P.O. Box 93, Pittsburg, Texas 75686

**Respondent's Attorney:** N/A



# Penalty Calculation Worksheet (PCW)

Policy Revision 4 (April 2014)

PCW Revision March 26, 2014

**TCEQ**

<b>DATES</b>	<b>Assigned</b>	6-Oct-2014			
	<b>PCW</b>	4-Feb-2015	<b>Screening</b>	20-Oct-2014	<b>EPA Due</b>

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Pilgrim's Pride Corporation (Facility No. 1)				
<b>Reg. Ent. Ref. No.</b>	RN102178597				
<b>Facility/Site Region</b>	10-Beaumont	<b>Major/Minor Source</b>	Minor		

## CASE INFORMATION

<b>Enf./Case ID No.</b>	49512	<b>No. of Violations</b>	6
<b>Docket No.</b>	2014-1560-MLM-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Water Quality	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>	Industrial and Hazardous Waste	<b>Enf. Coordinator</b>	Had Darling
		<b>EC's Team</b>	Enforcement Team 1
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$9,500**

### ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **20.0%** Enhancement **Subtotals 2, 3, & 7** **\$1,900**

Notes: Enhancement for one agreed order with denial of liability.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **-\$499**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts: \$958  
 Estimated Cost of Compliance: \$6,625  
 \*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$10,901**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **6.3%** Adjustment **\$688**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Recommended enhancement to capture the avoided cost of compliance associated with Violation Nos. 2 and 3.

**Final Penalty Amount** **\$11,589**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$11,589**

**DEFERRAL** **20.0%** Reduction Adjustment **-\$2,317**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

**PAYABLE PENALTY** **\$9,272**

Screening Date 20-Oct-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 1)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102178597

Media [Statute] Water Quality

Enf. Coordinator Had Darling

### Compliance History Worksheet

#### >> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	1	20%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 20%

#### >> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

#### >> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

#### >> Compliance History Summary

Compliance History Notes

Enhancement for one agreed order with denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 20%

#### >> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 20%

Screening Date 20-Oct-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 1)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102178597

Media [Statute] Water Quality

Enf. Coordinator Had Darling

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and Texas Commission on Environmental Quality ("TCEQ") Permit No. WQ0004970000, Monitoring Requirements No. 2.b

Violation Description Failed to meet the requirements of 30 Tex. Admin. Code ch. 25, Environmental Testing Laboratory Accreditation and Certification, as documented during an investigation conducted on August 5, 2014. Specifically, the Facility was using a non-certified laboratory for soil analysis.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm			Percent
	Major	Moderate	Minor	
Actual				0.0%
Potential				

>> Programmatic Matrix

Falsification	Major	Moderate	Minor	Percent
	x			5.0%

Matrix Notes 100% of the rule requirement was not met.

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 1 Number of violation days 22

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$1,250

One single event is recommended.

Good Faith Efforts to Comply

25.0% Reduction \$312

	Before NOE/NOV	NOE/NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent achieved compliance on August 27, 2014.

Violation Subtotal \$938

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1 Violation Final Penalty Total \$1,263

This violation Final Assessed Penalty (adjusted for limits) \$1,263

## Economic Benefit Worksheet

**Respondent** Pilgrim's Pride Corporation (Facility No. 1)  
**Case ID No.** 49512  
**Reg. Ent. Reference No.** RN102178597  
**Media** Water Quality  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$200	5-Aug-2014	27-Aug-2014	0.06	\$1	n/a	\$1

#### Notes for DELAYED costs

Estimated cost to contract with a laboratory that meets the requirements of 30 Tex. Admin. Code ch. 25, Environmental Testing Laboratory Accreditation and Certification. Date required is the investigation date. Final date is the date of compliance.

### Avoided Costs

#### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

#### Notes for AVOIDED costs

Approx. Cost of Compliance

\$200

**TOTAL**

\$1

Screening Date 20-Oct-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 1)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102178597

Media [Statute] Water Quality

Enf. Coordinator Had Darling

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1) and 319.11(d) and TCEQ Permit No. WQ0004970000, Monitoring Requirements No. 5

Violation Description

Failed to accurately calibrate all automatic flow measuring or recording devices and all totalizing meters for measuring flows by a trained person at Facility start-up and as often thereafter as necessary to ensure accuracy, but not less often than annually, as documented during an investigation conducted on August 5, 2014.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			x

Percent 3.0%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health of the environment will or could be exposed to insignificant amounts of pollutants which would not exceed levels that are protective to human health or environmental receptors as a result of the violation.

Adjustment \$24,250

\$750

Violation Events

Number of Violation Events 1

1024 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$750

One single event is recommended.

Good Faith Efforts to Comply

25.0%

Reduction \$187

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes The Respondent achieved compliance on August 14, 2014.

Violation Subtotal \$563

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$588

Violation Final Penalty Total \$758

This violation Final Assessed Penalty (adjusted for limits) \$758

## Economic Benefit Worksheet

**Respondent** Pilgrim's Pride Corporation (Facility No. 1)  
**Case ID No.** 49512  
**Reg. Ent. Reference No.** RN102178597  
**Media** Water Quality  
**Violation No.** 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	5-Aug-2014	14-Aug-2014	0.02	\$1	n/a	\$1

Notes for DELAYED costs

Estimated cost to calibrate the flow meter. Date required is the investigation date. Final date is the date of compliance.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$500	31-Dec-2011	5-Aug-2014	3.52	\$88	\$500	\$588
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Estimated cost to annually calibrate the flow meter. Date required is the date the first calibration was due. Final date is the investigation date.

Approx. Cost of Compliance

\$1,000

**TOTAL**

\$588

Screening Date 20-Oct-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 1)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102178597

Media [Statute] Water Quality

Enf. Coordinator Had Darling

Violation Number 3

Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1) and 305.126(b) and TCEQ Permit No. WQ0004970000, Permit Conditions No. 2.e

Violation Description

Failed to notify the Executive Director and to obtain authorization from the TCEQ prior to a modification to the Facility, as documented during an investigation conducted on August 5, 2014. Specifically, the Respondent did not obtain authorization from the TCEQ prior to expanding the irrigation application site. Also, the Respondent was adding Ozo-Matic and Bioenzymatic Formulation ("BEF") chemicals to the lift stations without prior authorization.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 5.0%

Matrix Notes

100% of the rule requirements were not met.

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 3

76 Number of violation days

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$3,750

Three monthly events are recommended from the August 5, 2014 investigation date to the October 20, 2014 screening date.

Good Faith Efforts to Comply

0.0%

Reduction \$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$3,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$352

Violation Final Penalty Total \$4,784

This violation Final Assessed Penalty (adjusted for limits) \$4,784

## Economic Benefit Worksheet

**Respondent** Pilgrim's Pride Corporation (Facility No. 1)  
**Case ID No.** 49512  
**Reg. Ent. Reference No.** RN102178597  
**Media** Water Quality  
**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs	\$5,000	5-Aug-2014	8-Aug-2015	1.01	\$252	n/a	\$252
Other (as needed)				0.00	\$0	n/a	\$0

#### Notes for DELAYED costs

The estimated cost to submit a permit application for a major amendment to TCEQ Permit No. WQ0004970000. Date required is the investigation date. Final date is the estimated date of compliance.

### Avoided Costs

#### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$100	1-Aug-2014	5-Aug-2014	0.00	\$0	\$100	\$100
Other (as needed)				0.00	\$0	\$0	\$0

#### Notes for AVOIDED costs

Avoided cost to prepare and submit notification to the TCEQ prior to the modification of the irrigation field application sites and addition of Ozo-Matic and BEF chemicals to the lift station. Date required is the date the violation was first documented. Final date is the investigation date.

Approx. Cost of Compliance

\$5,100

**TOTAL**

\$352

Screening Date 20-Oct-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 1)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102178597

Media [Statute] Water Quality

Enf. Coordinator Had Darling

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and TCEQ Permit No. WQ0004970000, Special Provisions, Section H

Violation Description

Failed to conduct the annual soil sampling from the root zone of the land application area and submit the results to the TCEQ Beaumont Regional Office and the Enforcement Division by September 30, 2013, as documented during an investigation conducted on August 5, 2014.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		X	

Percent 5.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment will or could be exposed to significant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 1

76 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$1,250

One single event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$13

Violation Final Penalty Total \$1,595

This violation Final Assessed Penalty (adjusted for limits) \$1,595

## Economic Benefit Worksheet

**Respondent** Pilgrim's Pride Corporation (Facility No. 1)  
**Case ID No.** 49512  
**Reg. Ent. Reference No.** RN102178597  
**Media** Water Quality  
**Violation No.** 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$250	5-Aug-2014	8-Aug-2015	1.01	\$13	n/a	\$13
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Estimated cost to update operational guidance and conduct employee training to ensure that soil samples are collected and analyzed, and ensure all reporting requirements are met, including requirements for total kjeldahl nitrogen, organic loading, and irrigation logs. Date required is the investigation date. Final date is the expected date of compliance.

Notes for DELAYED costs

### Avoided Costs

#### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$250

**TOTAL**

\$13

Screening Date 20-Oct-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 1)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102178597

Media [Statute] Water Quality

Enf. Coordinator Had Darling

Violation Number 5

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and TCEQ Permit No. WQ0004970000, Special Provisions, Section B

Violation Description

Failed to submit the annual total kjeldahl nitrogen and maximum organic loading results for 2012 to the TCEQ Beaumont Office, Water Quality Assessment Team, and the Enforcement Division by September 30, 2013, as documented during an investigation conducted on August 5, 2014.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	X		

Percent 5.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 1

76 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$1,250

One single event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

	Before NOE/NOV	NOE/NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$3

Violation Final Penalty Total \$1,595

This violation Final Assessed Penalty (adjusted for limits) \$1,595

## Economic Benefit Worksheet

**Respondent** Pilgrim's Pride Corporation (Facility No. 1)  
**Case ID No.** 49512  
**Reg. Ent. Reference No.** RN102178597  
**Media** Water Quality  
**Violation No.** 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$50	30-Sep-2013	5-Nov-2014	1.10	\$3	n/a	\$3
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit annual results for kjeldahl nitrogen and maximum organic loading. Date required is the date the results were due. Final date is the date the results were submitted.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$50

**TOTAL**

\$3

Screening Date 20-Oct-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 1)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN102178597

Media [Statute] Water Quality

Enf. Coordinator Had Darling

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code § 305.125(1) and TCEQ Permit No. WQ0004970000, Special Provisions, Section M

Violation Description Failed to submit the irrigation log to the TCEQ Beaumont Regional Office and the Enforcement Division by September 30, 2013, as documented during an investigation conducted on August 5, 2014.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 5.0%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 1

76 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$1,250

One single event is recommended.

Good Faith Efforts to Comply

0.0%

Reduction \$0

Before NOE/NOV NOE/NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,250

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$1,595

This violation Final Assessed Penalty (adjusted for limits) \$1,595

# Economic Benefit Worksheet

**Respondent** Pilgrim's Pride Corporation (Facility No. 1)  
**Case ID No.** 49512  
**Reg. Ent. Reference No.** RN102178597  
**Media** Water Quality  
**Violation No.** 6

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

### Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System	\$25	30-Sep-2013	5-Nov-2014	1.10	\$1	n/a	\$1
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The estimated cost to submit the irrigation log for review. Date required is the date the log was due. Final date is the date the log was submitted to the TCEQ.

### Avoided Costs

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$25	<b>TOTAL</b>	\$1
----------------------------	------	--------------	-----



# Compliance History Report

**PUBLISHED** Compliance History Report for CN601276660, RN102178597, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

<b>Customer, Respondent, or Owner/Operator:</b>	CN601276660, Pilgrim's Pride Corporation	<b>Classification:</b> SATISFACTORY	<b>Rating:</b> 3.38
<b>Regulated Entity:</b>	RN102178597, PILGRIMS PRIDE NACOGDOCHES Facility No. 1	<b>Classification:</b> SATISFACTORY	<b>Rating:</b> 6.67
<b>Complexity Points:</b>	11	<b>Repeat Violator:</b> NO	
<b>CH Group:</b>	14 - Other		
<b>Location:</b>	7550 East State Highway 7, eight miles east of State Loop 224 on State Highway 7, east of Nacogdoches, Nacogdoches County, Texas		
<b>TCEQ Region:</b>	REGION 10 - BEAUMONT		
<b>ID Number(s):</b>			
<b>WASTEWATER PERMIT</b> WQ0004970000	<b>STORMWATER PERMIT</b> TXR05U414		
<b>Compliance History Period:</b>	September 01, 2009 to August 31, 2014	<b>Rating Year:</b> 2014	<b>Rating Date:</b> 09/01/2014
<b>Date Compliance History Report Prepared:</b>	January 21, 2015		
<b>Agency Decision Requiring Compliance History:</b>	Enforcement		
<b>Component Period Selected:</b>	January 21, 2010 to January 21, 2015		
<b>TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.</b>			
<b>Name:</b>	Herbert Darling	<b>Phone:</b>	(512) 239-2520

## Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If YES for #2, who is the current owner/operator? N/A
- 4) If YES for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If YES, when did the change(s) in owner or operator occur? N/A

## Components (Multimedia) for the Site Are Listed in Sections A - J

### A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 10/13/2012 ADMINORDER 2012-0587-IWD-E (1660 Order-Agreed Order With Denial)  
 Classification: Major  
 Citation: 2D TWC Chapter 26, SubChapter A 26.121(a)(1)  
 30 TAC Chapter 305, SubChapter D 305.65  
 30 TAC Chapter 305, SubChapter F 305.125(2)  
 Description: Failure to maintain authorization for the land application of wastewater. Specifically, the Respondent did not renew TCEQ Permit No. WQ0003759000, which expired on August 1, 2011, and is continuing to land apply wastewater from the Facility without authorization

### B. Criminal convictions:

N/A

### C. Chronic excessive emissions events:

N/A

### D. The approval dates of investigations (CCEDS Inv. Track. No.):

N/A

**E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

**F. Environmental audits:**

N/A

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A



# Penalty Calculation Worksheet (PCW)

<b>DATES</b>	<b>Assigned</b>	27-Oct-2014	<b>Screening</b>	10-Nov-2014	<b>EPA Due</b>	
	<b>PCW</b>	13-Nov-2014				

<b>RESPONDENT/FACILITY INFORMATION</b>	
<b>Respondent</b>	Pilgrim's Pride Corporation (Facility No. 2)
<b>Reg. Ent. Ref. No.</b>	RN107933368
<b>Facility/Site Region</b>	10-Beaumont
<b>Major/Minor Source</b>	Minor

<b>CASE INFORMATION</b>			
<b>Enf./Case ID No.</b>	49512	<b>No. of Violations</b>	1
<b>Docket No.</b>	2014-1560-MLM-E	<b>Order Type</b>	1660
<b>Media Program(s)</b>	Industrial and Hazardous Waste	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>	Water Quality	<b>Enf. Coordinator</b>	Had Darling
		<b>EC's Team</b>	Enforcement Team 1
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

<b>TOTAL BASE PENALTY (Sum of violation base penalties)</b>	<b>Subtotal 1</b>	\$2,500
---	-------------------	---------

<b>ADJUSTMENTS (+/-) TO SUBTOTAL 1</b>		
<small>Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.</small>		
<b>Compliance History</b>	0.0% Enhancement	<b>Subtotals 2, 3, &amp; 7</b>
		\$0

Notes: No adjustment for Compliance History.

<b>Culpability</b>	No	0.0% Enhancement	<b>Subtotal 4</b>	\$0
--------------------	----	------------------	-------------------	-----

Notes: The Respondent does not meet the culpability criteria.

<b>Good Faith Effort to Comply Total Adjustments</b>	<b>Subtotal 5</b>	-\$625
--	-------------------	--------

<b>Economic Benefit</b>	0.0% Enhancement*	<b>Subtotal 6</b>	\$0
<small>Total EB Amounts</small>	\$31	<small>*Capped at the Total EB \$ Amount</small>	
<small>Estimated Cost of Compliance</small>	\$5,975		

<b>SUM OF SUBTOTALS 1-7</b>	<b>Final Subtotal</b>	\$1,875
-----------------------------	-----------------------	---------

<b>OTHER FACTORS AS JUSTICE MAY REQUIRE</b>	0.0%	<b>Adjustment</b>	\$0
---	------	-------------------	-----

Notes: Reduces or enhances the Final Subtotal by the indicated percentage.

<b>Final Penalty Amount</b>	\$1,875
-----------------------------	---------

<b>STATUTORY LIMIT ADJUSTMENT</b>	<b>Final Assessed Penalty</b>	\$1,875
-----------------------------------	-------------------------------	---------

<b>DEFERRAL</b>	20.0% Reduction	<b>Adjustment</b>	-\$375
-----------------	-----------------	-------------------	--------

Notes: Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)  
Deferral offered for expedited settlement.

<b>PAYABLE PENALTY</b>	\$1,500
------------------------	---------

Screening Date 10-Nov-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 2)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN107933368

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Had Darling

### Compliance History Worksheet

#### >> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	0	0%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgments or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 0%

#### >> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

#### >> Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

#### >> Compliance History Summary

Compliance History Notes

No adjustment for Compliance History.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, & 7) 0%

#### >> Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 0%

Screening Date 10-Nov-2014

Docket No. 2014-1560-MLM-E

PCW

Respondent Pilgrim's Pride Corporation (Facility No. 2)

Policy Revision 4 (April 2014)

Case ID No. 49512

PCW Revision March 26, 2014

Reg. Ent. Reference No. RN107933368

Media [Statute] Industrial and Hazardous Waste

Enf. Coordinator Had Darling

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code § 335.2(a)

Violation Description Failed to obtain a permit to process, store, and dispose of industrial solid waste. Specifically, the Respondent was disposing of waste feed (decomposing corn and soybean) mixed with storm water into two pits in the wooded area west of the Facility without a permit.

Base Penalty \$25,000

>> Environmental, Property and Human Health Matrix

Table with columns: Release (Actual, Potential), Harm (Major, Moderate, Minor), Percent (0.0%)

>> Programmatic Matrix

Table with columns: Falsification, Major, Moderate, Minor, Percent (5.0%)

Matrix Notes 100% of the rule requirement was not met.

Adjustment \$23,750

\$1,250

Violation Events

Number of Violation Events 2 Number of violation days 38

Table with columns: Frequency (daily, weekly, monthly, quarterly, semiannual, annual, single event)

Violation Base Penalty \$2,500

Two monthly events are recommended from the September 3, 2014 investigation date to the October 11, 2014 date of compliance.

Good Faith Efforts to Comply

25.0% Reduction \$625

Table with columns: Before NOE/NOV, NOE/NOV to EDPRP/Settlement Offer

Notes The Respondent achieved compliance on October 11, 2014.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$31

Violation Final Penalty Total \$1,875

This violation Final Assessed Penalty (adjusted for limits) \$1,875

# Economic Benefit Worksheet

**Respondent** Pilgrim's Pride Corporation (Facility No. 2)

**Case ID No.** 49512

**Reg. Ent. Reference No.** RN107933368

**Media** Industrial and Hazardous Waste

**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

**Delayed Costs**

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/Construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal	\$5,975	3-Sep-2014	11-Oct-2014	0.10	\$31	n/a	\$31
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Actual cost to analyze, remove, and properly dispose of the industrial solid waste from the pits. Date required is the investigation date. Final date is the date of compliance.

**Avoided Costs**

**ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)**

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/Equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,975

**TOTAL**

\$31



# Compliance History Report

**PUBLISHED** Compliance History Report for CN601276660, RN107933368, Rating Year 2014 which includes Compliance History (CH) components from September 1, 2009, through August 31, 2014.

<b>Customer, Respondent, or Owner/Operator:</b>	CN601276660, Pilgrim's Pride Corporation	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	3.38
<b>Regulated Entity:</b>	RN107933368, PILGRIMS PRIDE NACOGDOCHES FEEDMILL COMPLEX Facility No. 2	<b>Classification:</b>	NOT APPLICABLE	<b>Rating:</b>	N/A
<b>Complexity Points:</b>	N/A	<b>Repeat Violator:</b>	N/A		
<b>CH Group:</b>	14 - Other				
<b>Location:</b>	3412 Rayburn Drive in Nacogdoches, Nacogdoches County, Texas				
<b>TCEQ Region:</b>	REGION 10 - BEAUMONT				
<b>ID Number(s):</b>					

<b>Compliance History Period:</b>	September 01, 2009 to August 31, 2014	<b>Rating Year:</b>	2014	<b>Rating Date:</b>	09/01/2014
<b>Date Compliance History Report Prepared:</b>	January 21, 2015				
<b>Agency Decision Requiring Compliance History:</b>	Enforcement				
<b>Component Period Selected:</b>	January 21, 2010 to January 21, 2015				
<b>TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.</b>					
<b>Name:</b>	Herbert Darling			<b>Phone:</b>	(512) 239-1000

## Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? NO
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

## Components (Multimedia) for the Site Are Listed in Sections A - J

### **A. Final Orders, court judgments, and consent decrees:**

N/A

### **B. Criminal convictions:**

N/A

### **C. Chronic excessive emissions events:**

N/A

### **D. The approval dates of investigations (CCEDS Inv. Track. No.):**

N/A

### **E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):**

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

N/A

### **F. Environmental audits:**

N/A

**G. Type of environmental management systems (EMSs):**

N/A

**H. Voluntary on-site compliance assessment dates:**

N/A

**I. Participation in a voluntary pollution reduction program:**

N/A

**J. Early compliance:**

N/A

**Sites Outside of Texas:**

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
PILGRIM'S PRIDE  
CORPORATION  
RN102178597 AND  
RN107933368**

§  
§  
§  
§  
§  
§  
§

**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**AGREED ORDER  
DOCKET NO. 2014-1560-MLM-E**

**I. JURISDICTION AND STIPULATIONS**

On \_\_\_\_\_, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Pilgrim's Pride Corporation (the "Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 361 and TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent together stipulate that:

1. The Respondent owns and operates facilities located at the following locations (the "Facilities"):
  - a. A chicken hatchery located at 7550 East State Highway 7, eight miles east of State Loop 224 on State Highway 7, east of Nacogdoches in Nacogdoches County, Texas ("Facility No. 1");
  - b. A poultry feedmill located at 3412 Rayburn Drive in Nacogdoches, Nacogdoches County, Texas ("Facility No. 2")
2. The Respondent has discharged industrial waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26.
3. Facility No. 2 involves or involved the management of industrial solid waste as defined in TEX. HEALTH & SAFETY CODE ch. 361.
4. The Executive Director and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.

5. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about October 8, 2014 and on or about October 27, 2014.
6. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
7. An administrative penalty in the amount of Thirteen Thousand Four Hundred Sixty-Four Dollars (\$13,464) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). The Respondent has paid Ten Thousand Seven Hundred Seventy-Two Dollars (\$10,772) of the administrative penalty and Two Thousand Six Hundred Ninety-Two Dollars (\$2,692) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.
8. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
9. The Executive Director and the Respondent agree on a settlement of the matters alleged in this enforcement action, subject to final approval in accordance with 30 TEX. ADMIN. CODE § 70.10(a).
10. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Facilities:
  - a. By August 14, 2014, calibrated the flow meter at Facility No. 1.
  - b. By August 27, 2014, contracted with a laboratory that meets the requirements of 30 TEX. ADMIN. CODE ch. 25, Environmental Testing Laboratory Accreditation and Certification at Facility No. 1.
  - c. By October 11, 2014, analyzed, removed and properly disposed of the industrial solid waste from the pits in the wooded area west of Facility No. 2.
  - d. By November 5, 2014:
    - i. Submitted the results for the 2012-2013 annual soil sampling from the root zone of the land application area to the TCEQ Beaumont Regional Office and the Enforcement Division for Facility No. 1;
    - ii. Submitted the results for the 2012-2013 annual total kjeldahl nitrogen and maximum organic loading information to the TCEQ Beaumont Regional Office, Water Quality Assessment Team, and the Enforcement Division for Facility No. 1; and

- iii. Submitted the irrigation log to the TCEQ Beaumont Regional Office and the Enforcement Division for Facility No. 1.
11. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
12. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
13. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

## II. ALLEGATIONS

As owner and operator of the Facilities, the Respondent is alleged to have:

1. At Facility No. 1:
  - a. Failed to meet the requirements of 30 TEX. ADMIN. CODE ch. 25, Environmental Testing Laboratory Accreditation and Certification, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and TCEQ Permit No. WQ0004970000, Monitoring Requirements No. 2.b, as documented during an investigation conducted on August 5, 2014. Specifically, the Facility was using a non-certified laboratory for soil analysis.
  - b. Failed to accurately calibrate all automatic flow measuring or recording devices and all totalizing meters for measuring flows by a trained person at Facility start-up and as often thereafter as necessary to ensure accuracy, but not less often than annually, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and 319.11(d) and TCEQ Permit No. WQ0004970000, Monitoring Requirements No. 5, as documented during an investigation conducted on August 5, 2014.
  - c. Failed to notify the Executive Director and to obtain authorization from the TCEQ prior to modification to the Facility, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1) and 305.126(b) and TCEQ Permit No. WQ0004970000, Permit Conditions No. 2.e, as documented during an investigation conducted on August 5, 2014. Specifically, the Respondent did not obtain authorization from the TCEQ prior to expanding the irrigation application site. Also, the Respondent was adding Ozo-Matic and Bioenzymatic Formulation ("BEF") chemicals to the lift stations without prior authorization.
  - d. Failed to conduct the annual soil sampling from the root zone of the land application area and submit the results to the TCEQ Beaumont Regional Office and the Enforcement Division by September 30, 2013, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and TCEQ Permit No. WQ0004970000, Special

Provisions, Section H, as documented during an investigation conducted on August 5, 2014.

- e. Failed to submit the annual total kjeldahl nitrogen and maximum organic loading results for 2012 to the TCEQ Beaumont Office, Water Quality Assessment Team, and the Enforcement Division by September 30, 2013, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and TCEQ Permit No. WQ0004970000, Special Provisions, Section B, as documented during an investigation conducted on August 5, 2014.
  - f. Failed to submit the irrigation log to the TCEQ Beaumont Regional Office and the Enforcement Division by September 30, 2013, in violation of 30 TEX. ADMIN. CODE § 305.125(1) and TCEQ Permit No. WQ0004970000, Special Provisions, Section M, as documented during an investigation conducted on August 5, 2014.
2. At Facility No. 2:
- a. Failed to obtain a permit to process, store, and dispose of industrial solid waste, in violation of 30 TEX. ADMIN. CODE § 335.2(a), as documented during an investigation conducted on September 3, 2014. Specifically, the Respondent was disposing of waste feed (decomposing corn and soybean) mixed with storm water into two pits in the wooded area west of the Facility without a permit.

### III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

### IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 7 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Pilgrim's Pride Corporation, Docket No. 2014-1560-MLM-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:

- a. Within 30 days after the effective date of this Agreed Order:
- i. Update the operational guidance and conduct employee training at Facility No. 1 to ensure that soil samples are collected and analyzed and all reporting requirements are met, including requirements for total kjeldahl nitrogen, organic loading, and irrigation logs, in accordance with TCEQ Permit No. WQ0004970000, Special Provisions, Sections B, H, and M; and
  - ii. Submit a permit application for a major amendment to TCEQ Permit No. WQ0004970000, in accordance with 30 TEX. ADMIN. CODE § 305 to:

Application Review and Processing Team  
Water Quality Division, MC 148  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

- b. Respond completely and adequately, as determined by the TCEQ, to all requests for information concerning the permit application within 30 days after the date of such requests or by any other deadline specified in writing.
- c. Within 45 days after the effective date of this Agreed Order, submit written certification of compliance with Ordering Provisions Nos. 2.a.i and 2.a.ii, in accordance with Ordering Provision No. 2.e below.
- d. Within 365 days after the effective date of this Agreed Order, submit written certification that the permit amendment has been obtained, in accordance with Ordering Provision No. 2.e below.
- e. The certifications required by Ordering Provisions Nos. 2.c and 2.d shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Water Section Manager  
Beaumont Regional Office  
Texas Commission on Environmental Quality  
3870 Eastex Freeway  
Beaumont, Texas 77703-1892

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and

may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.

8. Pursuant to 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142, the effective date of this Order is the date it is signed by the Commission or the Executive Director. A copy of this fully executed Order shall be provided to each of the parties.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

\_\_\_\_\_  
For the Commission

*Ronn Davie*  
For the Executive Director

2/18/16  
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

*David A. Townsend*  
Signature

11/23/15  
Date

David A. Townsend  
Name (Printed or typed)  
Authorized Representative of  
Pilgrim's Pride Corporation

VP Environmental  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section IV, Paragraph 1 of this Agreed Order.