

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5

IN THE MATTER OF:)
)
GREENVILLE LIVESTOCK, INC.)
)
Respondent.)
)
_____)

Docket No. CWA-05-2010-0011

Proceeding to Assess a Class II Civil Penalty
under Section 309(g) of the Clean Water Act,
33 U.S.C. § 1319(g).

RECEIVED
APR 23 2010

CONSENT AGREEMENT AND FINAL ORDER

REGIONAL HEARING CLERK
U.S. ENVIRONMENTAL
PROTECTION AGENCY

1. Complainant, the Director of the Water Division, U.S. Environmental Protection Agency, Region 5 ("EPA"), and Respondent, Greenville Livestock, Inc. ("Respondent"), have agreed to the settlement of this action before the filing of a complaint. Therefore, this action is simultaneously commenced and concluded under Rules 22.13(b) and 22.18(b) of the *Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties, Issuance of Compliance or Corrective Action Orders, and the Revocation, Termination or Suspension of Permits* found at 40 C.F.R. §§ 22.13(b) and 22.18(b).

2. EPA institutes this civil administrative proceeding for the assessment of a civil penalty pursuant to the authority granted in Section 309(g) of the Federal Water Pollution Control Act, commonly known as the Clean Water Act ("CWA"), 33 U.S.C. § 1319(g).

3. Respondent consents to the entry of this Consent Agreement and Final Order ("CAFO"), all of the conditions of this CAFO, and the assessment of the civil penalty as outlined in this CAFO.

4. EPA and Respondent agree that the settlement of this matter pursuant to 40 C.F.R. § 22.13(b) is in the public interest and that the entry of this CAFO without engaging in litigation is the most efficient means of resolving this matter.

STATUTORY AND REGULATORY BACKGROUND

5. To restore and maintain the integrity of the nation's water, Section 301(a) of the CWA, 33 U.S.C. § 1311(a), prohibits the discharge of any pollutant into navigable waters of the United States by any person, except in compliance with, *inter alia*, a National Pollutant Discharge Elimination System ("NPDES") permit issued pursuant to Section 402 of the CWA, 33 U.S.C. § 1342.

6. Section 402 of the CWA, 33 U.S.C. § 1342, establishes the NPDES program under which EPA and, upon receiving authorization from EPA, a state, may permit discharges into navigable waters, subject to specific terms and condition.

7. Section 502(6) of the CWA, 33 U.S.C. § 1362(6), and 40 C.F.R. § 122.2 define the term "pollutant" to mean, *inter alia*, solid waste, sewage, garbage, sewage sludge, biological materials, rock, sand, cellar dirt and industrial, municipal, and agricultural waste discharged into water.

8. Section 502(12) of the CWA, 33 U.S.C. § 1362(12), and 40 C.F.R. § 122.2 define the term "discharge of pollutant" to mean any addition of any pollutant to navigable waters from any point source.

9. Section 502(7) of the CWA, 33 U.S.C. § 1362(7), defines the term "navigable waters" to mean the waters of the United States.

10. 40 C.F.R. § 122.2 defines "waters of the United States" to include all waters which are, were or may be used in interstate or foreign commerce, including tributaries and wetlands.

11. Section 502(14) of the CWA, 33 U.S.C. § 1362(14), and 40 C.F.R. § 122.2 define the term “point source” to mean any discernible, confined and discrete conveyance including, but not limited to, concentrated animal feeding operations from which pollutants are or may be discharged.

12. Pursuant to 40 C.F.R. § 122.23(b)(1), an “animal feeding operation” is defined as a lot or facility where the following conditions are met:

- (i) Animals have been, are or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period; and
- (ii) Crops, vegetation, forage growth, or post-harvest residues are not sustained in the normal growing season over any portion of the lot or facility.

13. Pursuant to 40 C.F.R. § 122.23(b)(4)(i), a “large concentrated animal feeding operation” is defined to include an animal feeding operation that stables or confines 1000 or more cattle other than mature dairy cows or veal calves. Cattle includes but is not limited to heifers, steers, bulls and cow/calf pairs.

14. Pursuant to 40 C.F.R. § 122.23(b)(2), a “concentrated animal feeding operation” includes an animal feeding operation that qualifies as a “large concentrated animal feeding operation.”

15. Pursuant to 40 C.F.R. §§ 122.21(a) and 122.23(d)(1), the owner or operator of a concentrated animal feeding operation which discharges or proposes to discharge must seek coverage under an NPDES permit.

16. Pursuant to Section 402(b) of the CWA, 42 U.S.C. § 1342(b), EPA has approved the State of Illinois, through its Environmental Protection Agency (“IEPA”), to administer the NPDES program, including the issuance of NPDES permits, in Illinois.

17. Section 309(g) of the CWA, 33 U.S.C. § 1319(g), authorizes the Administrator to assess a Class II civil penalty under Section 309(g)(2)(B) of the CWA, 33 U.S.C. §1319(g)(2)(B), after consultation with the State, when the Administrator finds, on the basis of any information available, that a person has violated Section 301 of the CWA, 33 U.S.C. §1311, or has violated any permit condition or limitation implementing a permit issued under section 402 of the CWA, 33 U.S.C. § 1342.

GENERAL ALLEGATIONS

18. Complainant alleges that Respondent is a corporation doing business in the State of Illinois.

19. Complainant alleges that Respondent is a "person" as defined by Section 502(5) of the CWA, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.

20. Complainant alleges that, at all times relevant to this CAFO, Respondent owned and operated a livestock operation located at 25815 Hugo Road, Centralia, Illinois 62801 (the “Site”).

21. Complainant alleges that, at the Site, Respondent raises cattle that weigh between approximately 500 and 800 pounds.

22. Complainant alleges that, at all times relevant to this CAFO, the Site has included various feedlots, including but not limited to, a feedlot located north of Hugo Road ("North Hugo Feedlot") and a feedlot located south of Hugo Road ("South Hugo Feedlot").

23. Complainant alleges that the North Hugo Feedlot and South Hugo feedlot are both earthen and uncovered.

24. Complainant alleges that Respondent uses the North Hugo Feedlot and the South Hugo Feedlot to confine and feed cattle.

25. Complainant alleges that, at all times relevant to this CAFO, the Site has included an uncovered concrete silage bunker located on the north side of Hugo Road ("Silage Bunker").

26. Complainant alleges that the North Hugo Feedlot, South Hugo Feedlot, and the Silage Bunker are exposed to rainfall.

27. Complainant alleges that Respondent's activities at the Site result in the generation of wastes including manure, urine, litter and waste feed.

28. Complainant alleges that the wastes and constituents described in Paragraph 27 are pollutants as that term is defined by Section 502(6) of the CWA, 33 U.S.C. § 1362(6), and 40 C.F.R. § 122.2.

29. Complainant alleges that rainfall on exposed areas of the Site results in surface runoff which contains the wastes described in Paragraph 27.

30. Complainant alleges that, at all times relevant to this CAFO, Respondent had been or was stabling, confining, feeding or maintaining 1000 or more cattle for a total of 45 days or more in a 12-month period at the Site.

31. Complainant alleges that, at all times relevant to this CAFO, crops, vegetation, forage growth, or post-harvest residues were not sustained in the normal growing season over any portion of the Site.

32. Complainant alleges that, at all times relevant to this CAFO, the Site was an “animal feeding operation” as that term is defined by 40 C.F.R. § 122.23(b)(1).

33. Complainant alleges that, at all times relevant to this CAFO, the Site was a “large concentrated animal feeding operation” as that term is defined by 40 C.F.R. § 122.23(b)(4)(i).

34. Complainant alleges that, at all times relevant to this CAFO, the Site was a “concentrated animal feeding operation” as that term is defined by 40 C.F.R. § 122.23(b)(2).

35. Complainant alleges that a waterway referred to as Prairie Creek flows adjacent to the Site. Prairie Creek is a perennial waterbody which flows into Lost Creek, which in turn flows into Crooked Creek, which in turn flows into the Kaskaskia River.

36. Complainant alleges that the waterways described in Paragraph 35 are each a “navigable water” and “waters of the United States” as those terms are defined by 33 U.S.C. § 1362(7) and 40 C.F.R. § 122.2.

37. Complainant alleges that, at all times relevant to this CAFO, Respondent did not have a permit under Section 402 of the CWA, 33 U.S.C. § 1342, for the discharge of pollutants from the Site.

VIOLATIONS

Count 1 - Discharge without a Permit

38. Paragraphs 1 through 37 are re-alleged here as if set forth in full.
39. Complainant alleges that, at various times from April 13, 2005, until the effective date of this CAFO, surface runoff from the North Hugo Feedlot and South Hugo Feedlot collected in a roadside ditch located on the south side of Hugo Road ("South Side Ditch") and flowed to, and emptied into, Prairie Creek.
40. Complainant alleges that, at various times from April 13, 2005, until the effective date of this CAFO, runoff flowed from the silage in the Silage Bunker. The runoff collected in a roadside ditch located on the north side of Hugo Road ("North Side Ditch") and flowed to, and emptied into, Prairie Creek.
41. Complainant alleges that the Site, the South Side Ditch, and the North Side Ditch are each a "point source" as that term is defined by Section 502(14) of the CWA, 33 U.S.C. § 1362(14) and 40 C.F.R. § 122.2.
42. Complainant alleges that the runoff described in Paragraphs 39 and 40 contain pollutants as described in Paragraphs 27 and 28.
43. Complainant alleges that the addition of pollutants to Prairie Creek via the point sources described in Paragraphs 39 and 40 is a "discharge of pollutants" as that term is defined in Section 502(12) of the CWA, 33 U.S.C. § 1362(12), and 40 C.F.R. § 122.2.

44. Complainant alleges that, by discharging pollutants to Prairie Creek without a permit at various time beginning on or about April 13, 2005, Respondent violated Section 301 of the CWA, 33 U.S.C. § 1311.

Count 2 - Failure to Apply for a Permit

45. Paragraphs 1 through 44 are re-alleged here as if set forth in full.

46. Complainant alleges that, in accordance with 40 C.F.R. §§ 122.21(a) and 122.23(d)(1), Respondent was required to submit a permit application no later than April 13, 2005.

47. Complainant alleges that Respondent failed to submit a permit application by April 13, 2005.

48. Complainant alleges that, on September 29, 2008, EPA issued an Administrative Order to Respondent pursuant to the authority of Section 309(a) of the CWA, 33 U.S.C. § 1319(a). A copy of the Administrative Order is included as Attachment A to this CAFO.

49. Complainant alleges that, in the Administrative Order, EPA ordered the Respondent to, *inter alia*, submit an NPDES permit application to IEPA for the Site.

50. Complainant alleges that, pursuant to the Administrative Order, Respondent submitted an NPDES Permit Application to IEPA for the Site on or about December 29, 2008.

51. Complainant alleges that, by failing to submit a permit application until December 29, 2008, Respondent violated 40 C.F.R. §§ 122.21(a) and 122.23(d)(1) from April 13, 2005, until December 29, 2008.

TERMS OF SETTLEMENT

Assessment and Payment of Penalty

52. Based upon the penalty factors set forth in Section 309(g) of the CWA, 33 U.S.C. § 1319(g), EPA and Respondent agree to settle this matter for \$40,000.00.

53. For the purposes of this proceeding, and pursuant to 40 C.F.R. §§ 22.18(b) and (c), Respondent: (1) admits that EPA has jurisdiction over the subject matter set forth in this CAFO; and (2) neither admits nor denies the facts set forth in this CAFO.

54. For purposes only of the allegations and agreements made herein, upon execution of this CAFO, Respondent waives all rights to request a judicial or administrative hearing on any issue of law or fact set forth in this CAFO, including, but not limited to, its right to request a hearing under Section 309(g)(2)(B) of the CWA, 33 U.S.C. § 1319(g)(2)(B), and its right to appellate review of the CAFO found at Section 309(g)(8)(B) of the CWA, 33 U.S.C. § 1319(g)(8)(B).

55. Respondent must pay the \$40,000.00 civil penalty by mailing a certified or cashier's check made payable to "Treasurer, United States of America" within 60 days after both parties have executed this CAFO and it becomes effective.

56. Respondent must send the check to the following address:

U.S. Environmental Protection Agency
Fines and Penalties
Cincinnati Finance Center
P.O. Box 979077
St. Louis, MO 63197-9000

57. This civil penalty is not deductible for federal tax purposes.

58. A transmittal letter, stating Respondent's name, complete address, and the case docket number must accompany the payment. Respondent shall simultaneously and separately send notice of such payment, including a copy of the check, to each of the following three persons at the address indicated:

Regional Hearing Clerk
Planning and Management Division (R-13J)
EPA, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

Charles Mikalian
Associate Regional Counsel
Office of Regional Counsel (C-14J)
EPA, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

Joan Rogers
Water Division (WC-15J)
EPA, Region 5
77 West Jackson Boulevard
Chicago, Illinois 60604-3590

59. Respondent's failure to pay the assessed civil penalty in accordance with the provisions of this CAFO will result in the referral of this matter to the United States Department of Justice for collection in accordance with Section 309(g)(9) of the CWA, 33 U.S.C.

§ 1319(g)(9). In such an action, the validity, amount, and appropriateness of such penalty shall not be subject to review. In addition to any unpaid balance and interest on this penalty, Respondent shall also be required to pay attorney's fees and costs for collection proceedings and a quarterly nonpayment penalty. This nonpayment penalty shall be in an amount equal to 20% of

the aggregate amount of Respondent's penalties and nonpayment penalties which are unpaid as of the beginning of each such quarter.

60. Notwithstanding any other provision of this CAFO, interest shall accrue on any amount overdue under the terms of this CAFO at an annual rate calculated in accordance with 40 C.F.R. § 13.11.

Extension of Deadlines under Administrative Compliance Order

61. Not later than 10 business days after the effective date of this CAFO, the EPA will revise the Administrative Order in accordance with Paragraphs 62 and 63 of this CAFO.

62. Paragraph 10 of the Order for Compliance section of the Administrative Order will be deleted and replaced with:

10. Effective February 1, 2010, the submittals required by Paragraph 9 of the Administrative Order are deemed approved by EPA.

63. Paragraph 11 of the Order for Compliance section of the Administrative Order will be deleted and replaced with:

11. a. Greenville shall complete construction of all storage facilities required by the approved plans under the Administrative Order not later than September 1, 2010.
- b. If any event occurs which causes or may cause delays in the completion of storage facility construction as required by this Administrative Order, Greenville shall notify EPA in writing within ten (10) calendar days of the delay or Greenville's knowledge of the anticipated delay, whichever is earlier. The notice shall describe in detail the anticipated length of the delay, the precise cause or causes of the delay, the measures taken and to be taken by Greenville to prevent or minimize the delay, and the timetable by which those measures will be implemented. Greenville shall adopt all reasonable measures to avoid or

minimize any such delay. Failure by Greenville to comply with the notice requirements of this Paragraph shall render this Paragraph void and of no effect as to the particular incident involved and constitute a waiver of Greenville's right to request an extension of its obligation under this Administrative Order.

- c. If the parties agree that the delay or anticipated delay in completion of the storage facility construction has been or will be caused by circumstances entirely beyond the control of Greenville, the time for such completion may be extended for a period no longer than the delay or anticipated delay resulting from such circumstances. In such event, the parties shall stipulate to such extension of time.
- d. If EPA does not agree that a delay in construction of the storage facilities has been or will be caused by circumstances beyond the control of Greenville, EPA will notify Greenville in writing of its decision and any delays in such storage facility construction shall not be excused.
- e. The burden of proving that any delay is caused by circumstances entirely beyond the control of Greenville shall rest with Greenville. Increased costs or expenses associated with the construction called for by this Administrative Order shall not, in any event, be a basis for changes in this Administrative Order or extensions of time. Delay in achievement of one interim step shall not necessarily justify or excuse delay in achievement of subsequent steps.

OTHER MATTERS

64. This CAFO settles EPA's claims for civil penalties for the violations alleged above.

65. Nothing in this CAFO relieves Respondent of the duty to comply with the CWA other federal, state or local laws or statutes, or the Administrative Order, as revised.

66. Nothing in this CAFO is intended to, nor shall be construed to, operate in any way to resolve any criminal liability of Respondent arising from the violations alleged in this CAFO.

Notwithstanding any other provision of this CAFO, EPA expressly reserves any and all rights to bring an enforcement action pursuant to the Section 504 of the CWA, 33 U.S.C. § 1364, or other statutory authority should EPA find that the Site is presenting an imminent and substantial endangerment to the health or welfare of persons. EPA also expressly reserves the right: (A) to take any action authorized under Section 309 of the CWA for any matters other than the violations alleged in this CAFO; and (B) to enforce compliance with this CAFO.

67. This CAFO binds both parties, their officers, directors, employees, successors, and assigns to this action. The representative of each party signing this CAFO certifies that he or she has authority to enter into the terms of this CAFO and bind that party to it. Respondent shall give notice and a copy of this CAFO to any successor in interest prior to any transfer of ownership or operational control of the Site.

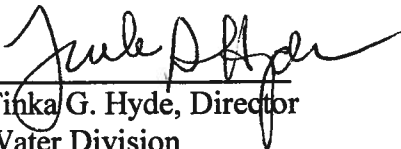
68. Each party agrees to bear its own costs accrued in the course of this action.

69. Pursuant to 40 C.F.R. § 22.38, the State was notified of this proceeding and the other terms of this settlement.

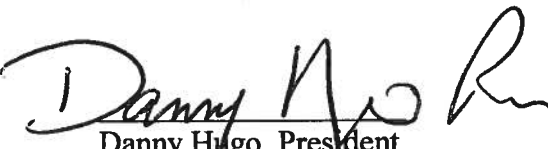
70. The effective date of this CAFO is the date that the CAFO is filed in the office of the Regional Hearing Clerk, after having been signed by the Regional Administrator or his designated representative and subjected to the requirements of Section 309(g)(4)(C) of the CWA, 33 U.S.C. § 1319(g)(4)(C).

71. This CAFO constitutes the entire agreement between the parties.

72. The information required to be maintained or submitted pursuant to this CAFO is not subject to the Paperwork Reduction Act of 1980, 44 U.S.C. § 3501 et seq.


Tifka G. Hyde, Director
Water Division
U.S. Environmental Protection Agency
Region 5

4/26/10
Date


Danny Hugo, President
Greenville Livestock, Inc.

4-20-10
Date

CONSENT AGREEMENT AND FINAL ORDER

In the Matter of: Greenville Livestock, Inc.

Docket No. CWA-05-2010-0011

FINAL ORDER

This CAFO is hereby approved. The Respondent is hereby ORDERED to comply with all of the terms of the CAFO effective immediately upon filing of this CAFO with the Regional Hearing Clerk. This CAFO disposes of this matter pursuant to 40 C.F.R. § 22.18(c).

By: _____

Bharat Mathur
Acting Regional Administrator
United States Environmental Protection Agency
Region 5

Dated: _____