

California Regional Water Quality Control Board Colorado River Basin Region

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Imperial County Slaughterhouse Faces Proposed \$3.75 Million Fine Following Investigation of Clean Water Act Violations

For Immediate Release: Contact: Assistant Executive Officer

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National Beef California, a beef slaughterhouse in the city of Brawley, Imperial County, faces a civil liability penalty of \$3.75 million from the Colorado River Basin Regional Water Quality Control Board (Regional Water Board) for alleged violations of the Clean Water Act and for contributing to the city's violation of its federal wastewater discharge permit.

In September 2013 the Regional Water Board adopted a \$1 million fine against the city of Brawley for violating its National Pollutant Discharge Elimination System permit, which is meant to ensure that receiving waters meet water quality requirements, and violating a cease and desist order, which requires in relevant part that the city develop and implement a pretreatment program.

The National Beef slaughterhouse processes an average of 2,300 cattle per day and generates about 12,800 gallons per day of discharge to groundwater through unlined ponds, and 1.62 million gallons per day of industrial wastewater to the city of Brawley's wastewater treatment plant. Effluent from the city plant is discharged into the New River, a water of the United States.

The New River is a state priority for cleanup because it is severely polluted by sources in Mexico and the Imperial Valley. The New River is a tributary to the Salton Sea, also a water of the United States. Both the New River and the Salton Sea are listed as impaired waters under the Clean Water Act.

The slaughterhouse includes an onsite facility for pretreatment of wastewater generated at the slaughterhouse. The wastewater discharged to the city's treatment plant contained high levels of ammonia and total suspended solids, and a high biochemical oxygen demand, which allegedly caused and/or contributed to the city's violation of its permit limits. Consequently,

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National Beef also allegedly violated the Clean Water Act and federal National Pretreatment Standards for industry.

The violations detailed in the complaint have been chronic and severe, and have had a significant adverse impact on the water quality of the New River. U.S. pretreatment standards require industries, such as National Beef, to take appropriate measures to ensure discharges do not contain pollutants at levels that cause or contribute to violation of a publicly owned treatment work's NPDES permit limits. Enforcement documents filed by the Regional Water Board and posted on its website detail the allegations.

"Regional Water Board staff has worked closely with National Beef during the last two years to provide regulatory guidance so as to facilitate its compliance with city standards and to address Regional Water Board concerns about its unlined ponds," said Regional Water Board Assistant Executive Officer Jose Angel.

In January, National Beef officially <u>announced</u> its decision to close its Brawley processing facility, which employs approximately 1,300 people. The plant is scheduled to stop operation in May. In a press release the company cited "a declining supply of fed cattle available for the Brawley facility" as a key driver of the decision to close the plant.

"We are saddened that approximately 1,300 people may be losing their jobs as a result of National Beef's decision to close the plant, despite a number of incentives offered by key local stakeholders in an effort to persuade National Beef to remain in operation," Angel said.

National Beef California is a subsidiary of National Beef Packing Company of Kansas City, Missouri, which in turn is a subsidiary of Leucadia National Corporation, which has reported its shareholders' equity at more than \$6 billion.

The Regional Water Board has tentatively scheduled a hearing on the proposed fine for June 19, 2014. After the hearing, the Regional Water Board will consider whether to affirm, reject or modify the proposed penalty, including assessing liability on a \$10 per-gallon basis, or whether to refer the matter to the Attorney General for civil action.

For more information on the Colorado River Basin Regional Water Board, visit: http://www.waterboards.ca.gov/coloradoriver/