

STATE OF COLORADO

Bill Ritter, Jr., Governor
James B. Martin, Executive Director

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

November 12, 2008

James Teitschied, Registered Agent
Superior Farms, Inc.
4900 Clarkson Street
Denver, CO 80216

Certified Mail Number: 7007 0220 0001 0156 8625

**RE: Expedited Settlement Agreement, Number: ES-081112-1
CDPS Permit Certification # COR-020483**

Dear Mr. Teitschied:

Enclosed for your records you will find Superior Farms, Inc.'s copy of the recently executed Expedited Settlement Agreement ("ESA"). Please be advised that the first page of the ESA was changed in order to place the correct ESA Number on the final document. The ESA is now fully enforceable and constitutes a final agency action.

As specified in the enclosed ESA, Superior Farms, Inc. must, within fifteen (15) calendar days, submit a certified or cashier's check for the amount specified in the ESA to the Water Quality Control Division in order for this matter to be resolved.

If you have any questions, please don't hesitate to contact Michael Harris at (303) 692-3598 or by electronic mail at michael.harris@state.co.us.

Sincerely,

Kristi-Raye Beaudin, Legal Assistant
Water Quality Protection Section
WATER QUALITY CONTROL DIVISION

cc: Denver Department of Environmental Health

cc: Aaron Urdiales, EPA Region VIII
Gary Beers, Permits Unit, CDPHE

Enclosure(s)



Colorado Department of Public Health & Environment
Water Quality Control Division

EXPEDITED SETTLEMENT AGREEMENT

Number: ES-081112-1

The Colorado Department of Public Health and Environment ("Department"), through the Water Quality Control Division ("Division"), issues this Expedited Settlement Agreement ("ESA"), pursuant to the Division's authority under §§25-8-602, 25-8-605 and 25-8-608, C.R.S. of the Colorado Water Quality Control Act (the "Act") §§25-8-101 to 703, C.R.S., and its implementing regulations, with the express consent of Superior Farms, Inc. ("Superior"). The Division and Superior may be referred to collectively as "the Parties."

1. Superior is a "person" as defined under the Water Quality Control Act, §25-8-103(13), C.R.S. and its implementing permit regulation, 5 CCR 1002-61, §61.2(73).
2. Superior operates an industrial facility involved in lamb slaughter and meat processing located at 4900 Clarkson Street, in the City and County of Denver, Colorado (the "Facility").
3. Superior failed to obtain coverage for the Facility under the Colorado Discharge Permit System General Permit for Stormwater Discharges Associated with Heavy Industrial Activity (the "Permit"), in violation of §25-8-501(1), C.R.S. and its implementing permit regulation, 5CCR 1002-61, §61.3(1)(a), as described in the attached inspection report.
4. The parties enter into this ESA in order to resolve the matter of civil penalties associated with the violation(s) alleged herein and in the attached inspection report for a penalty of \$16,000.00.
5. By accepting this ESA, Superior neither admits nor denies the alleged violations or deficiencies specified herein and in the attached inspection report.
6. Superior certifies that all alleged deficiencies identified in the attached inspection report have been corrected and that the Facility is currently in full compliance with the terms and provisions of the Permit. Additionally, Superior has attached to this ESA: (1) a written description detailing how the findings were corrected; and (2) representative photographs documenting the current conditions and the associated BMPs implemented at the Facility.
7. Superior agrees to the terms and conditions of this ESA. Superior agrees that this ESA constitutes a notice of alleged violation and an order issued pursuant to §§25-8-602, 25-8-605 and 25-8-608, C.R.S., and is an enforceable requirement of the Act. By signing the ESA, Superior waives: (1) the right to contest the finding(s) specified herein and in the attached inspection report; and (2) the opportunity for a public hearing pursuant to §25-8-603, C.R.S.
8. This ESA is subject to the Division's "Public Notification of Administrative Enforcement Actions Policy," which includes a thirty-day public comment period. The Division and Superior each reserve the right to withdraw consent to this ESA if comments received during the thirty-day period result in any proposed modification to the ESA.

9. This ESA constitutes a final agency order or action upon the date when the Executive Director or his designee signs the ESA and effectively imposes the civil penalty.
10. Superior agrees that within fifteen (15) calendar days of receiving the signed and final ESA from the Division, Superior shall submit a certified or cashier's check drawn to the order of the "Colorado Department of Public Health and Environment," for the amount specified in paragraph 4 above, to:

Michael Harris
 Colorado Department of Public Health and Environment
 Water Quality Control Division
 Mail Code: WQCD-CADM-B2
 4300 Cherry Creek Drive South
 Denver, Colorado 80246-1530
11. Notwithstanding paragraph 5 above, the alleged violations described in this ESA will constitute part of Superior's compliance history for purposes where such history is relevant. This includes considering the alleged violations described above in assessing a penalty for any subsequent violations against Superior. Superior agrees not to challenge the use of the cited violations for any such purpose.
12. This ESA, when final, is binding upon Superior and its corporate subsidiaries or parents, their officers, directors, employees, successors in interest, and assigns. The undersigned warrant that they are authorized to legally bind their respective principals to this ESA.

ACCEPTED BY SUPERIOR FARMS, INC.:

<i>James P. Teitscheid</i>	9/8/2008
Signature	Date
James P. Teitscheid	General Manager
Name (printed)	Title

FOR THE COLORADO DEPARTMENT OF PUBLIC HEALTH & ENVIRONMENT:

<i>Lori M. Gerzina</i>	Date: 11/7/08
Lori M. Gerzina, Section Manager Compliance Assurance and Data Management Section WATER QUALITY CONTROL DIVISION	

JPJ
9/8/2008



DENVER
THE MILE HIGH CITY

RECEIVED

MAY - 4 2007

Water Quality Control Division

Department of Environmental Health
Division of Environmental Quality

201 W. Colfax Ave, Dept. 1009

Denver, CO 80202

p: 720-865-5452

f: 720-865-5534

www.denvergov.org/deh

Date: May 1, 2007

James Teitscheid, Plant Manager
Superior Colorado, Incorporated
4900 Clarkson Street
Denver, CO 80216

RE: Stormwater Permit Requirements for Industrial Activities/**Compliance Advisory**
Superior Colorado, Incorporated
4900 Clarkson Street
Denver, CO 80216

Dear Mr. Teitscheid:

It has come to our attention that you are engaged in an industrial activity that is included under the stormwater regulations. The Denver Department of Environmental Health, a designated representative of the Colorado Department of Public Health and Environment, Water Quality Control Division (the Division), conducted an inspection of the above referenced industrial activity on April 26, 2007. A report documenting the inspection is attached. We have no record that you have applied for or obtained a Stormwater Discharge Permit for the above-referenced facility.

In 1987, the US Congress amended the Clean Water Act to expressly include stormwater discharges from industrial and construction sites as requiring Clean Water Act controls. In 1990, EPA issued regulations that require specific industrial and construction activities to obtain permits in order to discharge stormwater from their facilities. Pursuant to 5 CCR 1002-61.3(2), facilities in the industrial category of food and kindred products including slaughter houses, (SIC Code 2011) are specifically required to obtain a permit for discharges of stormwater runoff. The Water Quality Control Division of the Colorado Department of Public Health and Environment has direction and authority to administer the stormwater permit program in Colorado.

Since the primary industrial activity that takes place at the facility is as a lamb slaughter house, a Stormwater General Permit for Stormwater Discharges Associated with Heavy Industry is required. The link to the Colorado Department of Public Health and Environment, Water Quality Control Division was emailed to you to download the application, and Guidance document for preparing the Stormwater Management Plan (SWMP). The application should have been completed and submitted prior to beginning operations or October 1, 1992, whichever was later. Since activities have already begun, the application should be returned to Colorado Department of Public Health and Environment, WQCD-P-B2, 4300 Cherry Creek Drive South, Denver, CO 80246-1530, Attn: Matt Czahor by **May 18, 2007**.

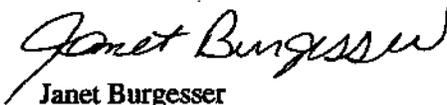
Note that the application requires the preparation of a Stormwater Management Plan (SWMP).

If you fail to obtain a required stormwater permit and discharge stormwater from the site once industrial activity has started, you are in violation of the Clean Water Act and are subject to enforcement action by the Water Quality Control Division. The Clean Water Act authorizes both civil and criminal penalties for willful non-compliance.

The issuance of this Compliance Advisory does not limit or preclude the Division from pursuing its enforcement options. The Division is currently evaluating the facts and if a formal enforcement action is deemed necessary, you may be issued a Notice of Violation / Cease and Desist Order that may include the assessment of penalties.

If you have any questions, please call Janet Burgesser with Denver Environmental Health at (720) 865-5457.

Sincerely,



Janet Burgesser
Denver Environmental Health
Environmental Quality Division

Enclosures

cc: Gary Lasswell, DEH
Matt Czahor, Water Quality Control Division
File Copy

Prep'd by JB
Rev'd by GL 

Stormwater Inspection Report

Permitted: Non-filer	Cert. No. COR02####	Date: 04/26/2007
Facility: Superior Colorado, Incorporated	Industrial Type: Heavy Industrial	Receiving Water: South Platte River
Facility Address: 4900 Clarkson Street, Denver, CO 80216		
Persons present: James Teitscheid (Superior Colorado), Bill Wragge (Superior Colorado), Janet Burgesser (DEH), Paul Riedesel (DEH)		
Facility Representative(s)/Title(s): James Teitscheid, Plant Manager/Bill Wragge, Plant Engineer		Inspector(s): Janet Burgesser, Paul Riedesel

Inspection Findings

Records Review

1. At the time of inspection it was noted that the primary industrial activity that takes place at the facility is slaughtering and packaging of lamb; SIC Code Major Group 20 Food and Kindred Products, specifically SIC Code 2011 Meat Packing Plants. This type of meat packing operation is a regulated industry that is required to be registered with the Colorado Department of Public Health and Environment, Water Quality Control Division. Superior Colorado, Incorporated, is required to obtain a Stormwater General Permit for Stormwater Discharges Associated with Heavy Industry.

Note: The link to the application form along with the guidance document for preparing a stormwater management plan was emailed to the Plant Manager on April 26th 2007.

Facility Inspection

1. It was noted during the inspection that there were several pollutant sources that have the potential to contribute pollutants to waters of the state (see attached photos 1-9). These potential pollutant sources are described below.
2. It was noted prior to the inspection that during routine surveillance by the City and County of Denver's Wastewater Management Division of South Platte River outfalls, that the sanitary sewer manhole (photo 1-2) backed-up and the overflow drained to the storm grate to the south. It was also noted during the inspection in the course of conversations with the Plant Engineer, that the sanitary sewer from the kill floor has backed-up in the past and sewage flows out of the manhole and into the stormsewer grate. There is an ongoing potential for this pollutant source to reach state waters.
3. It was noted during the inspection that there were drain pipes coming off the roof of the lamb pen and main plant roof, as well as an overflow pipe from the sheep pen water trough (see attached photo 4, 7). It was noted that the water in the trough was dirty due to rain water fall as well as potentially manure and dirt from the lambs as they drink the water. As the lambs eat the straw in the pen, they come in contact with the manure in the pen. The drain pipes empty to the storm grate which is then conveyed to the South Platte River. There is a potential for these pollutant sources to reach state waters.
4. It was noted during the inspection that as the pens are cleaned out, straw and manure are piled outside the pen and removed from the site with a bobcat. Pollutants from the remnants of these piles have the potential to reach state waters.

5. It was noted during the inspection that empty chemical barrels were stored on the south side of the building outside without secondary containment and directly in front of the stormsewer grate (see attached photos 5-6). There is a potential for these pollutant sources to reach state waters.
6. It was noted during the inspection that empty chemical containers and a roll-off bin containing hides and other remnants were stored on the south side of the building outside without secondary containment (see attached photos 8-9). There is a potential for these pollutant sources to reach state waters.