

FILED

Jan 21, 2025

2:20 pm

**U.S. EPA REGION 4
HEARING CLERK**

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4**

EXPEDITED SETTLEMENT AGREEMENT

DOCKET NO: CAA-04-2024-0313(b)

This Expedited Settlement Agreement is issued to:

**Sanderson Farms, LLC
4418 Mangum Drive
Flowood, Mississippi 39208**

For alleged violations of 40 C.F.R. Part 68 and Section 112(r)(7) of the Clean Air Act.

This Expedited Settlement Agreement (ESA) is being entered into by the United States Environmental Protection Agency, Region 4, Director of the Enforcement and Compliance Assurance Division (Complainant), and by Sanderson Farms, LLC (Respondent), pursuant to Section 113(d) of the Clean Air Act (the "Act"), 42 U.S.C. § 7413(d), and pursuant to 40 C.F.R. §§ 22.13(b) and 22.18.

ALLEGED VIOLATIONS

Based on a compliance monitoring inspection conducted at the Respondent's facility located at 4418 Magnum Drive, Flowood, Mississippi, on September 13, 2023, the EPA alleges that the Respondent violated the Act's Section 112(r)(7) Chemical Accident Prevention Provisions, 42 U.S.C. § 7412(r)(7), when at the time of inspection, Respondent did not provide evidence that:

It documented that equipment complies with recognized and generally accepted good engineering practices as required by 40 C.F.R. § 68.65(d)(2), because:

- i. The emergency shutoff valve (King Valve) on top of the high-pressure receiver just outside of the engine room was not labeled. American National Standards Institute/International Institute of Ammonia Refrigeration (ANSI/IIAR) 2 Section 5.14.4 states, "Valves listed as emergency shut off valves in the system emergency shutdown procedure shall be clearly and uniquely identified at the valves themselves and in the system schematic drawings." ANSI/IIAR 9 Section 7.2.9.3 states, "Valves required for emergency shutdown of the system shall be clearly and uniquely identified at the valve itself and in the system schematic drawing;"

- ii. Some insulation on ammonia pipes associated with the outdoor equipment was torn or gapping at the seams, exposing the pipes underneath to moisture. ANSI/IIAR 2 Section 5.10.1 states, *“piping and equipment surfaces not intended for heat exchange shall be insulated, treated, or otherwise protected to mitigate condensation and excessive frost buildup.”* ANSI/IIAR 9 Section 7.2.6.1 states, *“Piping and equipment surfaces not intended for heat exchange shall be insulated, treated, or otherwise protected to mitigate condensation and excessive frost buildup where the surface temperature is below the dew point of the surrounding air during normal operation and in an area where condensation and frost could develop and become a hazard to occupants or cause damage to the structure, electrical equipment, or refrigeration system;”*

- iii. Corrosion, rust, and pitting were observed on piping and valve groups associated with the outdoor ammonia equipment. ANSI/IIAR 6 (2019) Section 11.1.1 states, *“Where pitting, surface damage, general corrosion, or a combination thereof, is visually observed on a metal surface of the piping, deficient areas shall be further evaluated per Sections 11.1.1.1 - 11.1.1.3.”* ANSI/IIAR 6 (2019) Section 11.1.1.1 states, *“Where pitting, surface damage, general corrosion, or a combination thereof, has materially reduced the remaining pipe wall thickness, the piping remaining wall thickness shall be measured using appropriate techniques.”* ANSI/IIAR 6 (2019) Section 11.1.1.2 states, *“Where pitting, surface damage, general corrosion, or a combination thereof, has not materially reduced the remaining pipe wall thickness, the piping metal surface shall be cleaned and recoated to arrest further deterioration.”* ANSI/IIAR 6 (2019) Section 11.1.1.3 states, *“Where pitting, surface damage, general corrosion, or a combination thereof, has materially reduced the remaining pipe wall thickness beyond the owner's established acceptance criteria, the piping shall be evaluated to determine suitability for continued operation;”* and

- iv. Excessive ice buildup was found on some of the pipes and valve groups associated with the outdoor ammonia equipment. Excessive ice buildup may interfere with turning valves and can add weight, compromising the structural integrity of the pipes. There was also ice underneath some of the insulation. Moisture trapped under insulation may accelerate corrosion of pipes. ANSI/IIAR 6 Section 5.6.8 states, *“Equipment and piping shall be kept free from excessive ice buildup. 5.6.8.1 Ice buildup shall not interfere with the operation of emergency shutoff valves. 5.6.8.2 Ice accumulation shall not be permitted to deflect or bend pipes, displace components, or negatively impact the system's structural integrity.”*

EPA and the United States Department of Justice jointly determined that this matter, although it involves alleged violations that occurred more than one year before the initiation of this proceeding, is appropriate for an administrative penalty assessment. 42 U.S.C. § 7413(d).

SETTLEMENT

In consideration of such factors as Respondent's size, its full compliance history, its good faith efforts to comply, the duration and seriousness of the violation, and other factors as justice may require, the parties enter into this ESA to settle the violation(s) cited above, for the total penalty amount of **\$1,500**.

Within thirty (30) calendar days of receiving a copy of the fully executed ESA, Respondent shall: (1) pay the penalty and (2) send proof of payment as described below.

1. Pay Penalty

Pay using any method, or combination of appropriate methods, as provided on the EPA website: <https://www.epa.gov/financial/makepayment>. For additional instructions see: <https://www.epa.gov/financial/additional-instructions-making-payments-epa>.

When making a payment, Respondent shall identify every payment with Respondent's name and the docket number of this ESA, **CAA-04-2024-0313(b)**.

2. Send Proof of Payment

Concurrently with any payment or within 24 hours of any payment, Respondent shall **send proof of such payment** to the following persons:

Regional Hearing Clerk
R4_Regional_Hearing_Clerk@epa.gov,

and

Jordan Noles, Case Development Officer
noles.jordan@epa.gov

and

U.S. Environmental Protection Agency
Cincinnati Finance Center
CINWD_AcctsReceivable@epa.gov

"Proof of payment" means, as applicable, a copy of the check, confirmation of credit card or debit card payment, or confirmation of wire or automated clearinghouse transfer, and any other information required to demonstrate that payment has been made according to EPA requirements, in the amount due, and identified with the appropriate docket number and Respondent's name.

The penalty specified in this ESA shall represent civil penalties assessed by the EPA and shall not be deductible for purposes of state or federal taxes.

This settlement is subject to the following terms and conditions: the Respondent by signing below admits that EPA has jurisdiction over the subject matter alleged in this ESA, neither admits nor denies the specific factual allegations contained herein, and consents to the assessment of the penalty as stated above; Respondent waives its rights to a hearing afforded by Section 113(d)(2)(A) of the Act, 42 U.S.C. § 7413(d)(2)(A), and to appeal this ESA and Final Order or otherwise contest the allegations contained in this ESA; and each party to this action shall bear its own costs and fees, if any.

Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that as of the date of its execution of this ESA, it is in compliance with all relevant requirements of Section 112(r)(7) of the Act and 40 C.F.R. Part 68.

Respondent's full compliance with this ESA shall only resolve Respondent's liability for federal civil penalties for the violation(s) alleged in this ESA. This ESA, the Final Order, and Respondent's full payment of the civil penalty set forth herein, do not affect the right of EPA to pursue appropriate injunctive, other equitable relief, or criminal sanctions for any violations of law. The EPA also does not waive any other enforcement action for any other violations of the Act or any other statute.

Late payment of the penalty may subject Respondent to interest, administrative costs, and late payment penalties in accordance with 40 C.F.R. § 13.11.

This ESA is binding on the parties signing below. This ESA is effective upon filing with the Regional Hearing Clerk.

In accordance with 40 C.F.R. § 22.5, the individuals named in the certificate of service are authorized to receive service related to this proceeding and the parties agree to receive service by electronic means.

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FOR RESPONDENT:

Signature:  Date: 9/30/2024

Name (print): Mitchell H. Baker

Title (print): general counsel

FOR COMPLAINANT:

KERIEMA NEWMAN

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NEWMAN

Date: 2025.01.17 09:07:12 -05'00'

Keriema S. Newman, Director, Enforcement and Compliance Assurance
Division

FINAL ORDER

I hereby ratify the ESA and incorporate it herein by reference. It is so ORDERED.

TANYA FLOYD

Digitally signed by TANYA FLOYD
Date: 2025.01.17 14:47:35 -05'00'

Regional Judicial Officer

CERTIFICATE OF SERVICE

I certify that the foregoing Expedited Settlement Agreement and Final Order in the Matter of Sanderson Farms, LLC Docket No. CAA-04-2024-0313(b), were filed and copies of the same were emailed to the parties as indicated below.

Via email to all parties at the following email addresses:

To Respondent: Mitchel Boles, General Counsel
Sanderson Farms, LLC
4110 Continental Drive
Oakwood, Georgia 30566
mitch.boles@waynesanderson.com
(256) 822-1093

To EPA: Jordan Noles, Case Development Officer
noles.jordan@epa.gov
(404) 562-9105

Marirose Pratt
Associate Regional Counsel
pratt.marirose@epa.gov
(404) 562-9023

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Shannon L. Richardson, Regional Hearing Clerk
U.S. EPA Region 4
r4_regional_hearing_clerk@epa.gov