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PLANNING &
DESIGN SERVICES

Glenn Price
Member
502.779.8511 (t)
502.581.1087 (f)
gaprice@fbtlaw.com

March 14, 2016

HAND DELIVERY

Honorable Michael Allendorf, Chair
The Members of the Louisville Metro Board of Zoning Adjustment
c/o Steve Hendrix, Planning & Design Supervisor
444 South Fifth Street, 3rd Floor
Louisville, Kentucky 40202

Re: **JBS USA, LLC / Swift Pork Company**
1200 Story Avenue
Docket No. 13CUP1011

Dear Mr. Allendorf and Members of the Board:

JBS USA, LLC/Swift Pork Company (“JBS/Swift”) submits this report to the Board in accordance with Condition No. 5 of the modified Conditional Use Permit granted on March 17, 2014 in Case No. 13CUP1011. Condition No. 5 requires JBS/Swift to appear before the Board regarding the status of any notices of violation from the Louisville Metro Air Pollution Control District (“APCD”) every six months starting from March 17, 2014 for two years.

JBS’s last semi-annual report to the Board was dated September 17, 2015, and was updated by the supplemental report submitted to the Board dated January 15, 2016.

I. Status Report Regarding the Notices of Violation Issued by APCD

A. Petition for Administrative Hearing

Since the report submitted to the Board dated September 17, 2015, APCD issued a Notice of Violation to JBS dated November 3, 2015. That Notice of violation alleged additional odor violations and non-odor violations. JBS resolved the alleged non-odor violations with APCD through Agreed Board Order No. 15-08, which was approved by the APCD Board on December 16, 2015.

Although JBS/Swift and APCD have engaged in settlement negotiations regarding the alleged odor violations, JBS/Swift and APCD have been unable to reach a settlement. APCD filed a Petition for Administrative Hearing regarding the alleged odor violations, and issued a

Notice of Administrative Hearing on December 7, 2015. A hearing officer has been assigned for the administrative hearing, and the parties are in the preliminary stages of developing a hearing management order.

JBS/Swift has not been issued a Notice of Violation since November 3, 2015, and is not aware of any additional odor incidents that are under review by APCD for which a Notice of Violation may be issued.

JBS/Swift and APCD have re-entered into settlement negotiations, and are currently attempting to schedule a meeting to pursue those negotiations. JBS/Swift and APCD have also agreed to attempt mediation, if those negotiations seem to offer a potential for settlement.

II. Status of JBS/Swift' Evaluation of Technology to Control Odor

A. Stock Trucks

As reported to the Board in its January 5, 2016 supplemental report, JBS/Swift has installed a fence-line misting system designed by Atmosphere Global, LLC, which is used to reduce odors from stock trucks staged at the Story Avenue facility off of Mellwood Avenue prior to unloading. The misting system uses Atmosphere Global's Atmosphere Odor Control product, which is a proprietary formula. Since the January 5, 2016 supplemental report, JBS has extended the misting system to provide additional coverage for the area where stock trucks are staged on the Story Avenue facility and to provide coverage when the stock trucks are at the unloading dock.

B. Stock Pen Area

As reported to the Board in the January 5, 2016 supplemental report, JBS/Swift ordered additional AirCode® equipment to be installed in the stock pen area, which was received in December 2015. JBS/Swift has completed the installation of the additional AirCode® equipment in the stock pen area and all of the equipment is in operation.

C. Scrubbers

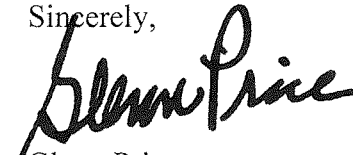
As reported to the Board in the January 5, 2016 supplemental report, JBS/Swift ordered the equipment necessary to allow testing of the use of AquaCode® as a substitute for chlorine in the scrubbers used for control of odor from the JBS/Swift rendering operations. The AquaCode® equipment was delivered in February, 2016, and is now in the process of installation.

As also previously reported, JBS/Swift submitted a Request for Temporary Exemption to the APCD to allow the testing of the AquaCode® in the scrubbers as a substitute for chlorine. APCD approved that request on October 26, 2015. JBS/Swift will notify the District when installation of the AquaCode® equipment has been completed and the testing commences.

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JBS/Swift expects to test the AquaCode® equipment for up to a 45-day period after notice is given to APCD. If JBS/Swift determines that the testing is successful, JBS/Swift will notify the District and will proceed with an application to modify its current air operating permit to allow use of AquaCode® as a substitute for chlorine, and will cease the use of chlorine to control odors.

Sincerely,



Glenn Price

Enclosures

cc: John W. Cliff
Dennis J. Conniff, Esq.
Jon Salomon, Esq. (*via hand delivery*)
Jonathan Baker, Esq. (*via hand delivery*)

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