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STATE OF ILLINOIS
COUNTY OF CHAMPAIGN

PUBLIC HEARING

REPORT OF PROCEEDINGS of the hearing held at
Parkland College, Room D244, 2400 West Bradley
Avenue, Champaign, Illinois, on February 27, 2007, at
6:00 p.m., before Fran Anderson, CSR, License No.
084-002930.

APPEARANCES:

Annet C. Godiksen, Assistant Counsel
Division of Legal Counsel
Illinois Environmental Protection Agency
102 North Grand Avenue East
Springfield, IL 61794-9276

1 (Whereupon the hearing commenced at 6:08 p.m.)

2 MS. GODIKSEN: Good evening. My name is
3 Annet Godiksen. I'm with the Illinois
4 Environmental Protection Agency. I'd like to
5 thank you for coming out this evening and
6 attending the hearing. The Illinois EPA believes
7 that this hearing is a crucial part of the permit
8 review process. As the Hearing Officer, my sole
9 purpose tonight is to make sure that the
10 proceedings run properly and in accordance with
11 our rules. Therefore, it's not my job to answer
12 questions regarding the permit process or the
13 permit itself.

14 This is a public hearing before the
15 Illinois EPA in the matter of an air pollution
16 control construction permit submitted to the
17 Illinois EPA by The Andersons Champaign Ethanol,
18 Limited Liability Corporation. The proposed
19 permit relates to a request to build an ethanol
20 plant to be located at 3515 North Staley Road in
21 Champaign. The plant would be designed to have a
22 nominal capacity of 118 million gallons per year,
23 with the ability to produce up to 125 million
24 gallons of ethanol per year.

1 The Illinois EPA has made a preliminary
2 determination to issue a permit for the project
3 and has prepared a draft permit for review. The
4 Illinois EPA is holding a public comment period
5 and a hearing to accept comments from the public
6 on the proposed issuance of a permit for this
7 project prior to our actually making the final
8 decision on the application.

9 It is now approximately 6:10 on Tuesday,
10 February 27, and, again, this hearing is being
11 held for the purpose of explaining our draft
12 permit, to respond to questions, and to receive
13 public comments on the drafted permit. I'm going
14 to walk you very quickly through a couple
15 introductory matters. The public hearing is
16 being held under the provisions of the Illinois
17 EPA's procedures for permit and closure plan
18 hearings, which can be found in Title 35 of the
19 Illinois Administrative Code, Part 166. Copies
20 of these procedures can be obtained from myself
21 upon request or they can be accessed on the Web
22 site of the Illinois Pollution Control Board at
23 www.IPCB.state.il.us.

24 A public hearing means that this is

1 strictly an informal hearing. It is an
2 opportunity for the Illinois EPA to provide you
3 with information concerning the permit. It is
4 also an opportunity for you to provide
5 information to the Illinois EPA concerning the
6 permit. This is not a contested hearing.

7 I'd like to first explain how tonight's
8 hearing is going to proceed. We will have the
9 Illinois EPA staff members present and introduce
10 themselves and identify their responsibilities
11 with the Illinois EPA. We'll then introduce the
12 representatives of Andersons Champaign Ethanol
13 following our overview, and then we'll ask the
14 public to ask questions and provide comments.

15 You are not required to verbalize your
16 comments, as written comments are given the same
17 consideration and may be submitted to the agency
18 at anytime within the public comment period,
19 which ends at midnight on March 29th of this
20 year. Any person who wants to make oral comments
21 may do so as long as the statements are relevant
22 to the issues that are addressed at the hearing
23 and such person has indicated on the registration
24 card that he or she would like to comment.

1 When you came into the room, there were
2 people at the front desk and there were cards
3 that you should have filled out if you were
4 interested in either making oral comments or
5 receiving a summary of the hearing. If you do
6 wish to make comments and you haven't filled out
7 a card as of yet, then please go back and do
8 so. We'll collect those cards throughout the
9 night, and if you haven't had the chance to do
10 that, please do so on the cards that were brought
11 to me.

12 If you have lengthy comments or
13 questions, it may be helpful to submit that to me
14 in writing before the questions and comment
15 period, and I will ensure that they are included
16 in the hearing record as exhibits. Please keep
17 your comments and your questions relevant to the
18 issue at hand. If your comments fall outside of
19 the scope of this hearing, I may ask you to
20 proceed to another issue.

21 All speakers have the option of
22 directing questions to either the Illinois EPA
23 panel or they can just make a general comment or
24 they can do both, if they so choose. The

1 applicant, The Andersons Champaign Ethanol, is
2 also free to answer questions if it is willing do
3 to so, but I am not in the position to require
4 them to answer questions.

5 Our panel members will make every
6 attempt to answer the questions presented, but I
7 will not allow the speaker to argue or
8 cross-examine or engage in prolonged dialogue
9 with our panel. In addition, I would like to
10 stress that we want to avoid unnecessary
11 repetition. So if anyone before you has already
12 presented testimony that is contained in either
13 your oral or written comments, please skip over
14 those issues when you testify. Please remember
15 that all written comments, whether or not you say
16 them tonight out loud, will become part of the
17 official record and will be considered.

18 After everyone has had an opportunity to
19 speak, and provided that time permits, we will
20 allow those who either ran out of time during
21 their initial comments or have additional
22 comments to speak once again.

23 On the registration cards you can also
24 ask to receive a summary of the public hearing.

1 If you need information beyond the summary that's
2 provided, or if you would like information now, I
3 can direct you to the Illinois EPA's Web site
4 where you can receive all of the details,
5 including our responsiveness summary. The
6 Illinois EPA's Web site is www.epa, dot, space,
7 dot il, dot, us.

8 The Illinois EPA's responsiveness
9 summary will attempt to answer all the relevant
10 questions that were raised at this hearing or
11 submitted to me prior to the close of the comment
12 period. Again, the written record in this matter
13 will close on March 29th, 2007. Therefore, I'll
14 accept all written comments as long as they're
15 postmarked by midnight of March 29th.

16 During the comment period, all relevant
17 comments, documents, or data will also be placed
18 into the hearing record as exhibits. Again,
19 please send all documents or data to my
20 attention, and you can send those to Annet
21 Godiksen, I'll spell that for you, Annet,
22 A-n-n-e-t, Godiksen, G-o-d-i-k-s-e-n, Hearing
23 Officer, Illinois EPA, 1021 North Grand Avenue
24 East, Post Office Box 19276, Springfield,

1 Illinois, zip code 62794. That address is also
2 listed on public notice of the hearing tonight.

3 For anyone wishing to make a comment or
4 to ask questions, I would like to remind you that
5 we have a court reporter here who will be taking
6 a record of these proceedings for the purpose of
7 us putting together our administrative record.
8 Therefore, for her benefit, please keep the
9 general background noise to a minimum so she can
10 hear everything that is said. Also, please keep
11 in mind that any comments from somebody other
12 than the person who is at the microphone will not
13 be reported by the court reporter.

14 In other words, she cannot take in more
15 than one person's testimony or statements at a
16 time, and only the person that is speaking will
17 be the person who she will report. If you speak
18 over somebody else, she will not be able to
19 include that in the comments. This rule applies
20 also to members -- not only to the members of
21 the audience who are speaking, but also when
22 someone from the Illinois EPA or from Andersons
23 Champaign Ethanol is speaking.

24 When it's your turn to speak, please

1 speak clearly and slowly, and the court
2 reporter's made a special note to request that
3 all the speakers address us through the
4 microphone so that she can understand what you're
5 saying. Also, when you begin to speak, please
6 state your name and, if applicable, any
7 governmental body, organization, or association
8 that you represent. And for the benefit of our
9 court reporter we ask that you spell your last
10 name.

11 People who have requested to speak will
12 be called upon in the order that I will lay out
13 based upon the cards that I have before me. And,
14 again, after I've gone through the cards, and
15 assuming that there is time allowed, if anyone
16 else wishes to make a comment, we can address
17 that at that time.

18 I would now like to ask that the
19 Illinois EPA staff introduce themselves, and if
20 they'd like to make a short opening statement
21 they can do so at this time.

22 MR. SMET: Good evening. My name is Bob
23 Smet. I'm a permit engineer, and I work on major
24 source permitting.

1 MR. PATEL: My name is Minesh Patel.
2 I'm a permit analyst. I will go ahead and make a
3 brief statement here.

4 Good evening, ladies and gentlemen.
5 Welcome to this evening's hearing. My name is
6 Minesh Patel. I am a permit engineer with the
7 Bureau of Air. I will be giving you a brief
8 description of the proposed ethanol plant.

9 The Andersons Marathon Ethanol, LLC (The
10 Andersons) has requested a construction permit
11 for a dry mill ethanol plant in Champaign. The
12 proposed plant would produce fuel ethanol from
13 corn and would have a nominal capacity of
14 producing 125 million gallons of denatured
15 ethanol per year. The principal products
16 produced at the ethanol plant are ethanol and
17 distiller grains.

18 The ethanol produced at the plant would
19 be used as motor vehicle fuel. The distiller
20 grains are used as animal feed. The proposed
21 plant would be served by existing grain elevator
22 at the site, where grain is currently received,
23 dried, cleaned, stored, and shipped by truck and
24 rail as needed.

1 Once the ethanol plant would be
2 operational, the grain would no longer be shipped
3 out from the elevator, as all grain received
4 would be processed by the ethanol plant. The
5 proposed plant would also have facilities to
6 receive and ship other products such as ethanol
7 and feed by both truck and rail. Natural gas
8 would be used as the fuel to supply energy for
9 the plant.

10 The proposed plant would use appropriate
11 equipment for effective control of emissions from
12 the various operations of at the plant. Filters
13 would be used to control particulate matter
14 emissions from the receiving and handling of
15 grain and the handling of dry feed. A scrubber
16 would be used to control organic material
17 emissions from the fermentation operation. The
18 organic material-laden water from the scrubber
19 would be reused at the plant so would not be a
20 source of wastewater.

21 Combustion control, with natural
22 gas-fired thermal oxidizers, would be used to
23 control emissions of organic material, carbon
24 monoxide, and particulate matter from the dryers,

1 which convert wet stillage into dry feed. These
2 thermal oxidizer systems would also be used to
3 control organic material emissions from the
4 distillation operations, in which the water and
5 ethanol in the beer from the fermenters is
6 separated and the ethanol is purified.

7 Each oxidizer will also function as the
8 furnace for a heat recovery steam generator or
9 boiler, which serves to supply process steam to
10 the plant. These oxidizers, as well as dryers,
11 would be equipped with low-NOx burners to
12 minimize nitrogen oxide emissions. As a result
13 of this emissions control equipment and other
14 required equipment and control measures, the
15 proposed plant is not considered a major source
16 of emissions.

17 The permit that the Illinois EPA is
18 proposing to issue for the plant would include a
19 variety of requirements to ensure that the plant
20 is properly constructed and operated. The
21 performance of the principal control systems
22 would be to have them tested after the plant is
23 built. The Andersons would have to conduct
24 operational monitoring and recordkeeping to

1 confirm that the plant is properly operated and
2 maintained on a continuing basis. These
3 activities would be overseen by the Illinois EPA,
4 who will review the various reports that the
5 plant must submit and periodically conduct
6 on-site inspections of the plant.

7 We look forward to your questions or
8 comments on this proposed permit, and, once
9 again, thank you for attending the hearing.

10 MS. GODIKSEN: I would like at this time
11 to ask Andersons to introduce their
12 representatives, and if they would like to make a
13 statement, to do so now.

14 MR. WEBBER: Good evening. I am Carl
15 Webber, an attorney in Champaign-Urbana, and we
16 are with Phil Van Ness, who is the environmental
17 side representing the Andersons in this
18 proceeding, Rod Harris from the home office, and
19 Blair Wood, manager locally, are also here. And
20 we are available to answer any questions that you
21 may have that may come up throughout the
22 evening.

23 Being an issue relating to air, we
24 really haven't talked much about air because

1 there have been concerns about water, which we
2 think we've addressed. As to air, there have
3 been a few items requested by EPA which I believe
4 have been met, and we are very willing to respond
5 to any questions that may come up this evening.

6 Thank you very much for coming over.

7 MS. GODIKSEN: First speaker we have is
8 Steven Moll. I apologize if I mispronounce
9 anybody's name.

10 MR. MOLL: Can I wait?

11 MS. GODIKSEN: Sure, that's fine. We'll
12 go to the next on the list. Next speaker -- it's
13 a short list. Next speaker is Traci Barkley.

14 MS. BARKLEY: Hi. My name is Traci
15 Barkley, T-r-a-c-i, B-a-r-k-l-e-y. I'm a
16 watershed scientist for Prairie Rivers Network so
17 most of my comments tonight are water-related,
18 and I can hold those back if there are other
19 air-related comments that you'd like to begin
20 with.

21 MS. GODIKSEN: It's a short list, so go
22 ahead.

23 MS. BARKLEY: Okay. Prairie Rivers
24 Network is the state affiliate of National

1 Wildlife Federation, a nonprofit organization
2 that strives to protect the rivers, streams, and
3 lakes of Illinois and to promote the lasting
4 health and beauty of watershed communities. Much
5 of our work focuses on how policies such as the
6 Clean Water Act and Safe Drinking Water Act are
7 used in Illinois -- laws intended to protect our
8 waters, our environment, and, ultimately, our
9 health.

10 Prairie Rivers Network has members who
11 live near and depend on the Mahomet Aquifer and
12 Kaskaskia River for drinking water and have
13 substantial interest in ensuring that withdrawals
14 and discharges do not impair or threaten waters
15 in the area. In addition, they depend on clean
16 waters in the Kaskaskia River System for
17 recreational activities, including boating,
18 fishing, bird watching, and other wildlife
19 viewing.

20 I earned a Master of Science degree in
21 Natural Resources and Environmental Sciences from
22 the University of Illinois where I completed
23 course work in fresh water biology, aquatic
24 ecosystem conservation and integrated ecosystem

1 management. I also worked for the Illinois
2 Environmental Protection Agency (IEPA) for a
3 number of years in the Bureau of Water's
4 monitoring and Assessment Unit, where I became
5 familiar with the National Pollutant Discharge
6 Elimination System (NPDES) permitting process and
7 the monitoring and assessment of water quality
8 that supports permit enforcement. In my current
9 position at Prairie Rivers Network I review NPDES
10 permits and aim to strengthen permit limits to
11 better enforce the Clean Water Act and its
12 safeguards for our water resources and public
13 health.

14 I am here this evening out of concern
15 for our region's water resources. The ethanol
16 production facility planned for development in
17 Champaign County proposes to withdraw two million
18 gallons of water daily from the Mahomet Aquifer
19 in order to produce 0.27 million gallons of
20 ethanol per day (100 million gallons per year).
21 That's an 8 to 1 ratio of water to ethanol, much
22 greater than the 3 to 1 standard the industry
23 flouts. In addition, the facility proposes to
24 discharge approximately 720,000 gallons per day

1 into the Kaskaskia Ditch, a tributary to the
2 Kaskaskia River. The volume and quality of the
3 water discharge from this facility are causes for
4 concern as the posted receiving stream is a small
5 headwater stream that deserves protection. The
6 health of the larger streams and rivers depend
7 upon a healthy, intact primary headwater
8 treatment network.

9 Without mandated operational water
10 conservation measures, the proposed facility's
11 high water consumption threatens the continued
12 viability of the Mahomet Aquifer. The ethanol
13 production facility planned for development in
14 Champaign County proposes to withdraw two million
15 gallons of water daily from the Mahomet Aquifer
16 in order to produce 0.27 million gallons of
17 ethanol per day, 100 million gallons per year.
18 According to Panno and Korab (The Illinois
19 Steward, Volume 9, No. 1, Spring 2000,
20 p. 19-21), the greatest threat to the continued
21 viability of the Mahomet Aquifer comes from
22 overpumping. Panno and Korab contend it is
23 possible the surplus could vanish with the
24 addition of a few high demand users.

1 According to the Illinois State Water
2 Survey's (ISWS) continuous monitoring of head
3 (water level) at the Petro North well on Rising
4 Road, water levels in the Mahomet Aquifer west of
5 Champaign have declined by almost 50 feet as
6 withdrawals from the aquifer have increased by
7 more than 16 million gallons per day over the
8 last 50 years.

9 ISWS concludes that for every million
10 gallons of water that has been withdrawn, the
11 water level in the Mahomet Aquifer at Petro North
12 has been reduced by about three feet. They
13 estimate that there is an additional
14 approximately 50 feet of head before the Mahomet
15 Aquifer would start to be dewatered in this area
16 and that an additional approximately 16 or 17
17 million gallons of water per day can be withdrawn
18 from the Mahomet Aquifer in this area for all
19 purposes before the aquifer started to dewater.
20 The proposed withdrawal of two million gallons of
21 water per day by this plant would lower the water
22 level by about four feet.

23 In addition, Derek Win-Stanley of ISWS
24 encloses s a letter to Ms. Teri Legner, the

1 Economic Development Manager of the City of
2 Champaign, with the following statements:
3 Although the potential sustainable yield of the
4 entire aquifer is large, water withdrawals in
5 Champaign County already have created a large
6 cone of depression and reversed the east-to
7 west-flow of groundwater. Champaign County is a
8 hot spot in need of management attention.

9 For Champaign County, considering the
10 current withdrawal of 26 MGD from the aquifer and
11 the total employment, estimated in 2004 to be
12 115,638, the aquifer supports 5,227 jobs per MGD
13 water pumped. The proposed ethanol facility
14 plans to withdraw 1.8 MGD and estimates 30 to 40
15 jobs will be created. This is 19 to 25 jobs per
16 MGD as compared to 5,227 jobs per MGD currently.

17 The ISWS's best guess of aquifer's
18 remaining capacity is 16 MGD, and there are
19 already four proposed ethanol plants with a claim
20 on this remaining water (Royal, Tuscola, Gibson
21 City, and Champaign), as well as a new
22 Illinois-American water treatment plant one mile
23 north of Bondville.

24 Therefore, the remaining water could

1 support 400 new jobs (16 MGD x 25 jobs) if we use
2 the remaining water for industries as
3 water-intensive as ethanol. Or it could support
4 63,632 new jobs (16 MGD x 5,227) if we choose to
5 grow our current mix of business and industry.
6 Also of note are the facts that ethanol plants
7 attract CAFOs, which in turn attract
8 slaughterhouses, both of which are
9 water-intensive industries.

10 The proposed facility will produce and
11 discharge wastewater that must be permitted
12 appropriately in order to uphold water quality
13 standards and fully protect downstream uses. In
14 addition, the proposed plant would produce
15 500,000 to 600,000 gallons of wastewater per day,
16 or about two gallons of waste for one gallon of
17 ethanol produced.

18 Proponents claim that this discharge
19 would actually reduce or replace withdrawals from
20 the aquifer as Equistar Chemical Company has
21 already drilled wells just outside of Champaign
22 and pumps from the Mahomet Aquifer into the
23 Kaskaskia River to dilute pollution at its
24 Tuscola plant down river. This is unlikely, as

1 the water discharge from the proposed ethanol
2 plant will be full of contaminant concentrated in
3 the cooling water towers and will therefore not
4 be suitable for providing further dilution for
5 another source of contaminants.

6 Further, the receiving stream near
7 Champaign, a tributary of the Kaskaskia River,
8 may not be able to handle the proposed volume of
9 discharge without destruction of aquatic habitat
10 and erosion of bottom sediments. There is reason
11 for concern for the effects the discharge will
12 have on the tributary as the discharge will
13 account for a majority of the creek's flow during
14 the late summer and fall every year.

15 In fact, it will account for a large
16 percentage of the flow of the Kaskaskia River,
17 degrading water quality far downstream towards
18 Lake Shelbyville. Proposed discharges from the
19 Champaign ethanol plant may degrade the river
20 between Champaign and Tuscola and add to the
21 pollution flowing from there to Lake
22 Shelbyville.

23 As Illinois' water resources are finite
24 and facing increased demand, PRN is interested in

1 assuring that, one, recognition that surface and
2 groundwater supplies are connected, requiring
3 wise management of both surface and groundwater
4 withdrawals; two, adequate protection for minimum
5 in-stream flows; three, recognition of the
6 inherent ecological relationship between the
7 quantity and quality of water; and, four,
8 promotion of the most economically efficient and
9 socially fair use of this vital resource.

10 I have a few questions for
11 representatives of The Andersons. One, what
12 coordination, if any, has there been with other
13 ethanol facilities or water treatment plants
14 proposing to withdraw from the aquifer, and what
15 monitoring or safeguards will be in place to make
16 sure the aquifer is not dewatered?

17 MR. VAN NESS: My name is Phillip Van
18 Ness. I'm an attorney here in Champaign-Urbana
19 representing The Andersons. Well, the only other
20 ethanol plants that we're aware of that's in the
21 immediate vicinity are either plants that are in
22 the planning stage only, as opposed to the
23 permitting stage, or are quite a distance away.
24 We are aware of one plant that's being proposed

1 for, I believe, the Gibson City area. To be
2 precise, I would suggest that there has not been
3 any coordination, per se, on that because there
4 really hasn't been anything to coordinate with at
5 this juncture.

6 And I think your other question was with
7 respect --

8 MS. BARKLEY: What monitoring or
9 safeguards are built into facilities' plans to
10 ensure that the aquifer is not dewatered or to
11 assure that you can continue in your business
12 operation.

13 MR. VAN NESS: Well, obviously, we have
14 no interest in building a \$190 million dollar
15 project over a dry hole. We have, in fact, from
16 the very get-go, besides speaking to the Prairie
17 Rivers group, we have also been in discussions
18 with the Illinois State Water Survey. Among the
19 other positions that our plan includes is a
20 commitment to construct and operate and maintain
21 groundwater monitoring stations on our property,
22 which, oddly enough, the State Water Survey not
23 only does not have but does not have the
24 authority to require from even other water --

1 heavy water users in the area. So this will
2 actually be a first in terms of our ability to
3 map the groundwater demand in the immediate
4 vicinity.

5 We are well aware of Dr. Win-Stanley's
6 concern about cone of depression. That is a
7 phenomenon that is well-known and
8 well-documented. Recently, the water utility
9 announced plans to introduce a new series of
10 wells in the Champaign area, but of course
11 they've placed them three miles distant, and of
12 course the whole point of placing the wells
13 distant is good water management practice,
14 specifically good groundwater management
15 practice. Simply by installing the well field
16 outside the cone of depression you relieve that
17 problem.

18 Now, it must be stated that Dr.
19 Win-Stanley has been misquoted so many times that
20 sometimes it bears repeating what he did say.
21 What he did say is that there is ample -- ample,
22 even within the cone of depression -- ample
23 capacity to continue withdrawing groundwater to
24 serve the needs of this plan. On a scale of 400

1 million gallons per day, a 1.8 million withdrawal
2 doesn't count for much. And even by Dr.
3 Win-Stanley's calculations you're talking about a
4 couple of feet out of a possible 50 feet of
5 head.

6 And it should be understood, as long as
7 you're talking about head, you're not talking
8 about dewatering of the aquifer. The aquifer
9 actually lies below the head. We're talking
10 about the pressure head, and that's what you're
11 actually talking about. No one is talking about,
12 nor would we be in favor of, dewatering the
13 aquifer.

14 As I said, we have no interest and
15 certainly no economic gain to be had by
16 pumping -- by placing a \$190 million dollar
17 facility over a dry hole. By Dr. Win-Stanley's
18 calculations, by every calculation that we've
19 been able to determine from State Water Survey
20 records dating back almost 70 years, there's no
21 threat of dewatering. We are in favor of further
22 long-range study of the aquifer, and, as I said
23 earlier, we have committed to supporting that
24 long-range study of the aquifer for the very

1 reasons I've already mentioned.

2 I think there was another question --
3 part to your question.

4 MS. BARKLEY: For the record, the quote
5 that I quoted here tonight was from a letter to
6 Teri Legner.

7 MR. VAN NESS: We've all seen that
8 letter many times, but if you look at it
9 carefully, and what it says or doesn't say, it
10 doesn't say anything about the water. What he
11 says is that it is time for us to begin to look
12 at the aquifer in terms of this long-range
13 implications for planning in the future. But by
14 using his numbers, if you do the base
15 calculations, it would be analogous to driving
16 from here to Decatur and deciding that you're
17 going to put your foot on the brake in Bondville
18 because you know that there's an end point out
19 there somewhere.

20 No one suggests for a moment that the
21 aquifer is a -- is not a finite resource. We all
22 understand that it is. We also know that it's an
23 enormous resource and, if properly managed, can
24 last a long time and serve many purposes,

1 including the creation of jobs and the economic
2 activities such as The Andersons project in
3 question today.

4 MS. BARKLEY: My second question would
5 be what water conservation measures does The
6 Andersons plan to employ to come down from the
7 proposed 8 to 1 water to ethanol ratio closer to
8 the industry standard of 3 to 1?

9 MR. VAN NESS: Well, I'm just a lawyer
10 and not an engineer, so I have a hard time
11 addressing those kinds of issues. However, I
12 would be somewhat leery of the 8 to 1, 3 to 1
13 figure because, first of all, this is a state of
14 the art plant. We're talking about a plant that
15 is absolutely cutting edge in every respect. I
16 also know there's a lot of older plants out
17 there. These wet processes probably have numbers
18 in some areas look better but, in effect, are
19 not.

20 I will say that the closed loop system,
21 not one drop of process water goes out of the
22 system. It all stays in. The only water that's
23 going out, and it's a considerable amount of
24 water, nevertheless, what water is going out is

1 just the cooling water, the softening water, and
2 the filtering water that's being used in either
3 cooling down the boilers or the water that's
4 cleaned preparatory to being used in the process
5 by softening and by reverse osmosis. So that the
6 materials, the contaminants that we're talking
7 about here, for the most part, are the natural
8 minerals that are in the water already after
9 being extracted from the ground.

10 Now, that doesn't directly answer your
11 question about recycling. I will tell you that,
12 as I said, as far as the process is concerned,
13 it's all recycled because every drop of it stays
14 inside the system and never exits the system.
15 Either it goes out as product or it stays in the
16 closed loop system. What goes out the door is
17 the transient evaporation, which is a very large
18 percentage of the loss, if you will, of water
19 that goes out in terms of cooling, and the
20 balance that goes out is basically the water that
21 is left over after that and so includes some of
22 the natural native minerals.

23 As far as recycling is concerned, I'm
24 not sure from a technical standpoint that I could

1 answer that question for you. I know we can find
2 people that can, and we'll be happy to supply
3 that information to you. I know we supplied some
4 of that information to other people. Evidently,
5 we didn't supply it to your folks, and we would
6 be happy to try to address that subsequently
7 during the public comment period.

8 MS. BARKLEY: As a follow-up to that, I
9 would just like to say the Renewable Fuels
10 Association commonly quotes the 3 to 1 industry
11 standard and that newer plants are capable of
12 reaching that and just running the numbers by the
13 proposed withdrawal from Mahomet aquifer and
14 comparing that to, that's where I got the 8 to 1
15 ratio. So that's directly from the numbers that
16 were supplied to our office.

17 And it's something that, you know, I
18 think the public is not being given the full
19 story from the ethanol industry because of the
20 common phrases of 3 to 1, which is possible but
21 is not happening right now, and because of the
22 note, the idea that these plants are no
23 discharge.

24 When you say no process water discharge,

1 I understand that that water isn't coming in
2 contact with the ethanol, but that is a lot of
3 water that's coming out that's concentrated with,
4 yes, minerals but also contaminants that are in
5 Mahomet Aquifer. And there are some pretty harsh
6 chemicals that are being flushed continuously
7 through these plants. I think that's misleading,
8 to say that's all that's coming out of the
9 plant.

10 MR. VAN NESS: Well, I didn't say that
11 was all coming out of the plant. If you look,
12 you'll find our information sheet on
13 environmental issues. By the way, probably
14 should have mentioned that earlier, too, as well
15 for all the folks here, there are two sheets on
16 the back on the desk there provided by The
17 Andersons, and one of them addresses the issues
18 that you've raised in that regard.

19 Certainly not all of the material that
20 comes out in the discharge is the minerals that
21 are -- the dissolved minerals that are taken out
22 of the groundwater that's used in the cooling
23 process. However, it is overwhelmingly that
24 material; overwhelmingly that material. The

1 occasional water softening ingredient and so
2 forth that's used in the softening and the
3 reverse osmosis process, and sometimes the blow
4 down, is a very, very, tiny percentage of the
5 total. It's almost negligible.

6 And, in any event, of course, it will
7 have to pass muster with the water pollution
8 folks when the water permit is issued.
9 Obviously, if they're not addressed
10 satisfactorily, there won't be a permit.

11 MS. BARKLEY: Okay. I'm also wondering
12 if alternative cooling measures, such as dry
13 cooling water towers, have been explored to
14 reduce evaporative water loss, and in the same
15 vein, looking at alternatives to what's been
16 proposed so far, has the plan considered using
17 Champaign's southwest sewage treatment plant
18 effluent as source water as opposed to
19 groundwater, because I know it's a common
20 practice in ethanol plants in Minnesota and I
21 think there's one downstate that currently does
22 that.

23 MR. VAN NESS: Actually, we have looked
24 at that in a very preliminary way. Obviously, we

1 have a significant distance issue to deal with,
2 but it seemed to me that is probably not
3 insurmountable, it's something probably worth
4 looking at over time.

5 With respect to where we're at right
6 now, our plan was to use the water that lies
7 under our feet. But I certainly think that one
8 of the outcomes we can expect as Dr.
9 Win-Stanley's group explores how we protect and
10 preserve the aquifer would certainly include
11 beneficial and economic reuse of the waters we
12 have.

13 Something on the order of 22 million
14 gallons of water a day are exiting the southwest
15 sewage treatment plant. And while I don't think
16 that water in its current form would suffice for
17 most of the purposes of our plant, and again, I'm
18 not an engineer so I'm probably speaking out of
19 class, it is certainly not beyond the pale that
20 that water would be reusable, and I'm aware of
21 instances where such water is reused for many
22 other purposes and could possibly be, by routing,
23 pumping, and treating, made available even for --
24 for food and ethanol production purposes as we

1 have in the northwest side of Champaign,
2 including not only ourselves, but the Humko plant
3 not that far away.

4 So it's certainly something worth
5 looking at, and we have discussed that in very
6 preliminary terms, but the economics of it and
7 the quality of the water coming out right now
8 doesn't meet the standards we'd have to engage in
9 pumping, transporting, storage, and treating
10 before we could ever begin to employ it in that
11 manner. So, economically, right now it doesn't
12 make sense, but it might later on as we develop a
13 better and more realistic understanding of how to
14 take care of the water that we are using.

15 MS. BARKLEY: I just have one final
16 question. I'm wondering what measures will be
17 taken to protect the receiving stream from the
18 scouring and erosion of the discharge, because
19 the stream is very small and the discharge is on
20 the order of 720,000 gallons per day at the rate
21 of 500,000 gallons per minute.

22 MR. VAN NESS: Well, we've already had a
23 discussion with the Corps of Engineers, also with
24 the Illinois EPA Water Division folks in a

1 preliminary way. Obviously, we're going to have
2 to do some work to make sure that our outfall
3 isn't a source of erosion and also make sure that
4 we don't cause a situation that leads to stream
5 bed erosion and deterioration downstream from the
6 outfall. So those are all issues that have to be
7 looked at.

8 We take it seriously. We are aware
9 these are headwaters and, therefore, if we were
10 contributing the same flow, say, 30 miles
11 downstream it wouldn't be near as problematic as
12 it may be at this level upstream, so we are
13 cognizant of that.

14 I do know we will be expecting to employ
15 measures to prevent erosion at the outfall. The
16 question is how much more work needs to be done
17 downstream to make sure that there's no further
18 stream bed degradation. Again, this is all
19 something that becomes properly part of the water
20 discharge permit, I suppose.

21 MS. BARKLEY: One final question. When
22 is that application going to be submitted?

23 MR. VAN NESS: Well, if I had my
24 druthers, it would have been submitted last

1 month, but we had a small hang-up with our
2 friends over at the Corps of Engineers, St. Louis
3 office; those were things over which we have no
4 control. I believe we are in a position now
5 where we have gotten past that hurdle so I would
6 expect the water permit application will be
7 forthcoming shortly now that we've gotten past
8 the federal hurdle.

9 As you may or may not know, the Corps of
10 Engineers has their own 401 plan program that we
11 have to get past that gate in order to make an
12 application to the Illinois EPA with respect to
13 the water quality and other issues that you're
14 describing, but we understand now that the way
15 has been cleared for us at the Corps.

16 MS. BARKLEY: I appreciate your
17 responses. Thank you.

18 MS. GODIKSEN: Our next commenter would
19 be Stuart Levy.

20 MR. LEVY: Stuart Levy, L-e-v-y, and I'm
21 not representing any group. I had four
22 questions, but you've answered one. So I guess
23 one thing that occurred to me, a problem that I'd
24 seen at a plant in Minneapolis, was that steam

1 from this plant, which was in downtown
2 Minneapolis, which normally would rise, as you'd
3 expect for steam, would sometimes be driven by
4 local weather to go down toward the ground.

5 So this plant is, I guess, going to be
6 producing something like about 700 gallons per
7 minute of boiled water as steam, which is a great
8 deal of vapor, and it's not that far, if I read
9 the map correctly, from major roads like I-74.
10 So I'm wondering whether you've considered what
11 would happen at times when the weather might
12 drive the vapor upward from the -- from the
13 cooling towers towards a major road. Would you
14 be watching that; do you have an idea what you
15 would do in that circumstance. So that's that
16 question. Do you want to answer now or --

17 MR. VAN NESS: I'll take it. Do you
18 have another question?

19 MR. LEVY: I have a couple more.

20 MR. VAN NESS: Again, I'm not an
21 engineer. That's an issue, I suppose, we can put
22 to the folks who are. I can tell you this.
23 Based on my own personal observations at a
24 similar plant, and it was on a windy day, as I

1 recall, there were no serious emissions. It
2 sounds like a lot of steam, and it is, of course,
3 a lot of water vapor involved, but it tends to
4 dissipate very quickly.

5 I haven't -- I haven't heard any
6 discussion, not that there hasn't been any, but I
7 haven't heard any discussion with respect to what
8 happens if you get some sort of an anomalous
9 temperature inversion type situation where the
10 steam were driven to the ground, and
11 particularly, if we have flows at that point
12 heading north by northeast, I suppose you could
13 have something interfering or presumably heading
14 in the direction of the highway. But my own
15 experience, based on observation, was that the
16 steam dissipated so rapidly it didn't even reach
17 the property line.

18 I'm inclined to believe the distances
19 here, which are greater than the plant I
20 observed, would dissipate the steam in like
21 fashion. But, again, that's an issue, I suppose,
22 we can address to our engineers and ask them to
23 comment.

24 MR. LEVY: Okay. I appreciate that.

1 For the Minneapolis plant, it wasn't often a
2 problem, but when it was it was quite serious
3 because it was basically completely opaque.
4 Okay, thanks.

5 I guess another question was partly
6 answered by your fact sheet. I was wondering how
7 the corn was going to be delivered to the plant
8 and what the environmental impact of that would
9 be, because I didn't see, you know, fuel from
10 arriving trucks or whatever considered as one of
11 the -- sort of the outputs from the plant. And
12 although it doesn't belong to the plant, you
13 know, it's local pollution that would not be
14 there if the plant were not operating. So I'm
15 wondering whether you've made an estimate of
16 that.

17 MR. VAN NESS: To my knowledge, we
18 haven't made an estimate of that specific aspect
19 of it. I will tell you that we are aware that --
20 well, first of all, you need to understand that
21 the grain elevator that's in place now is already
22 the recipient of a great deal of truck traffic.
23 That great deal of truck traffic is, of course,
24 going to continue. The plant in place right now,

1 and I'm talking the grain elevator plant, will
2 become, essentially, being the feeder, the stock
3 source for the ethanol plant.

4 There will be some increase in the
5 incoming volumes, but, interestingly enough, over
6 the years we've noticed that the number of trucks
7 has actually dropped, and the reason it's dropped
8 is the trucks have gotten bigger. And they've
9 also become somewhat more fuel efficient in the
10 course of that.

11 So it's probably -- I'm speculating
12 now -- it's probably not going to be a
13 substantial increase viewed historically, because
14 as trucks have gotten larger, the loads have
15 gotten more efficient, the trucks themselves are
16 more efficient now than they were ten or fifteen
17 years ago; they're also cleaner burning than they
18 were ten or fifteen years ago, as a hole. So my
19 thought of it is the impact will probably be
20 minimal. Could I put a number on it, no, I
21 certainly couldn't. I suppose we could try to do
22 that, I have no idea where I would get that
23 information, but we can make an effort.

24 MR. LEVY: I would appreciate that. I

1 mean, I should think this kind of thing would be
2 included in this as something you'd expect as
3 part of a permitting process because I would
4 expect that the purpose of the permit would be --
5 go ahead.

6 MR. SMET: In the case of a major
7 source, those secondary impacts would be required
8 to be demonstrated by the applicant. So yes,
9 you're right, but only when it's of such a large
10 magnitude in projected emissions. This source
11 will stay below a certain threshold so those
12 requirements to explore what the emissions are
13 from those types of impacts is not required.

14 MR. LEVY: I see, thanks. Yeah, I
15 wondered what it meant to be a major source. I
16 saw that comment in the permit.

17 The other question was about -- so I see
18 that in the -- the draft permit there are quite a
19 few things that you all, The Andersons, would be
20 recording, emissions and special events and so
21 forth, and I'm wondering -- and that these would
22 be delivered to the EPA. I'm wondering whether
23 the public would also have access to them.

24 In particular, I imagine there will be

1 times when there will be complaints about odor or
2 particulates or something like that, and I'm
3 wondering whether the public or the EPA or who
4 would be capable of correlating the plant event
5 records with public complaints, how that process
6 would work.

7 MR. SMET: We have field inspectors that
8 are assigned to various regions throughout the
9 state. If they get a complaint from local
10 citizens regarding odors, dust, excess truck
11 traffic, what have you, they will go out and
12 inspect the site and write up a report. If they,
13 in their judgment, see that there's definitely a
14 nuisance problem as a result, they send that up
15 the chain at headquarters.

16 If it's so severe, I mean, it goes
17 through a violation notice, goes then through to
18 the Attorney General's Office. So there is a
19 method to starting that process to go from the
20 complaint to the inspector to a formal process to
21 address the potential violation.

22 MR. LEVY: Okay. So does that mean that
23 the plant records would get examined when there
24 are complaints and an inspector comes out and

1 otherwise they wouldn't normally be looked at, is
2 that the story, they'd be stored but not
3 necessarily examined?

4 MR. SMET: Well, I don't know what the
5 normal time period for people to inspect, for our
6 field inspectors to come out there, I want to say
7 twice a year, but I'm not sure. That's just part
8 of the normal routine of inspecting the facility,
9 is taking a look to see that the equipment is as
10 stated on the permit, that there's not something
11 there that isn't on the permit. They take a look
12 at the records to verify that production rates
13 are not exceeded.

14 To a field engineer, they can't look at
15 the stack and say, you know, gee, you're
16 exceeding 40 tons a year off that unit. What
17 they have to do is look at the survey, which --
18 the production rate, so many tons of grain going
19 through this unit or, you know, so much natural
20 gas going through this unit. So they take a look
21 at inspection at company records for inspection
22 purposes to verify whether the limits imposed in
23 the permit are met.

24 MR. LEVY: Okay. I guess I do have one

1 more question based on something you just said a
2 few minutes ago, that you were able to install
3 either sample wells or water flow measurements;
4 somehow you would be looking at the water
5 supply. And I know that there's some reporting
6 of various users' water use to the State Water
7 Survey. Would the well users also be reported
8 that way, and does the plant intend to report its
9 own use to the State Water Survey?

10 MR. VAN NESS: Well, this is one of the
11 surprises that I learned when I was first
12 involved with the project. Dr. Win-Stanley of
13 the State Water Survey was the one who informed
14 us that there really isn't any protocol around
15 for mandating people who have wells, and there
16 are thousands of them all over the state.
17 There's no protocol or requirement or mandate
18 that those people share their information with
19 the State Water Survey, and, sure as shooting,
20 most of them don't.

21 What we have agreed to do at our own
22 cost is to install, maintain, and better than us
23 reporting to Win-Stanley, such as people are just
24 down the road, his people are going to come in

1 and utilize their information themselves, as I
2 understand it. So, you know, it's basically
3 going to be their wells for their purposes on our
4 property at our expense, and it will give us a
5 picture of the aquifers locally that we have
6 never had, oddly enough, despite the fact that
7 we're supposedly sitting in the middle of a
8 rather large cone of depression.

9 So the point is that we are working with
10 the State Water Survey, who I understand are
11 thrilled that we're going to do that for them,
12 because it obviously is a very expensive
13 proposition and will fill in some of the blanks
14 in their data base.

15 MR. LEVY: It sounds as though -- you
16 certainly mentioned that you would be
17 supporting -- providing wells, sample wells, for
18 them. Is there -- will you also be measuring and
19 reporting your own -- the plant's own direct
20 extraction rate; is that the idea, too? I mean,
21 one thing would be measuring water levels at
22 points that are in the aquifer near where the
23 plant is, and that's great. I'm very glad to
24 hear that. But that might be a different thing

1 from measuring what the extraction rate is, which
2 would let you interpret the well height
3 measures.

4 MR. VAN NESS: Well, I would have to
5 double-check, but I think the permit requirement
6 is that the equipment that we have that we'll be
7 reporting to the Illinois EPA will be, in fact,
8 monitored, and the usage rates, as I think was
9 mentioned a few minutes ago, not only for natural
10 gas but for water and all the other components,
11 including the incoming grain, will be measured
12 and reported and calculated in some fashion.

13 Again, I'm not positive that there will
14 be someone out there counting gallons of water
15 that go by at a certain point, but I'm assuming
16 that that will be on some sort of internal meter
17 and will be necessary, not necessarily for, you
18 know, some sort of environmental control as it
19 would be for proper production control.

20 Obviously, they have an interest in knowing what
21 values are being drawn into the pipe in order to
22 determine the efficacy of the process.

23 Somewhere that information's out there.
24 The mechanics of that and how that takes place, I

1 couldn't tell you. I suppose I could try to find
2 out for you, but that information obviously is
3 going to be a component of the overall production
4 process.

5 MR. LEVY: Okay, that's good. I
6 appreciate it. I'm just raising this to ask if
7 the plant hadn't already been, to report those
8 numbers for the State Water Survey, if you'd also
9 become one of the water users who does report
10 their usage to the State Water Survey, that would
11 be great.

12 Thank you.

13 MS. GODIKSEN: Steven Moll.

14 MR. MOLL: All of my questions were
15 answered.

16 MS. GODIKSEN: Thank you. Is there
17 anyone else that would like to comment tonight?

18 MS. BARKLEY: I have one more question,
19 Traci Barkley with Prairie Rivers Network. I
20 have one comment, one question, actually, to
21 follow up on Stuart's comments about voluntary
22 reporting, because right now water withdrawals
23 from groundwater is strictly on a voluntary
24 basis, and State Water Survey has about 85

1 percent voluntary compliance.

2 And right now the Consortium, which is a
3 group of folks looking at the wise management of
4 the aquifer for years to come, is kicking off a
5 three year process where they'll be looking at
6 water supply in the aquifer, at water demands for
7 the next 50 years so a management plan can be put
8 in place.

9 And it's really going to be important
10 that those heavy water users, those that are
11 heavily using water from the aquifer, are
12 reporting their uses so that the models that are
13 developed are based on the best data available
14 and so we can wisely use this resource for years
15 to come. So I also would encourage The Andersons
16 to voluntarily report how much water they will be
17 withdrawing from the aquifer.

18 My question is, then, besides the
19 expense of, of course, developing the property
20 and building the plant and the permits and the
21 applications and actually drilling the wells, is
22 there any expense, is there a cost to actually
23 withdrawing the water from the aquifer; are you
24 paying a rate for the use of the water from the

1 aquifer.

2 MR. VAN NESS: Well, just the cost of
3 operating and maintaining the pumps and piping is
4 not cheap to install, and properly screening as
5 well. And that, of course, is factored in as
6 well, not only for the wells we'll be using for
7 production, but also for the monitoring wells
8 that will be used by Dr. Win-Stanley's group.

9 So no, there's no fee being paid or any
10 other cost incurred with respect to paying as,
11 for instance, you would and I would do; we draw
12 water out of the tap, we're paying Illinois
13 American Water for their treatment and their
14 delivery of the water. In this case we'll be
15 treating and delivering the water ourselves and
16 paying the price for that ourselves.

17 MS. BARKLEY: So other than operation
18 and maintenance, the water is basically free to
19 The Andersons?

20 MR. VAN NESS: Other than operation and
21 maintenance, pumping and treatment, yeah, it's
22 free.

23 MS. GODIKSEN: Is there anyone else, any
24 further comments?

1 MR. LEVY: I may have one more.

2 MS. GODIKSEN: Sure. Please state your
3 name.

4 MR. LEVY: I'm still Stuart Levy.

5 (Laughter.)

6 This may be off the wall so I won't
7 complain if you say that it's out of order, but I
8 was just wondering whether -- so I know that this
9 plant is being designed to use corn as a feed
10 stock, but I'm wondering whether the designers
11 had considered what it would take to either adapt
12 the plant or would it involve building a new
13 plant if you were to use something like prairie
14 grasses, as some people have been discussing.
15 Have you thought about it?

16 MR. VAN NESS: We've not only thought
17 about it, we are thinking about it. The
18 possibility that ethanol will somehow, sometime
19 replace corn-based ethanol is certainly on a lot
20 of people's minds. It would be our expectation
21 that however that market or however that product
22 develops over time, it would be our hope that we
23 can part of it in some way or another.

24 As you know, the University of Illinois

1 and the U of C - Berkeley are now partnering on a
2 project to look at elephant grass, which would
3 make switch grass and some of the other prairie
4 grasses look tame by comparison because it's
5 supposedly two or three times more productive
6 potentially.

7 There's a lot of potentiality out there,
8 but unfortunately, over the years, we've been
9 told by experts that cellulosic ethanol has been
10 like a moving target. It's always been just ten
11 years away, ten years away, every ten years. So
12 we're hoping, though, obviously that isn't the
13 case forever, and we are hopeful that with the
14 efforts of the University of Illinois and others
15 that maybe someday we can reach that time when
16 prairie grass is a good feed stock.

17 We are not there yet, so it's hard -- is
18 my crystal ball better than yours. It's hard to
19 say that this plant will be replaced someday by a
20 plant that works on switch grass or elephant
21 grass or whatever. But certainly The Andersons
22 has the wherewithal and the technology behind it
23 to probably be there somewhere if the -- if the
24 picture should change and the technology should

1 catch up with the promise. So let's hope.

2 MR. LEVY: Thanks.

3 MS. GODIKSEN: Any further comments?

4 Could you identify yourself for the
5 record.

6 MS. MEDINA: Karen Medina, and I'm not
7 with any organization, K-a-r-e-n, M-e-d-i-n-a. I
8 just wanted to highlight something that Traci had
9 said and to express that we are concerned about
10 the concentration of normal things that are in
11 the water that are being -- coming out of the
12 plant, and that even though, yes, there is
13 arsenic in the water that goes in, when it comes
14 out, it's much more concentrated. The citizens
15 of Champaign and everybody in the surrounding
16 area are worried about those levels and will
17 continue to be worried about those levels. And I
18 just wanted to go on record as saying that and to
19 highlight what Traci said.

20 MS. GODIKSEN: Any further comments?

21 Seeing none, I would simply like to note
22 that we will be marking certain documents as
23 exhibits, and those will become part of the
24 official record. The Notice of Public Hearing

1 will be marked Exhibit 1, a copy of the Project
2 Summary will become Exhibit 2, and a copy of the
3 Draft Permit will be marked Exhibit 3.

4 Seeing that there are no more members of
5 the public with questions or comments, we will
6 bring the hearing to a close. I would like to
7 again remind everyone that the comment period for
8 the record in this matter closes March 29th of
9 this year so your written comments must be
10 postmarked before midnight of March 29th to be
11 accepted as part of the record. Copies of the
12 exhibits are available upon request.

13 The time is now approximately 7:00, and
14 this hearing is adjourned. Thank you very much
15 for coming.

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1 STATE OF ILLINOIS)
) SS
2 COUNTY OF MC LEAN)

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7 I, FRAN A. ANDERSON, do hereby certify that I
8 am a court reporter doing business in the City of
9 Bloomington, County of McLean, State of Illinois;
10 that I reported in machine shorthand the
11 testimony given at the taking of said hearing;
12 that the transcript is a true record of the
13 testimony given at the hearing; and that the
14 foregoing is a true and correct transcript of my
15 shorthand notes so taken as aforesaid.

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