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Governor

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**CONSTRUCTION PERMIT
OFFICE OF AIR MANAGEMENT**

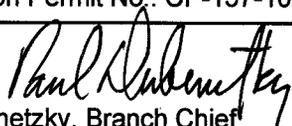
**A. E. Staley Manufacturing Company
2245 North Sagamore Parkway
Lafayette, IN 47901**

is hereby authorized to construct

two new reactors, identified as 15VAAA & 15VBBB, exhausting to one new propylene oxide scrubber identified as 15FXXX connected to one (1) stack identified as S/V #50. These two reactors will work in conjunction with eleven (11) existing reactors, which will also exhaust to scrubber 15FXXX.

The maximum capacity is considered confidential information as requested by A.E. Staley Manufacturing Company.

This permit is issued to the above mentioned company (herein known as the Permittee) under the provisions of 326 IAC 2-1 and 40 CFR 52.780, with conditions listed on the attached pages.

Construction Permit No.: CP-157-10232-00003	
Issued by:  Paul Dubenetzky, Branch Chief Office of Air Management	Issuance Date: October 12, 1999

Construction Conditions

General Construction Conditions

1. That the data and information supplied with the application shall be considered part of this permit. Prior to any proposed change in construction which may affect allowable emissions, the change must be approved by the Office of Air Management (OAM).
2. That this permit to construct does not relieve the permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.

Effective Date of the Permit

3. That pursuant to IC 13-15-5-3, this permit becomes effective upon its issuance.
4. That pursuant to 326 IAC 2-1.1-9(5) (Revocation), the Commissioner may revoke this permit if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.
5. That notwithstanding Construction Condition No. 6, all requirements and conditions of this construction permit shall remain in effect unless modified in a manner consistent with procedures established for modifications of construction permits pursuant to 326 IAC 2 (Permit Review Rules).

First Time Operation Permit

6. That this document shall also become a first-time operation permit pursuant to 326 IAC 2-1-4 (Operating Permits) when, prior to start of operation, the following requirements are met:
 - (a) The attached affidavit of construction shall be submitted to the Office of Air Management (OAM), Permit Administration & Development Section, verifying that the facilities were constructed as proposed in the application. The facilities covered in the Construction Permit may begin operating on the date the Affidavit of Construction is postmarked or hand delivered to IDEM.
 - (b) If construction is completed in phases; i.e., the entire construction is not done continuously, a separate affidavit must be submitted for each phase of construction. Any permit conditions associated with operation start up dates such as stack testing for New Source Performance Standards (NSPS) shall be applicable to each individual phase.
 - (c) The Permittee shall receive an Operation Permit Validation Letter from the Chief of the Permit Administration & Development Section and attach it to this document.
 - (d) The operation permit will be subject to annual operating permit fees pursuant to 326 IAC 2-7-19 (Fees).
 - (e) The Permittee has submitted a Part 70 application (T159-6009-00003) on May 31, 1996 for the existing source. The equipment being reviewed under this permit shall be incorporated in the submitted Part 70 application.
7. That when the facility is constructed and placed into operation the following operation conditions shall be met:

Operation Conditions

General Operation Conditions

1. That the data and information supplied in the application shall be considered part of this permit. Prior to any change in the operation which may result in an increase in allowable emissions exceeding those specified in 326 IAC 2-1-1 (Construction and Operating Permit Requirements), the change must be approved by the Office of Air Management (OAM).
2. That the permittee shall comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder.

Preventive Maintenance Plan

3. That pursuant to 326 IAC 1-6-3 (Preventive Maintenance Plans), the Permittee shall prepare and maintain a preventive maintenance plan, including the following information:
 - (a) Identification of the individual(s) responsible for inspecting, maintaining, and repairing emission control devices.
 - (b) A description of the items or conditions that will be inspected and the inspection schedule for said items or conditions.
 - (c) Identification of the replacement parts which will be maintained in inventory for quick replacement.

The preventive maintenance plan shall be submitted to IDEM, OAM upon request and shall be subject to review and approval.

Transfer of Permit

4. That pursuant to 326 IAC 2-1-6 (Transfer of Permits):
 - (a) In the event that ownership is changed, the Permittee shall notify OAM, Permits Branch, within thirty (30) days of the change. Notification shall include the date or proposed date of said change.
 - (b) The written notification shall be sufficient to transfer the permit from the current owner to the new owner.
 - (c) The OAM shall reserve the right to issue a new permit.

Permit Revocation

5. That pursuant to 326 IAC 2-1.1-9 (Revocation), this permit to construct and operate may be revoked for any of the following causes:
 - (a) Violation of any conditions of this permit.
 - (b) Failure to disclose all the relevant facts, or misrepresentation in obtaining this permit.
 - (c) Changes in regulatory requirements that mandate either a temporary or permanent reduction of discharge of contaminants. However, the amendment of appropriate sections of this permit shall not require revocation of this permit.
 - (d) Noncompliance with orders issued pursuant to 326 IAC 1-5 (Episode Alert Levels) to reduce emissions during an air pollution episode.

- (e) For any cause which establishes in the judgment of IDEM, the fact that continuance of this permit is not consistent with purposes of 326 IAC 2-1 (Permit Review Rules).

Availability of Permit

- 6. That pursuant to 326 IAC 2-1-3(l), the Permittee shall maintain the applicable permit on the premises of this source and shall make this permit available for inspection by the IDEM, or other public official having jurisdiction.

Performance Testing

- 7. That pursuant to 326 IAC 2-1-3 (Construction and Operating Permit Requirements) compliance stack tests shall be performed for volatile organic compound emissions and efficiency of the packed bed scrubber from the starch slurry reactors (S/V #50) within 60 days after achieving maximum production rate, but no later than 180 days after initial start-up. These tests shall be performed according to 326 IAC 3-6 (Source Sampling Procedures) using the methods specified in the rule or as approved by the Commissioner.
 - (a) A test protocol shall be submitted to the OAM, Compliance Data Section, 35 days in advance of the test.
 - (b) The Compliance Data Section shall be notified of the actual test date at least two (2) weeks prior to the date.
 - (c) All test reports must be received by the Compliance Data Section within 45 days of completion of the testing.
 - (d) If the results of the stack test performed exceed the level specified in this permit, appropriate corrective actions shall be implemented as soon as practical upon receipt of the test results. The Permittee shall minimize emissions while the corrective actions are being implemented.
 - (e) If the results of the stack test performed exceed the level specified in this permit, a second test to demonstrate compliance shall be performed. Failure to demonstrate compliance may be grounds for immediate revocation of this permit to operate the affected facility pursuant to 326 IAC 2-1.1-9.

Malfunction Condition

8. That pursuant to 326 IAC 1-6-2 (Records; Notice of Malfunction):

- (a) A record of all malfunctions, including startups or shutdowns of any facility or emission control equipment, which result in violations of applicable air pollution control regulations or applicable emission limitations shall be kept and retained for a period of three (3) years and shall be made available to the Indiana Department of Environmental Management (IDEM), Office of Air Management (OAM) or appointed representative upon request.
- (b) When a malfunction of any facility or emission control equipment occurs which lasts more than one (1) hour, said condition shall be reported to OAM, using the Malfunction Report Forms (2 pages). Notification shall be made by telephone or facsimile, as soon as practicable, but in no event later than four (4) daytime business hours after the beginning of said occurrence.
- (c) Failure to report a malfunction of any emission control equipment shall constitute a violation of 326 IAC 1-6, and any other applicable rules. Information of the scope and expected duration of the malfunction shall be provided, including the items specified in 326 IAC 1-6-2(a)(1) through (6).
- (d) Malfunction is defined as any sudden, unavoidable failure of any air pollution control equipment, process, or combustion or process equipment to operate in a normal and usual manner. [326 IAC 1-2-39]

Annual Emission Reporting

9. That pursuant to 326 IAC 2-6 (Emission Reporting), the Permittee must annually submit an emission statement for the source. This statement must be received by July 1 of each year and must comply with the minimum requirements specified in 326 IAC 2-6-4. The annual statement must be submitted to:

Indiana Department of Environmental Management
Technical Support and Modeling Section, Office of Air Management
100 North Senate Avenue, P. O. Box 6015
Indianapolis, Indiana 46206-6015

The annual emission statement covers the twelve (12) consecutive month time period starting January 1 and ending December 31.

Emergency Reduction Plans

10. Pursuant to 326 IAC 1-5-2 (Emergency Reduction Plans; Submission):

- (a) The Permittee prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures on July 16, 1999.
- (b) If the ERP is disapproved by IDEM, OAM, the permittee shall have an additional thirty (30) days to resolve the differences and submit an approvable ERP. If after this time, the permittee does not submit an approvable ERP, IDEM, OAM, shall supply such a plan.
- (c) These ERPs shall state those actions that will be taken, when each episode level is declared, to reduce or eliminate emissions of the appropriate air pollutants.
- (d) Said ERPs shall also identify the sources of air pollutants, the approximate amount of reduction of the pollutants, and a brief description of the manner in which the reduction will be achieved.

- (e) Upon direct notification by IDEM, OAM, that a specific air pollution episode level is in effect, the permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate level. [326 IAC 1-5-3]

Volatile Organic Compound (VOC) Limitation

- 11. That pursuant to 326 IAC 8-1-6, the input of propylene oxide to the propylated starch production for the acid killed and the non-acid killed steps shall be limited to 15,000 tons per 12 consecutive month period. This limitation, including the effect of the packed bed scrubber, will prevent the VOC from the process being greater than 40 tons per year. This limitation requires the use of a packed bed scrubber with a minimum reduction efficiency of 95%. This packed bed scrubber is accepted as being BACT for this operation.

During the first 12 months of operation, the propylene oxide usage shall be limited such that the total propylene oxide used in the accumulated months divided by the accumulated months of operation shall not exceed 1250 tons per month.

Scrubber Operating Condition

- 12. That the scrubber for the starch slurry reactors shall be operated at all times when the reactors are in operation.
 - (a) The Permittee shall continuously monitor and record the flow rate of the scrubber. Unless operated under conditions for which the Preventive Maintenance Plan specifies otherwise, the flow rate of the scrubber shall be maintained at a minimum of 390 gallons of liquid per minute.
 - (b) The instruments used for determining the flow rate shall be calibrated in accordance with the manufacturer's specifications or shall be subject to approval by IDEM.
 - (c) An inspection shall be performed semi-annually of the scrubber. Defective scrubber part(s) shall be replaced. A record shall be kept of the results of the inspection and the number of scrubber part(s) replaced.
 - (d) In the event that a scrubber's failure has been observed:
 - (i) The affected process will be shut down immediately until the failed unit has been replaced. A record shall be made of steps taken to address the failed unit.

Reporting Requirements

13. That a log of information necessary to document compliance with Operation Condition 11 shall be maintained. These records shall be kept for at least the past 36 month period and made available upon request to the Office of Air Management (OAM).
- (a) A quarterly summary shall be submitted to:
- Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015
- within thirty (30) calendar days after the end of the quarter being reported in the format attached.
- (b) Unless otherwise specified in this permit, any notice, report, or other submissions required by this permit shall be timely if:
- (i) Postmarked on or before the date it is due; or
- (ii) Delivered by any other method if it is received and stamped by IDEM, OAM, on or before the date it is due.
- (c) All instances of deviations from any requirements of this permit must be clearly identified in such reports.
- (d) The probable cause of such deviations and any corrective actions or preventive measures taken must be clearly identified in such reports.
- (e) The first report shall cover the period between the postmarked submission date of the Affidavit of Construction and the end of the quarterly period.

MALFUNCTION REPORT

**INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
OFFICE OF AIR MANAGEMENT
FAX NUMBER - 317 233-5967**

**This form should only be used to report malfunctions applicable to Rule 326 IAC 1-6
and to qualify for the exemption under 326 IAC 1-6-4.**

THIS FACILITY MEETS THE APPLICABILITY REQUIREMENTS BECAUSE: IT HAS POTENTIAL TO EMIT 25 LBS/HR PARTICULATES ? _____, 100 LBS/HR VOC ? _____, 100 LBS/HR SULFUR DIOXIDE ? _____ OR 2000 LBS/HR OF ANY OTHER POLLUTANT ? _____ EMISSIONS FROM MALFUNCTIONING CONTROL EQUIPMENT OR PROCESS EQUIPMENT CAUSED EMISSIONS IN EXCESS OF APPLICABLE LIMITATION _____.

THIS MALFUNCTION RESULTED IN A VIOLATION OF: 326 IAC _____ OR, PERMIT CONDITION # _____ AND/OR PERMIT LIMIT OF _____

THIS INCIDENT MEETS THE DEFINITION OF 'MALFUNCTION' AS LISTED ON REVERSE SIDE ? Y N

THIS MALFUNCTION IS OR WILL BE LONGER THAN THE ONE (1) HOUR REPORTING REQUIREMENT ? Y N

COMPANY: _____ PHONE NO. () _____

LOCATION: (CITY AND COUNTY) _____

PERMIT NO. _____ AFS PLANT ID: _____ AFS POINT ID: _____ INSP: _____

CONTROL/PROCESS DEVICE WHICH MALFUNCTIONED AND REASON: _____

DATE/TIME MALFUNCTION STARTED: ____/____/19____ AM / PM

ESTIMATED HOURS OF OPERATION WITH MALFUNCTION CONDITION:

DATE/TIME CONTROL EQUIPMENT BACK-IN SERVICE ____/____/19____ AM/PM

TYPE OF POLLUTANTS EMITTED: TSP, PM-10, SO2, VOC, OTHER: _____

ESTIMATED AMOUNT OF POLLUTANT EMITTED DURING MALFUNCTION: _____

MEASURES TAKEN TO MINIMIZE EMISSIONS: _____

REASONS WHY FACILITY CANNOT BE SHUTDOWN DURING REPAIRS:

CONTINUED OPERATION REQUIRED TO PROVIDE ESSENTIAL* SERVICES: _____

CONTINUED OPERATION NECESSARY TO PREVENT INJURY TO PERSONS: _____

CONTINUED OPERATION NECESSARY TO PREVENT SEVERE DAMAGE TO EQUIPMENT: _____

INTERIM CONTROL MEASURES: (IF APPLICABLE) _____

MALFUNCTION REPORTED BY: _____ TITLE: _____
(SIGNATURE IF FAXED)

MALFUNCTION RECORDED BY: _____ DATE: _____ TIME: _____

**Please note - This form should only be used to report malfunctions
applicable to Rule 326 IAC 1-6 and to qualify for
the exemption under 326 IAC 1-6-4.**

326 IAC 1-6-1 Applicability of rule

Sec. 1. The requirements of this rule (326 IAC 1-6) shall apply to the owner or operator of any facility which has the potential to emit twenty-five (25) pounds per hour of particulates, one hundred (100) pounds per hour of volatile organic compounds or SO₂, or two thousand (2,000) pounds per hour of any other pollutant; or to the owner or operator of any facility with emission control equipment which suffers a malfunction that causes emissions in excess of the applicable limitation.

326 IAC 1-2-39 “Malfunction” definition

Sec. 39. Any sudden, unavoidable failure of any air pollution control equipment, process, or combustion or process equipment to operate in a normal and usual manner. (Air Pollution Control Board; 326 IAC 1-2-39; filed Mar 10, 1988, 1:20 p.m. : 11 IR 2373)

***Essential services** are interpreted to mean those operations, such as, the providing of electricity by power plants. Continued operation solely for the economic benefit of the owner or operator shall not be sufficient reason why a facility cannot be shutdown during a control equipment shutdown.

If this item is checked on the front, please explain rationale:

**Indiana Department of Environmental Management
Office of Air Management**

Addendum #2 to the
Technical Support Document for New Construction and Operation

Source Name:	A. E. Staley Manufacturing Company
Source Location:	2245 North Sagamore Parkway, Lafayette, Indiana
County:	Tippecanoe
Construction Permit No.:	CP-157-10232-00003
SIC Code:	2046
Permit Reviewer:	Allen R. Davidson

On September 13, 1999, the Office of Air Management (OAM) received verbal notice from Danelle Marks, an attorney representing A. E. Staley Manufacturing Company (Staley), that Staley no longer needed to install Spray Dryer #2 due to current market conditions. A. E. Staley was willing to remove the spray dryer from the permit application, but the propylene oxide reactors were still desired.

With the deletion of the spray dryer and its related components from the permit, all issues addressed in the previous addendum related to Prevention of Significant Deterioration become irrelevant. Emissions of all pollutants from the modification except VOC and HAPs become zero.

All references of Spray Dryer #2, including the storage bin modifications and the dryer feed tanks, have been removed from the permit. The following changes were made:

Performance Testing

7. That pursuant to 326 IAC 2-1-3 (Construction and Operating Permit Requirements) compliance stack tests shall be performed for ~~PM-10 emissions from Spray Dryer System #2 (S/V 335), as stated in Operation Condition 13,~~ and for volatile organic compound emissions and efficiency of the packed bed scrubber from the starch slurry reactors (S/V #50) within 60 days after achieving maximum production rate, but no later than 180 days after initial start-up. These tests shall be performed according to 326 IAC 3-6 (Source Sampling Procedures) using the methods specified in the rule or as approved by the Commissioner.
 - (a) A test protocol shall be submitted to the OAM, Compliance Data Section, 35 days in advance of the test.
 - (b) The Compliance Data Section shall be notified of the actual test date at least two (2) weeks prior to the date.
 - (c) All test reports must be received by the Compliance Data Section within 45 days of completion of the testing.
 - (d) If the results of the stack test performed exceed the level specified in this permit, appropriate corrective actions shall be implemented as soon as practical upon receipt of the test results. The Permittee shall minimize emissions while the corrective actions are being implemented.
 - (e) If the results of the stack test performed exceed the level specified in this permit, a second test to demonstrate compliance shall be performed. Failure to demonstrate compliance may be grounds for immediate revocation of this permit to operate the affected facility pursuant to 326 IAC 2-1.1-9.

Opacity Limitations

10. That pursuant to 326 IAC 5-1-2 (Opacity Limitations) except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), the opacity shall meet the following, unless otherwise stated in this permit:

- (a) Opacity shall not exceed an average of forty percent (40%) any one (1) six (6) minute averaging period as determined in 326 IAC 5-1-4.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings) as measured according to 40 CFR 60, Appendix A, Method 9 or fifteen (15) one (1) minute nonoverlapping integrated averages for a continuous opacity monitor in a six (6) hour period.

Production Limitation

12. That pursuant to 326 IAC 2-2, the production rate of the starch, using the acid-killed step of the process, shall be limited to 280,000,000 pounds per twelve (12) consecutive month time period. Additionally, the production rate of the starch, using the non-acid killed step of the process, shall be limited to 20,000,000 pounds per twelve (12) consecutive month time period.

13. That pursuant to 326 IAC 2-2, the particulate matter less than 10 microns (PM-10) associated with Spray Dryer #2 from stack S/V #335 shall be limited to 3.22 pounds per hour. The air flow rate shall not be greater than 100,000 acfm and the grain loading shall not be greater than 0.0047 grains per standard cubic foot. In the event that it is not possible to test Spray Dryer #2 without also operating Spray Dryer #1, the combined emissions from the two dryers must comply with this condition. This limitation, along with Operation Conditions 12 and 15, will make 326 IAC 2-2 and 40 CFR 52.21 not applicable.

Baghouse Operating Condition

15. That pursuant to rule 326 IAC 6-3, the particulate matter control devices for spray dryer #2 shall be operated at all times when the spray dryer is in operation.

- (a) Visible emission notations of all exhaust to the atmosphere from S/V #335 shall be performed once per day. A trained employee will record whether emissions are normal or abnormal:
 - (i) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail.
 - (ii) In the case of batch or discontinuous operation, readings shall be taken during that part of the operation specified in the facility's specific condition prescribing visible emissions.
 - (iii) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal and abnormal visible emissions for that specific process.
 - (iv) When an abnormal emission is observed, the Permittee shall complete the Pollution Control Equipment Maintenance & Inspection Log sheet, a copy of which is contained as Attachment 1 to this permit.

- ~~(b) An inspection shall be performed semi-annually of the all the baghouses. Defective bags shall be replaced. A record shall be kept of the results of the inspection and the number of bags replaced.~~
- ~~(c) In the event that a bag's failure has been observed:
 - ~~(i) The affected compartments will be shut down immediately until the failed units have been replaced.~~
 - ~~(ii) If appropriate, an investigation regarding the cause of bag failure will be conducted and an appropriate response will be initiated within 24 hours of discovery.~~~~
- ~~(d) The air flow rate from S/V #335 shall be recorded once per day, at approximately the same time of day as the visible emission notation.~~

Reporting Requirements

17: 13. That a log of information necessary to document compliance with ~~operation~~ **Operation permit conditions no. Condition 11, 12, 14, 15 and 16** shall be maintained. These records shall be kept for at least the past 36 month period and made available upon request to the Office of Air Management (OAM).

- (a) A quarterly summary shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

within thirty (30) calendar days after the end of the quarter being reported in the format attached ~~for Conditions 12 and 14.~~

- (b) Unless otherwise specified in this permit, any notice, report, or other submissions required by this permit shall be timely if:
 - (i) Postmarked on or before the date it is due; or
 - (ii) Delivered by any other method if it is received and stamped by IDEM, OAM, on or before the date it is due.
- (c) All instances of deviations from any requirements of this permit must be clearly identified in such reports.
- (d) The probable cause of such deviations and any corrective actions or preventive measures taken must be clearly identified in such reports.
- (e) The first report shall cover the period between the postmarked submission date of the Affidavit of Construction and the end of the quarterly period.

**Indiana Department of Environmental Management
Office of Air Management**

Addendum to the
Technical Support Document for New Construction and Operation

Source Name:	A. E. Staley Manufacturing Company
Source Location:	2245 North Sagamore Parkway, Lafayette, Indiana
County:	Tippecanoe
Construction Permit No.:	CP-157-10232-00003
SIC Code:	2046
Permit Reviewer:	Allen R. Davidson

On February 5, 1999, the Office of Air Management (OAM) had a notice published in the Lafayette Journal and Courier stating that A. E. Staley Manufacturing Company (Staley) had applied for a construction permit to construct and operate a new spray dryer and flash dryer system and an increase in the capacity of propylated starch processing. The notice also stated that OAM proposed to issue a permit for this installation and provided information on how the public could review the proposed permit and other documentation. Finally, the notice informed interested parties that there was a period of thirty (30) days to provide comments on whether or not this permit should be issued as proposed. Twelve written comments were received, many with requests for a public hearing. A. E. Staley Manufacturing Company submitted written comments on the proposed construction permit also.

On March 10, 1999, OAM had a notice published in the Lafayette Journal and Courier that a public hearing would be held on the proposed permit at 7:00 p.m on Thursday, March 25, 1999 in the Tippecanoe Room at the County Commissioner's Office, Lafayette, Indiana. About eighty people attended the hearing, and twenty-five people made comments at the hearing.

The summary of the comments and corresponding responses appear below. Since many of the comments are similar in nature they have been grouped together for one response.

Comment:

If it looks like the permit is going to comply with the law, then they're going to get the go, and so if they're going to comply with the law, what we say here really doesn't have much of an impact other than us getting more information about how they comply with the law; is that right?

Comment:

It just kind of blows my mind that we can all complain and object to all this, but it is really not going to have much of an effect at the end.

Response:

It is the experience of OAM that public hearings bring up many valid regulatory issues, even when the commentators are unsure of the regulatory issues themselves. A permit will be denied if a comment brings up unresolvable conflicts with the regulations. More likely is the possibility that the comments can be resolved, resulting in a final permit that has stronger conditions than would have happened if the hearing had not taken place.

Comment:

Are there any additional requirements that you might suggest as a result of this meeting?

Response:

All changes and additional requirements as a result of the public hearing are explained further in this addendum, with additions in **bold** font and deletions in ~~strikeout~~ font.

Comment:

No matter how many people that live in Lafayette and West Lafayette and Tippecanoe County in general, no matter how many of us or even for the whole state don't want the pollution increased, that's irrelevant?

Response:

When people get that involved and have that much concern, laws and regulations can be changed. The Indiana Air Pollution Control Board can be petitioned for a rule change with as little as 200 signatures. (Procedures are listed further in this addendum.) In addition, letters requesting a law change can be written to the Governor or to local state legislators, c/o State House, North Capitol Avenue, Indianapolis, IN 46204. Communities may also adopt and implement local standards that are more stringent than state and federal law.

Comment:

This application to modify and expand production at the Sagamore plant, dated February 2, 1999, follows by less than a year the construction and operation permit for modifications to a flash dryer system, dated April 2, 1998.

Response:

The regulations do not place any requirements on an emission source to wait a certain amount of time after receiving a permit before applying for the next permit. However, they do provide for the combining of permit applications if an applicant is submitting applications in parallel. Per EPA guidelines, all permit applications received within one year of each other are reviewed to see if they are related. This application was received on October 7, 1998, six months after the issuance of CP 157-9182, which was received on November 4, 1997. That application involved Flash Dryer #3, which is not used in the propylated starch production process. If the equipment had been related, the new construction permit application may have included the related equipment and superseded the previous permit.

Comment:

In view of the fact that all production numbers are up, we are concerned. For example: 1993 SO₂, 4,774 tons; 1996 SO₂, 11,463 tons.

Response:

The numbers stated are for uncontrolled potential emissions. The numbers are useful for determining rule applicability, but are often a poor indicator of actual emissions. An analogy is an automobile that can "potentially" travel 525,600 miles per year if driven at 60 miles/hr for an entire year. Actual emissions are considerably less than potential emissions for most emission sources.

Actual emissions remain within the Sagamore plant's legal parameters. The plant reported sulfur dioxide emissions of 1550 tons in 1997 (the latest year in which data is readily available). The plant has controlled potential to emit of 1700 tons per year of sulfur dioxide.

Comment:

Am I correct in understanding that they already emit 220.5 tons of particulate matter out of the North Plant per year so it would be an additional 15 tons on to that, 235.35 tons of this particulate matter that is under 10 microns in diameter, that would be the number we're looking at?

Response:

That understanding is basically correct. The plant reported actual particulate matter emissions of 219.3 tons in 1997. Since no tests were done to distinguish size, it must all be considered less than 10 microns in diameter. Emissions from this modification cannot exceed 15 tons per year without being considered a major modification. Therefore, 234.3 tons per year is a realistic estimate of actual PM-10 emissions if the modification is approved.

Comment:

Has A. E. Staley been in compliance, or have they had violations over say the past five years?

Comment:

There is a disturbing history of episodes or violations as reported by IDEM, your agency, and identified as Cause Number A-2439, A-3122, A-3147, and A-3186: reporting notices of violations from a period of January 1992 through December 1994, August of 1995, September of 1995, and monitoring violations of 1994, 1995, and the first quarter of 1996.

Response:

OAM is aware of the violations identified in those four cause numbers. They were all combined into one Agreed Order. Causes A-3122 and A-3147 involved opacity and particulate matter exceedances at the South Plant. Causes A-2439 and A-3186 involved two improperly calibrated continuous emission monitors, for opacity and sulfur dioxide (SO₂), on a boiler at the Sagamore plant. Staley was assessed a civil penalty of \$161,500 but the agreed order provided that the penalty could be abated in exchange for undertaking a \$1.5 million odor control project that would not otherwise be required by federal or state law at the South Plant's wastewater treatment plant.

Comment:

I don't know from '96 to three quarters in '96 or '97 or '98, if the notices of violation are available now or whether they are in your files at this time.

Response:

There were no Notices of Violation (NOVs) issued to A.E. Staley for air violations at the Sagamore plant since the first quarter of 1996. The Office of Enforcement's Monthly Activity Reports are available from the Internet at <http://www.state.in.us/idem/oe/monthly.html>. For recent years, the reports will also provide links to the actual notices of violation and agreed orders.

Comment:

What are the releases involved with this permit as far as chemicals and particulates released?

Comment:

What are the chemicals or the make-up of the carcinogens, pollutants that are out there in the air that will be emitted?

Comment:

Can we ask you to research and give us information about what demonstrates that this really is not going to cause any health risks to the citizens, this particular increase in pollutants?

Response:

The dryer will emit pollutants from the combustion of natural gas, and from starch during the drying process. The combustion emissions are primarily carbon monoxide and nitrogen oxides, with small amounts of particulate matter and volatile organic compounds. The starch emissions are considered to be particulate matter.

The starch slurry reactors emit a volatile organic compound known as propylene oxide. EPA has classified propylene oxide as a Group B2 carcinogen. Propylene oxide has been observed to cause tumors when administered directly to rodents. However, EPA's Office of Air Quality Planning and Standards, for a hazard ranking under Section 112(g) of the Clean Air Act Amendments, has ranked propylene oxide in the nonthreshold category.

OAM used a mathematical model to determine concentrations of propylene oxide at the plant's property line and compared the results to OSHA permissible exposure limits (PELs), which are standards used to protect employee safety in the workplace. This model included existing and proposed propylene oxide emissions. The PEL for propylene oxide is 240.0 mg/m³ (milligrams per cubic meter). The model's highest 8-hour concentration at the property line was 0.785 mg/m³. The model's average annual concentration at the property line was 0.090 mg/m³.

OAM used a slightly different mathematical model to determine concentrations of particulate matter at the plant's property line and compared the results to the National Ambient Air Quality Standards (NAAQS), which are standards used to determine the extent of air pollution in a geographic region. This model only evaluated proposed PM emissions; actual ambient monitoring data was used to evaluate the existing plant. The standards for particulate matter are 150.0 $\mu\text{g}/\text{m}^3$ (micrograms per cubic meter) on a 24-hour average and 50.0 $\mu\text{g}/\text{m}^3$ (micrograms per cubic meter) on an annual average. The model's highest 24-hour concentration at the property line was 7.2 $\mu\text{g}/\text{m}^3$ for Spray Dryer #2, and Staley's highest actual recorded reading at its ambient air monitors is 74 $\mu\text{g}/\text{m}^3$. The model's average annual concentration at the property line was 1.44 $\mu\text{g}/\text{m}^3$ for Spray Dryer #2, and Staley's actual average at its ambient air monitors is 30.5 $\mu\text{g}/\text{m}^3$.

Comment:

What kind of an impact with our present problems will this new addition have?

Comment:

It seems to me the issue is that the increase of production of this plant is also going to be an increase of pollution; is that correct?

Response:

The Sagamore plant's emissions of PM-10 will increase approximately 5% if the application is approved. The Sagamore plant's emissions of volatile organic compounds are expected to be about the same if the application is approved, as new emissions will be offset by improved controls on existing emissions. Changes in actual emissions are likely to vary since it is not likely that A. E. Staley would process the same percentage of its total starch production as propylated starch every month.

Comment:

Back in 1996, A.E. Staley was ranked as one of the top 20 percent of the facilities in the U.S. for releasing of recognized carcinogens and kidney toxicants, suspected kidney toxicants. Mainly the chemical acetaldehyde. What's the emission standing on that as far as poundage released?

Response:

Acetaldehyde is treated as a hazardous air pollutant under the Clean Air Act regulations. There is no acetaldehyde associated with the plant modifications in this permit.

Comment:

With the permit, will you follow up or will the citizens have to call upon you to follow up on that? Do you follow up to find out if it is putting out more; that this isn't working the way they told you it would on paper?

Comment:

Does the EPA come down and do the testing or do they ask you guys to go out and retest again?

Comment:

It seems like there is a pretty big range of time within which testing needs to be done, 60 days after getting the maximum production, but no later than 180 days six months after they first start.

Response:

OAM will require testing as a follow up to ensure that actual emissions do not exceed the limits established in the permit. Once the facilities have been constructed, rule 326 IAC 3-6 gives the source a period of no more than 180 days to solve any production problems and test emissions. The tests may be required sooner; if the facilities reach maximum production the source must test within 60 days of that date. Testing is performed while operating at least 95% of maximum capacity in order to get a worst-case emission rate. If maximum production cannot be achieved within 180 days of startup, the testing is performed at the highest production rate possible and the facility's capacity is downgraded.

Compliance testing is performed only once for construction permit purposes, unless a failed or invalid test requires an additional test. However, A. E. Staley has a Part 70 operating permit pending and this application will be incorporated into the Part 70 permit. The Part 70 permit will require compliance testing once every five years.

The testing is done by an independent third party hired by A.E. Staley with oversight by OAM. An OAM compliance testing specialist must be present to ensure that the tests are performed correctly according to EPA-prescribed test methods. There are specific deadlines listed in 326 IAC 3-6 for the testing and reporting procedures. They are stated in Operation Condition 7(a) through 7(c).

Additionally, the source has scheduled and unscheduled inspections by OAM. These inspections are a check to determine whether the source is following the conditions stated in the permit. Anyone who believes the plant's emissions are excessive for any reason may contact the OAM inspector for Tippecanoe County, Eric Courtright, at 317-233-5674 or at 1-800-451-6027, extension 3-5674.

Comment:

Tippecanoe County is the third worst county in the state for pollution. There is clearly the need for improvement.

Response:

It is not clear what data or information was the basis for this comment. In terms of air quality measurements, Tippecanoe County has been classified as meeting all health-based air quality standards. Pollutants that are not regulated under the health-based standards will be controlled further under the federal Title V permit program, which will establish more stringent technology-based standards. In the meantime, permits may be issued for new facilities if existing technology-based and health-based standards are met.

Comment:

I wanted to specifically ask in the permit for some information on Page 5, Section 7, on performance testing. One of the things you said they do is test and I'm not sure what all is involved here. We're talking about performance testing on the particulate matter emissions and the VOC emissions and the efficiency of the scrubber.

Response:

The dryer system must be tested for particulate matter emissions only. The starch slurry reactors must be tested for VOC emissions and for control device efficiency. The efficiency of the scrubber can be calculated based on the VOC emission test data and a determination of the amount of propylene oxide loss from the reactors.

Comment:

The question I have is if you are changing your production, is it going to be parallel with what's going on at the south plant, and I guess maybe you are not the right ones to judge that, but certainly I would like to know with this increase in production are they doing it to mirror what is going on at the south plant?

Comment:

If it is to parallel what's happening on the south side, I think we have got a much bigger problem than what we're hearing.

Response:

There is no similar source modification currently being sought for A.E. Staley South Plant. If this permit is approved, it will cause the plants to become more dissimilar than at present relative to emissions.

Comment:

We need you as the experts to translate the numbers and the trade-offs in ways that we can understand. For example, we know we live close to these plants that operate 24-hour schedules and are constantly increasing production. We don't know how much because maximum capacity of each facility is a trade secret requested by A.E. Staley.

Response:

The fact that the permit does not state the maximum capacity of any of the facilities does not grant Staley license to operate at any capacity they please. Staley is obligated not to exceed the capacity by Operation Condition 1, which incorporates the confidential data in the application with the permit. Also, when companies request confidentiality on maximum capacity, OAM places conditions in the permit to ensure that the maximum capacities are not secretly exceeded. This was done automatically by Operation Conditions 12 and 14, which are necessary to avoid the federal requirements known as Prevention of Significant Deterioration (PSD). Compliance with the limitations in those conditions means Staley cannot exceed the maximum capacity of the facilities.

Comment:

My first question is on Page 7 of 14 in the permit. I have a problem with understanding "contemporaneous decreases." I guess I need an explanation for that to try to understand what those words mean.

Comment:

The stated amount of contemporaneous decreases is incorrect for PM emissions. The amount of contemporaneous PM decreases should be 129.5 tons per year. This value is obtained by adding the PM decrease due to installation of the feed dryer scrubber (129 tons per year) with the shutdown of the Flash 11 Air Sweep Collector (0.50 tons per year). Thus, with a proposed PM increase of 24.7 tons per year from the spray dryer (as shown) there is actually a net emissions decrease of particulate matter emissions in the amount of 32.3 tons per year ($24.7 + 72.48 - 129.5$). Hence, although there will be a net emissions increase in PM10 of 9.98 tons per year as a result of the proposed construction, there will not be a net emissions increase in particulate matter (PM).

Response:

The Prevention of Significant Deterioration (PSD) rules, 326 IAC 2-2, allow for the netting of emissions related to prior projects and prior reductions against the emission increase related to the source modification.

Rule 326 IAC 2-2-1, in the definition of "net emissions increase," explains about contemporaneous increases and decreases. The increases and decreases in actual emissions are considered contemporaneous with a source modification when the increase or decrease occurs between the date five years prior to the start of construction and the date that the source modification begins.

Thus, each requested modification has an associated contemporaneous period related to increases and decreases. Each increase and decrease remains a separate item and only the timing related to the setting of the five-year window determines which specific increases and decreases are included.

The feed house emission reduction project, registered in 1993 and implemented in March 1994, was included with contemporaneous decreases in the draft permit because it was feasible to issue the permit in time in February 1999 to allow the source modification to commence in March, 1999. However, the demand for a public hearing and the need to respond to the public hearing comments has postponed the deadline for issuance of the permit beyond the March 1999 contemporaneous window.

A corrected list of contemporaneous increases and decreases appears below:

PM / PM₁₀ EMISSION INCREASES

Project	Status	Permit ID #	PM/PM ₁₀ ton/yr
Starch Roll Dryer Expansion	Registration	157-2993	3.10
Dry Starch Reaction System		157-3233	3.90
Starch Flash Dryer (Increased Capacity)	Permit	157-3633	5.30
Flash Dryer #3 System	Permit	157-4160	27.53
New Packaging, Storage, and Loadout Systems	Permit	157-4160	7.25
Dry Starch Reaction System	Permit	157-4195	5.95
Bag Packer #3 House Dust Collector (41F44) Title V	Title V app.		3.10
#4 Packer System and Adipic Acid Bin	Permit	157-4569	5.80
Roll Dryer / Spray Dryer Expansion	Permit	157-5294	4.70
Dry Reactor Surge Bins	Permit	157-6014	1.95
Starch Loadout Product Screening	Registration	157-8071	1.30
Starch Dryer #3	Permit	157-9182	6.50
		Total	73.28

Note: Permit 157-4160 was superseded by permit 157-9182

PM / PM₁₀ EMISSION DECREASES

Project	Status	Permit ID #	PM/PM ₁₀ ton/yr
Feed House Emission Reduction Project	Registration	157-2993	
Flash II Air Sweep Collector Shutdown	Permit	157-3633	0.50
		Total	0.50

It is apparent that A.E. Staley cannot use contemporaneous emissions to “net out” of the PSD rules. Instead, Staley will be held to a lower emission rate to render the rules as not applicable.

Operation Condition 11 will be deleted from the permit, and Operation Condition 13 (discussed further in this addendum) will be amended with a lower PM-10 emission rate.

Contemporaneous Decreases

11. ~~That pursuant to 326 IAC 2-2, the contemporaneous decreases related to the feed house emission reduction project (from February 1994) and the Flash II air sweep collector shutdown (from December 1994) shall be utilized to net out the emission increases from this permit. This net out will make 326 IAC 2-2 and 40 CFR 52.21 not applicable.~~
-

Comment:

Can you explain grandfathering to me, the term, and when it is used to define emissions produced and released through machines that are old. Some stacks now I understand are grandfathered and would that be previous to 1980?

Comment:

In grandfathering equipment and stacks, the emissions are not counted in the total?

Comment:

Is Staley using the best available control technology in this permit?

Comment:

Some of us have a question as to why that pollution control equipment hasn't been required before.

Response:

The term "grandfathering" refers to a regulation that does not apply to equipment that was installed before a certain date. The language that exempts the older facilities is called a "grandfather clause" and facilities that have grandfather clause status are referred to as "grandfathered." Grandfather clauses often appear in regulations to avoid the expense incurred from being applied retroactively to equipment that was installed before the regulation existed.

In the case of A.E. Staley, some existing propylene oxide emitting processes have grandfather clause status from 326 IAC 8-1-6 (Best Available Control Technology) because they existed before January 1, 1980. The original propylated starch reactors, which received approval in 1995, have controls that would be considered best available control technology (BACT) in 1995 but are not efficient enough to be considered BACT today. This modification is subject to the rule. Since the old and new reactors will vent to the same control device, both old and new reactors will have BACT if this permit is approved.

Grandfather clause status is not absolute. When a facility has this status under one regulation, there are often other regulations which apply instead. Some regulations provide grandfather clauses that expire or become invalid for other reasons. The emissions from these facilities are always counted toward emission reporting totals under 326 IAC 2-6.

Comment:

There are several places in the permit throughout that I see information on where recording is to be available to the Office of Air Management. I would like to see those numbers available to the local people along with the malfunction recordings, malfunction reports, too. I know that is something that you folks apparently have access to. The city is trying to keep record, too, and it seems that it would be beneficial for all the governmental agencies to have the same information.

Response:

Any information that is not confidential is available to the public or to other governmental agencies. The information is available for inspection at the Indiana Government Center North, 100 North Senate Avenue, Indianapolis, Indiana 46204. OAM will also copy and mail requested information for a fee of 15 cents per page. A. E. Staley's permit applications and permits are already available at the Tippecanoe County Public Library, 627 South Street, Lafayette, Indiana, 47901. Also, much of the correspondence OAM sends to A. E. Staley is copied to the Tippecanoe County Health Department, 20 North Third Street, Lafayette, Indiana 47901.

Comment:

I'm wondering just what is an air pollution episode. Could you shed a little light on what that is?

Response:

An air pollution episode is a situation in which pollution has reached certain levels. If an episode occurs, emission sources are legally obligated to take further measures to reduce emissions until the episode ends.

IDEM has many emission monitors in all counties in the state which are used to determine pollutant concentrations. An episode alert (level 1) occurs when the following pollutant concentrations are exceeded:

- (1) Sulfur Dioxide: 800 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$), 24-hour average.
- (2) Particulate Matter: 375 $\mu\text{g}/\text{m}^3$, 24-hour average.
- (3) Carbon Monoxide: 17 $\mu\text{g}/\text{m}^3$, 8-hour average.
- (4) Ozone: 400 $\mu\text{g}/\text{m}^3$, 1-hour average.
- (5) Nitrogen Oxides: 282 $\mu\text{g}/\text{m}^3$, 24-hour average.
- (6) PM-10: 350 $\mu\text{g}/\text{m}^3$, 24-hour average.

An episode warning (level 2) occurs when the following pollutant concentrations are exceeded:

- (1) Sulfur Dioxide: 1600 $\mu\text{g}/\text{m}^3$, 24-hour average.
- (2) Particulate Matter: 625 $\mu\text{g}/\text{m}^3$, 24-hour average.
- (3) Carbon Monoxide: 30 $\mu\text{g}/\text{m}^3$, 8-hour average.
- (4) Ozone: 800 $\mu\text{g}/\text{m}^3$, 1-hour average.
- (5) Nitrogen Oxides: 565 $\mu\text{g}/\text{m}^3$, 24-hour average.
- (6) PM-10: 420 $\mu\text{g}/\text{m}^3$, 24-hour average.

An emergency (level 3) is declared when the following pollutant concentrations are exceeded:

- (1) Sulfur Dioxide: 2100 µg/m³, 24-hour average.
- (2) Particulate Matter: 875 µg/m³, 24-hour average.
- (3) Carbon Monoxide: 40 µg/m³, 8-hour average.
- (4) Ozone: 1000 µg/m³, 1-hour average.
- (5) Nitrogen Oxides: 750 µg/m³, 24-hour average.
- (6) PM-10: 500 µg/m³, 24-hour average.

Each higher level requires more stringent measures than the previous level. More information about episode alert level regulations can be found in 326 IAC 1-5.

Comment:

Could you clarify the sentence "Prior to any change in the operation which may result in an increase in allowable emissions exceeding those specified in 326 IAC 2-1-1?" Is this an increase after this expansion has taken place, is that what this is pertaining to?

Response:

The interpretation is correct. If there is to be a change to the facilities listed in the permit, OAM must give approval to it first. Obtaining that approval may also require obtaining new permits and following all the permit approval procedures, including public notification and public comment periods.

Due to regulatory changes in December 1998, the rule quote is no longer accurate. Operation Condition 1 has been changed to read as follows:

1. That the data and information supplied in the application shall be considered part of this permit. Prior to any change in the operation which may ~~result in an increase in allowable emissions exceeding those specified in 326 IAC 2-1-1 (Construction and Operating Permit Requirements)~~ **require an approval under 326 IAC 2-1.1-2 (Applicability)**, the change must be approved by the Office of Air Management (OAM).
-

Comment:

Under General Construction Conditions, Number 2, you talk about the responsibility to comply with environmental law, and in the last sentence it says "as well as other applicable local, state, or federal requirements." Does this mean if our local city government has an ordinance on the books now that is stricter than what your requirements are, can this permit be revoked on that local ordinance?

Response:

Construction Condition 2 reads as follows

2. That this permit to construct does not relieve the Permittee of the responsibility to comply with the provisions of the Indiana Environmental Management Law (IC 13-11 through 13-20; 13-22 through 13-25; and 13-30), the Air Pollution Control Law (IC 13-17) and the rules promulgated thereunder, as well as other applicable local, state, and federal requirements.

This condition, also known as the “permit no defense” clause, states the permit holder cannot use “We have a permit” as an excuse for violating any law, whether it be federal, state, or local law. This condition also prohibits “We have a permit now” as an excuse for initially constructing or operating without one. The permit cannot be revoked for violating local law but it can be revoked for violating federal or state law. Rule 326 IAC 2-1.1-9 regulates when a permit can be revoked.

Due to recent regulatory changes, the rule quotes in Construction Condition 4 and Operation Condition 5 are no longer valid. Construction Condition 4 has been changed to read as follows:

4. That pursuant to ~~326 IAC 2-1-9(b)(Revocation of Permits)~~ **2-1.1-9(5) (Revocation)**, the Commissioner may revoke this permit if construction is not commenced within eighteen (18) months after receipt of this approval or if construction is suspended for a continuous period of one (1) year or more.

Operation Condition 5 has been changed to read as follows:

Permit Revocation

5. That pursuant to ~~326 IAC 2-1-9(a)(Revocation of Permits)~~ **2-1.1-9 (Revocation)**, this permit to construct and operate may be revoked for any of the following causes:
 - (a) Violation of any conditions of this permit.
 - (b) Failure to disclose all the relevant facts, or misrepresentation in obtaining this permit.
 - (c) Changes in regulatory requirements that mandate either a temporary or permanent reduction of discharge of contaminants. However, the amendment of appropriate sections of this permit shall not require revocation of this permit.
 - (d) Noncompliance with orders issued pursuant to 326 IAC 1-5 (Episode Alert Levels) to reduce emissions during an air pollution episode.
 - (e) For any cause which establishes in the judgment of IDEM, the fact that continuance of this permit is not consistent with purposes of 326 IAC 2-1 (Permit Review Rules).

Comment:

Regarding Operation Condition 14, at the bottom you are talking about during the first 12 months of operation. What about after that 12-month period is up?

Response:

In the first paragraph of Operation Condition 14, it states that propylene oxide usage is “limited to 15,000 tons per 12 consecutive month period.” After the first 12 months, the oldest month drops out of the total and a new month is added to the total whenever a new month ends. Therefore, there are twelve times per year that emissions are calculated and checked.

Operation Condition 14 has been changed to read as follows:

Volatile Organic Compound (VOC) Limitation

14. That pursuant to 326 IAC 8-1-6, the input of propylene oxide to the propylated starch production for the acid killed and the non-acid killed steps shall be limited to 15,000 tons per 12 consecutive month period. This limitation, including ~~the past actual emissions and~~ the effect of the packed bed scrubber, will prevent the VOC from the process being greater than 40 tons per year. This limitation ~~includes~~ **requires** the use of a packed bed scrubber with a ~~destruction minimum~~ **reduction efficiency** of 95%. This packed bed scrubber is accepted as being BACT for this operation.

During the first 12 months of operation, the propylene oxide usage shall be limited such that the total propylene oxide used in the accumulated months divided by the accumulated months of operation shall not exceed 1250 tons per month.

Comment:

My question is from Page 7 of 14, Operation Condition 15 under Baghouse Operations and Rule 326 IAC 6-3. Could you explain to me why an employee with only four weeks training be in charge of such a complex operation?

Response:

The operation condition requires anyone who performs the daily visual notations to have worked at the plant at least one month, and that the person be trained on what is considered to be normal or abnormal visible emissions. OAM does not imply that someone with only one month of training is qualified to supervise the entire operation of the control device.

Operation Condition 15 has been changed to read as follows:

Baghouse Operating Condition

15. That pursuant to rule 326 IAC 6-3, the **particulate matter control devices** ~~baghouses~~ for spray dryer #2 shall be operated at all times when the ~~propylated starch expansion~~ **spray dryer** is in operation.
- (a) ~~That~~ Visible emission notations of all exhaust to the atmosphere from ~~the baghouses for spray dryer #2 S/V #335~~ shall be performed once per day. A trained employee will record whether emissions are normal or abnormal.
- (i) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail.
- (ii) In the case of batch or discontinuous operation, readings shall be taken during that part of the operation specified in the facility's specific condition prescribing visible emissions.
- (iii) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal and abnormal visible emissions for that specific process.
- (iv) When an abnormal emission is observed, the Permittee shall complete the Pollution Control Equipment Maintenance & Inspection Log sheet, a copy of which is contained as Attachment 1 to this permit.
- (b) An inspection shall be performed semi-annually of the all the baghouses. Defective bags shall be replaced. A record shall be kept of the results of the inspection and the

number of bags replaced.

- (c) In the event that a bag's failure has been observed:
 - (i) The affected compartments will be shut down immediately until the failed units have been replaced.
 - (ii) If appropriate, an investigation regarding the cause of bag failure will be conducted and an appropriate response will be initiated within 24 hours of discovery.
 - (d) The air flow rate from S/V #335 shall be recorded once per day, at approximately the same time of day as the visible emission notation.**
-

Comment:

There is no requirement for them to use the best available control technology for particulate matter?

Response:

There is an emission limit placed on particulate matter by Rule 326 IAC 6-3, and OAM has determined that a control device is necessary to meet the emission limit. The regulations do not require the particulate matter control device to be the best available control technology if the potential to emit can be controlled below prescribed levels by other means. In the case of this modification, the levels are 25 tons per year for total suspended particulate matter (PM) and 15 tons per year for particulate matter of 10 microns or less in diameter (PM-10)

Comment:

You don't look at the big picture of what the whole plant is producing, you are only looking at this modification; is that correct?

Response:

The construction permit review rules address either new plants or modifications to existing plants. This permit application is a modification to an existing plant. The existing plant is considered in this permit to the extent that the modification directly has any effect upon it. Ambient air quality monitoring (discussed in an earlier comment) is used to evaluate the air quality around A. E. Staley.

Comment:

In our particular instance noise is a big problem at our house. I haven't seen anywhere in the proposal where noise has been addressed.

Comment:

Are you familiar with the law, the statute that says that IDEM has the authority to protect our reasonable enjoyment of property? Do you have rules that implement that law?

Comment:

Maybe you could help us out by implementing your authority to do something about our

reasonable enjoyment of property.

Comment:

Could you please try to do something to protect our reasonable enjoyment of property? Not just by preventing further emissions from this company and more noise and more odor; you have the authority to ask them to bring it down if I understand correctly.

Comment:

I was going to ask whether you have authority to regulate odors and whether you have implemented that authority.

Comment:

I'd like to hear a little bit more about the statute to protect the reasonable enjoyment of property. I'm wondering if you actually have authority.

Response:

The statute in question is IC 13-14-8-4, which reads as follows:

Sec. 4. In adopting rules and establishing standards, a board shall take into account the following:

- (1) All existing physical conditions and the character of the area affected.
- (2) Past, present, and probable future uses of the area, including the character of the uses of surrounding areas.
- (3) Zoning classifications.
- (4) The nature of the existing air quality or existing water quality, as appropriate.
- (5) Technical feasibility, including the quality conditions that could reasonably be achieved through coordinated control of all factors affecting the quality.
- (6) Economic reasonableness of measuring or reducing any particular type of pollution.
- (7) The right of all persons to an environment sufficiently uncontaminated as not to be injurious to:
 - (A) human, plant, animal, or aquatic life; or
 - (B) the reasonable enjoyment of life and property.

The regulation grants the Air Pollution Control Board authority to consider the effect of contamination on the environment, but it does not grant authority to consider noncontaminating items such as noise or odors. It does not grant OAM any authority at all unless the Air Pollution Control Board adopts a rule or establishes a standard by one means or another.

Comment:

Do you have the EPA phone number for us all?

Response:

The telephone number for the U.S. EPA Region 5 is (800) 621-8431.

Comment:

The number they applied for just happens to be the maximum. They maxed out on the number that they can have, and yet who is going to say there is not going to be a pressure drop, an accident,

something that goes wrong, a power failure, and that number is going to go above 15 tons per year.

Response:

Emissions are calculated based on maximum throughput allowed by the permit. It would take both excessive deviations and near-maximum production to exceed the 15 ton per year limit. A.E. Staley is required to submit quarterly reports on production, deviations and corrective actions. Rule 326 IAC 1-6-2 gives IDEM power to intervene if deviations are 5% or more of normal operating time.

Comment:

This is being defined as a modification, not as new construction. And modification, again, gives you more lenient requirements than does new construction?

Response:

The application is called a "modification" because the Sagamore Plant (referred to generically as an emission source or just "source") already exists but is being changed. The term "new construction" refers to the addition of emission units at either a new or existing source. In the case if this application, both terms are applicable. The regulations do not treat modifications and new constructions at existing sources differently.

Comment:

There are nebulous phrases about what is normal and abnormal. You look it up and it says, well, whatever is prevailing or expected to prevail. You know, that's like looking up a word in the dictionary and seeing the words cross referenced, it doesn't really explain too much to us.

Response:

If an exhaust plume is larger, smaller, darker, more horizontal, a different color, obstructed by fog, or is in any other way unusual compared to what the plume looks like on most days of the month, it is recorded as "abnormal" and a description is made of how the plume differs from its usual appearance. A reading of "abnormal" does not necessarily constitute a violation of the rules or regulations. It is used as an alert mechanism for possible corrective action.

Comment:

The complaints that Staley's gets from the citizens, are those internal documents or are those things that they must report then to the Department of Environmental Management?

Comment:

Are you suggesting we can complain to somewhere specific? We're complaining to you but if that's the not right place, tell us where to complain to.

Response:

Emission sources are not required to forward complaints to IDEM. Any complaints should be reported directly to IDEM if the agency is to be made aware of them. Air pollution complaints may be mailed to:

Indiana Department of Environmental Management
Office of Air Management - Air Compliance Section.
100 North Senate Avenue, PO Box 6015
Indianapolis, Indiana, 46260-6015.

or reported by telephone by calling (800) 451-6027 and asking for the OAM Air Compliance Section.

Comment:

I do have a question on Page 8, Number 17, with the document compliance and operation permit conditions. Can we get these sent to the pollution control officer in Lafayette, is that a problem?

Response:

The Lafayette Fire Department informed OAM that it is not prepared at present to accept large quantities of paperwork and make it available for inspection to the general public. A better candidate is the Tippecanoe County Public Library, which already serves as a repository for public documents from IDEM. A. E. Staley is required to send a copy of all permit applications there. The library was contacted and the library has agreed to accept all additional documents that OAM sends regarding A.E. Staley. The Tippecanoe County Health Department already makes the documents available, but only during normal business hours.

Comment :

How many permits does IDEM issue totally in a year roughly?

Response:

Beginning June 1, 1998 and ending May 31, 1999, OAM issued 254 Title V operating permits, 144 operating permits which were not Title V, and 439 construction permits or lesser construction approvals. In addition, the Office of Water Management issues over 2000 permits per year and the Office of Solid and Hazardous Waste issues about 40 permits per year. This information is included as part a monthly Commissioner's status report. The report for the most recent month is available at <http://www.state.in.us/idem/permitreport/index.html>.

Comment:

How many inspectors do you have that actually go out?

Response:

OAM has 26 air inspectors who inspect all the emission sources in Indiana, not including nine asbestos inspectors and six compliance testing specialists who also do field work. The Office of Water Management (OWM), the Office of Solid and Hazardous Waste Management (OSHW), and the cities of Evansville, Hammond, and Indianapolis have their own inspection personnel.

Comment:

Along with the increase in production, Staley appears to be proposing that new pollution control equipment will be put in place; is that correct?

Comment:

Do we understand correctly that there are already 11 reactors and will there be two more additional scrubbers?

Response:

A. E. Staley intends to install a new propylene oxide scrubber which will replace an older, smaller, less efficient scrubber. The two new reactors will be an increase in emissions, which is offset by

decreased emissions from eleven existing reactors. The result will be thirteen (13) reactors controlled by one (1) scrubber.

Comment:

Could you explain what typically happens, in a nutshell, the process after tonight? For example, the 15 days to get a petition to the Office of Environmental Adjudication and the right to a hearing on the issue?

Response:

A party affected or aggrieved by the issuance or denial of the permit may appeal by filing a petition for administrative review with the Office of Environmental Adjudication within eighteen (18) days after the date of mailing of the decision. An appeal request must include facts demonstrating that the party requesting appeal is the applicant, a person aggrieved or adversely affected, or otherwise entitled to review by law. The petition must also:

1. state the name and address of the person making the request,
2. identify the interest of the person making the request,
3. identify any persons represented by the person making the request,
4. state with particularity the reasons for request,
5. state with particularity the issues proposed for consideration at the hearing,
6. identify the permit terms and conditions which, in the judgment of the person making the request, would be appropriate to satisfy the requirements of the law governing permits

If any person filing such objections desires any part of the permit to be stayed pending the outcome of the appeal, a specific request for such must be included in the request, identifying those parts of the permit to be stayed.

Additional details about the appeal process will be included in the same mailing as the review decision.

Comment:

Indiana Law Encyclopedia Volume 21, Chapter 9, 334 quoted is "The mere fact that the state legislates on a subject does not necessarily deprive a city of power to adopt an ordinance if the statute does not exclusively occupy the field. Both the state and the city may have concurrent jurisdiction over the same subject matter relating to municipal affairs and only when there is conflicting and more stringent regulations by the state," and that obviously is not so, "must the city yield power. Thus the municipality may be authorized to supplement the state law by ordinances and may impose regulations in excess of but not in conflict with the statute."

Response:

It is a valid option for a community to create a local environmental agency. The cities of Gary, Hammond, Indianapolis, Evansville, Terre Haute and Anderson have active local agencies.

There is also the possibility that local ordinances can be created relating to either noise or odor.

Comment:

You were negotiating the parameters of this permit and we had no input at that point. We have got to level the playing field.

Response:

It does not matter when a comment is made. All valid comments are addressed before a final decision is made. The fact that a comment came at a later stage in the permit review process does not devalue the importance of that comment.

Comment:

You mentioned the air pollution control board, but you didn't emphasize that very much. I wondered if you could tell us when is the next air pollution control board meeting and how do we go about getting this on the agenda?

Comment:

I would love to hear more about ways that we can make a concrete impact besides just having our little night of speaking-here.

Response:

The Indiana Air Pollution Control Board generally meets on the first Wednesday of every month. The next scheduled board meeting will be held on December 1, 1999, at 1:00 p.m. in the Indiana Government Center South, 200 West Washington Street, Indianapolis, Indiana 46204. A calendar of meeting dates is available on the Internet at <http://www.state.in.us/idem/oam/>.

Any person may present written proposals for the adoption, amendment, or repeal of a rule by the board. A proposal presented under this section must be supported by a statement of reasons; and accompanied by a petition signed by at least two hundred (200) persons. If the board finds that the proposal is not plainly devoid of merit and does not deal with a subject on which a hearing was held within the previous six (6) months; the board shall give notice and hold a hearing on the proposal.

The board may not adopt a rule until the board has conducted at least two (2) public comment periods, each of which must be at least thirty (30) days in length. If a rule has undergone substantial changes after the second hearing, the board must conduct a third public comment period that is at least twenty-one (21) days in length. IDEM must provide notice in the Indiana Register of all public comment periods, including the full text of the proposed rule and any amendments arising from comments.

Comment:

Do you take into consideration the area that a plant is located in and the effect on property values?

Comment:

When you consider whether or not to give these permits, do you consider how it fits in with overall city planning?

Response:

Some regulations are dependent upon plant location. For example, if a plant is located in a nonattainment area for any pollutant (meaning that the area is not in attainment of federal standards), it will often have more strict requirements for that pollutant. In the case of the Sagamore plant, there are no applicable regulations that are location dependent. Tippecanoe County is classified as attainment for all pollutants.

OAM does not take into account property values and city planning when making decisions. It is not within our authority since those do not affect emission levels.

Comment:

I find that it is beneficial to give to the community if you are going to take from the community. If you are going to take something, you should also give back, and what I see is a lot of taking and not much giving back. So I am just asking if there is going to be more taking, then we should also see the opposite side of how this is going to benefit our community.

Comment:

How is this increase in pollution going to benefit not just Lafayette, but the state of Indiana? It doesn't seem clear to me that it is going to benefit anybody except Staley in terms of their profits.

Response:

OAM does not take into account the economic benefits, to either the community or to the permit applicant, when making decisions.

These additional written comments were made by A. E. Staley:

Comment:

Pursuant to draft Operation Condition 7, particulate matter emission testing is required for the spray dryer #2 exhaust and volatile organic compound removal efficiency testing is required for the propylene oxide packed bed scrubber. For reasons previously identified in Staley's request for revision of Permit CP 157-9182 (Flash Dryer No. 3 System), IDEM agreed to modify Conditions 7(d) and 7(e) of that permit.

Staley requests that the Office of Air Management consider deleting Condition 7(e) in its entirety and revising Condition 7(d) of this draft construction permit (CP 157-10232-00003) as follows:

- (d) *Whenever the results of the stack test performed exceed the level specified in this permit, appropriate corrective actions shall be implemented in a timely manner upon receipt of the test results. The Permittee shall minimize emissions while the corrective actions are being implemented.*

Response:

Rule 326 IAC 3-6 expressly gives time lines for items listed in Operation Condition 7(a) through 7(c). The rule does not do so for 7(d) or 7(e).

It is the intent of OAM to prevent any emission source operating in a noncompliant manner from continuing to do so by procrastinating corrective actions indefinitely. If noncompliant test results arrive, OAM will recognize it as a violation and immediately begin enforcement actions. The penalties of the enforcement proceedings are more severe for sources which do not take corrective action quickly and prove compliance as soon as practical. It is the burden of the emission source to prove that it has taken action quickly. Without time lines listed in Operation Condition 7(d) and 7(e), that task becomes more difficult for the source. OAM placed the time lines in the permit to define what OAM believed was timely.

Operation Condition 7 has been amended to read as follows:

Performance Testing

7. That pursuant to 326 IAC 2-1-3 (Construction and Operating Permit Requirements) compliance stack tests shall be performed for **PM-10 emissions from Spray Dryer System #2** ~~the modified propylated starch expansion (S/V 335) for the particulate matter emissions,~~ as stated in **Operation** Condition ~~no.~~ 13, and ~~for the volatile organic compound emissions and tested for the efficiency of the packed bed scrubber~~ **from the starch slurry reactors (S/V #50)** within 60 days after achieving maximum production rate, but no later than 180 days after initial start-up. These tests shall be performed according to 326 IAC ~~3-2-4~~ **3-6** (Source Sampling Procedures) using the methods specified in the rule or as approved by the Commissioner.
- (a) A test protocol shall be submitted to the OAM, Compliance Data Section, 35 days in advance of the test.
- (b) The Compliance Data Section shall be notified of the actual test date at least two (2) weeks prior to the date.
- (c) All test reports must be received by the Compliance Data Section within 45 days of completion of the testing.
- (d) ~~Whenever~~ **If** the results of the stack test performed exceed the level specified in this permit, appropriate corrective actions shall be implemented ~~within thirty (30) days of as soon as practical upon receipt of the test results. These actions shall be implemented immediately unless notified by OAM that they are acceptable.~~ The Permittee shall minimize emissions while the corrective actions are being implemented.
- (e) ~~Whenever~~ **If** the results of the stack test performed exceed the level specified in this permit, a second test to demonstrate compliance shall be performed ~~within 120 days.~~ Failure of the ~~second test~~ to demonstrate compliance may be grounds for immediate revocation of this permit to operate the affected facility **pursuant to 326 IAC 2-1.1-9.**

Comment:

Current actual emissions are 21.97 tons per year VOC (after control). Due to improved efficiency of the new scrubber and modification of the propylated starch process, allowable emissions following the expansion will be 17.79 tons per year VOC (after control). An increase of 0.90 tons per year of VOC is established in the TSD for the spray dryer furnace based on natural gas combustion. Therefore, there will be a net VOC emissions decrease of 3.28 tons per year (17.79+0.90-21.97) following the proposed propylated starch expansion.

A. E. Staley requests that the table on page 3 of the TSD be modified to reflect this net emissions decrease.

Response:

A. E. Staley's claim of actual propylene oxide emissions includes emissions from facilities other than those listed in this permit. A. E. Staley may be able to claim on a future permit a VOC reduction of up to 4.23 tons (17.74 - 21.97) as a contemporaneous decrease due to improved controls on existing facilities. However, this decrease is offset from an increase by the addition of new facilities, and also by increased utilization of existing facilities which would not occur if the permit was not approved. Because the plant will propylate more starches, existing processes following the starch reactors must be greater utilized to accommodate the extra load. Those existing processes may not need new approval but the increase is nonetheless counted for purposes of contemporaneous emissions. In the absence of actual emission data, potential to emit is used.

The potential to emit after controls, based on the source's total starch production and total propylene oxide limits in the permit and the addition of new spray dryer, were rechecked and calculated at 25.6 tons per year. Because 25.6 is greater than 21.97, the contemporaneous increase may be larger than the decrease. It must be assumed so until actual emission data is available.

The potential to emit is below the PSD applicability threshold of 40 tons per year, so contemporaneous VOC increases and decreases were not evaluated in the Technical Support Document (TSD).

Comment:

The stated airflow for Spray Dryer #2 is in error in Operation Condition 13. The correct airflow is 100,000 acfm. In addition, Staley's emission estimate basis is 0.008 grains per standard cubic feet not 0.008 grains per actual cubic feet. The paragraph also establishes limits on grain loading and airflow in addition to a ton per year emission rate which is unnecessarily restrictive. An hourly mass emission rate limit is the most appropriate limit for particulate emissions from this type of process source based on applicable state and federal regulations.

Comment:

In Operation Condition 13, the threshold listed for PM-10 is incorrect. PSD rules become applicable at 25 tons per year for PM, and 15 tons per year for PM-10.

Response:

The original emission calculations gave a calculation described as "Potential PM Emissions for Spray Dryer System #2 (S/V #335)." The correct calculation for this stack is as follows:

$$\frac{0.008 \text{ gr} * 100000 \text{ acf} * 528 \text{ deg. R} * (100 - 0) \% \text{ moisture} * 525600 \text{ min} * 1 \text{ lb} * 1 \text{ ton}}{1 \text{ dscf} * 1 \text{ min} * (460 + 200) \text{ deg. R} * 100 \% \text{ moisture} * 1 \text{ year} * 7000 \text{ grain} * 2000 \text{ lb}}$$

$$= 24.03 \text{ ton/yr}$$

The calculations that were given in the calculations submitted with the draft permit were for the storage system modifications, which allow for one additional blower and one additional bin vent to operate. The first calculation was for the extra blower. The second calculation was for the extra bin vent.

Because this level of emission exceeds 15 tons per year and because A. E. Staley cannot use contemporaneous emissions for a credit, the emission limit will be reduced to a level that meets minor modification levels. These levels can be met either by using better control technology or by downgrading of the facility's maximum production capacity to a level where emissions will comply with the limit. Operation Condition 13 will be revised as follows:

13. That pursuant to 326 IAC 2-2, the particulate matter less than 10 microns (PM-10) **associated with Spray Dryer #2** from stack S/V 335 (~~associated with spray dryer #2~~) shall be limited to **3.22 pounds per hour** ~~24 tons per 12 consecutive month period~~. The air flow rate shall **not be greater than 100,000** ~~be 20000~~ acfm and the grain loading shall ~~be not be~~ greater than ~~0.008~~ grains per actual cubic feet **0.0047 grains per standard cubic foot. In the event that it is not possible to test Spray Dryer #2 without also operating Spray Dryer #1, the combined emissions from the two dryers must comply with this condition.** This limitation, **along with Operation Conditions 12 and 15**, will make 326 IAC 2-2 and 40 CFR 52.21 not applicable.

The air flow rate and the grain loading requirement are placed in the permit as parameters to ensure continuous compliance with the pound per hour limit. OAM cannot remove the requirements unless a continuous emission monitor is used instead.

Comment:

Operation Condition 17 requires that, in addition to maintaining a log of information necessary to document compliance with Operation Conditions No. 12, 14, 15 and 16 of the proposed permit, a quarterly summary must be submitted to IDEM for propylated starch production and VOC (propylene oxide) usage. It should be noted that Staley considers this production and usage data to be confidential information.

Response:

The propylated starch production and propylene oxide usage data are needed to ensure that the emission limits placed in the permit are being met. The need for the data is legitimate and cannot be waived solely on a claim of confidentiality.

The guidelines listed in 326 IAC 17-1-6 should be used when submitting confidential information. OAM will place a watermark on the reporting forms which reads "Confidential Information" to ensure that the required reports are treated as confidential even if the guidelines are not followed precisely.

Comment:

Staley has a similar quarterly reporting requirement for propylated starch production under the Dry Starch Reaction System permit (CP 157-4195); however, these reports are limited only to production rates and do not include the types of compliance certification requirements addressed by Operation Conditions 17 (c) and (d). These two conditions expand the scope of reporting well beyond the format of the production reports on pages 11 and 12 of the permit and require quarterly compliance reporting for deviations from any of the requirements of this permit.

For this reason, Staley requests Operation Conditions 17 (c) and (d) be deleted in their entirety at this time and that Condition 17 be revised as follows:

- (c) *The first report shall cover the period commencing after the postmarked submission date of the Affidavit of Construction.*

Response:

This permit will be incorporated into the source's pending Part 70 operating permit. Operation Conditions 17(c) and (d) reflect the requirements 326 IAC 2-7-5(3)(c), which expressly require the inclusion of conditions for the reporting of deviations and corrective actions in all Part 70 permits. The information is used to determine whether there are excessive malfunctions pursuant to 326 IAC 1-6-5. The source modifications listed in this construction permit do not have the same permit shield (a grandfather clause which exempts sources from certain Title V requirements until the permit is issued) as the original source. Operation Conditions 17(c) and (d) will remain in the permit but the language will be revised to match those requirements more closely.

It is the intent of OAM that the first quarterly report cover the period between the date of postmark and the end of the reporting period. The language will be changed to clarify this intent.

Operation Condition 17 has been changed to read as follows:

Reporting Requirements

17. That a log of information necessary to document compliance with operation permit conditions no. 12, 14, 15 and 16 shall be maintained. These records shall be kept for at least the past 36 month period and made available upon request to the Office of Air Management (OAM).

- (a) A quarterly summary shall be submitted to:

Indiana Department of Environmental Management
Compliance Data Section, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015

within thirty (30) calendar days after the end of the quarter being reported in the format attached for ~~condition~~ **conditions** 12 and 14.

- (b) Unless otherwise specified in this permit, any notice, report, or other submissions required by this permit shall be timely if:
- (i) Postmarked on or before the date it is due; or
 - (ii) Delivered by any other method if it is received and stamped by IDEM, OAM, on

or before the date it is due.

- (c) All instances of deviations from any requirements of this permit must be clearly identified in such reports.
- (d) **The probable cause of such deviations and any corrective actions or preventive measures** taken ~~as a result of an exceedance of a limit, an excursion from the parametric values, or a malfunction that may have caused excess emissions~~ must be clearly identified in such reports.
- (e) The first report shall cover the period ~~commencing~~ **between** the postmarked submission date of the Affidavit of Construction **and the end of the quarterly period**.

Comment:

Staley is in agreement with monitoring conditions for the spray dryer #2 bag filters (Operation Condition 15) and the propylene oxide scrubber (Operation Condition 16) since they are consistent with similar permit conditions applicable to the Flash Dryer #3 System. However, Operation Condition 18 requires visible emission notations of the exhaust to the atmosphere from the propylene oxide scrubber. Propylene oxide is an invisible gas; therefore, no purpose is served by requiring visible emission notations. Because this condition is duplicative of Operation Condition 16 and because it is not possible for the propylene oxide scrubber to have visible emissions, Operation Condition 18 should be deleted in its entirety.

Response:

The Material Safety Data Sheets describe propylene oxide as a colorless liquid. Its emission would not cause opacity. Operation Condition 18 has been removed from the permit.

Visible Emission Notations

~~18. That visible emission notations of all exhaust to the atmosphere from propylene oxide scrubber shall be performed two times per week. A trained employee will record whether emissions are normal or abnormal.~~

- ~~(a) For processes operated continuously, "normal" means those conditions prevailing, or expected to prevail.~~
- ~~(b) In the case of batch or discontinuous operation, readings shall be taken during that part of the operation specified in the facility's specific condition prescribing visible emissions.~~
- ~~(c) A trained employee is an employee who has worked at the plant at least one (1) month and has been trained in the appearance and characteristics of normal and abnormal visible emissions for that specific process.~~
- ~~(d) When an abnormal emission is observed, the Permittee shall complete the Pollution Control Equipment Maintenance & Inspection Log sheet, a copy of which is contained as Attachment 1 to this permit.~~

Comment:

Enclosed is a copy of the Emergency Reduction Plan (ERP) prepared for A. E. Staley's Sagamore Plant. By providing this ERP, A.E. Staley has fulfilled Condition 19 of the Permit, and requests the permit to be revised to reflect such.

Response:

Operation Condition 19, which was renumbered to preserve the numbering of the rest of the permit conditions, has been changed to read as follows:

Emergency Reduction Plans

19: 11. Pursuant to 326 IAC 1-5-2 (Emergency Reduction Plans; Submission):

(a) The Permittee ~~shall prepare written emergency reduction plans (ERPs) consistent with safe operating procedures.~~ **prepared and submitted written emergency reduction plans (ERPs) consistent with safe operating procedures on July 16, 1999.**

~~(b) These ERPs shall be submitted for approval to:~~

~~Indiana Department of Environmental Management
Compliance Branch, Office of Air Management
100 North Senate Avenue, P.O. Box 6015
Indianapolis, Indiana 46206-6015~~

~~within 180 calendar days from the issuance date of this permit.~~

(c) (b) If the ERP is disapproved by IDEM, OAM, the permittee shall have an additional thirty (30) days to resolve the differences and submit an approvable ERP. If after this time, the permittee does not submit an approvable ERP, IDEM, OAM, shall supply such a plan.

(d) (c) These ERPs shall state those actions that will be taken, when each episode level is declared, to reduce or eliminate emissions of the appropriate air pollutants.

(e) (d) Said ERPs shall also identify the sources of air pollutants, the approximate amount of reduction of the pollutants, and a brief description of the manner in which the reduction will be achieved.

(f) (e) Upon direct notification by IDEM, OAM, that a specific air pollution episode level is in effect, the permittee shall immediately put into effect the actions stipulated in the approved ERP for the appropriate level. [326 IAC 1-5-3]

Indiana Department of Environmental Management Office of Air Management

Technical Support Document (TSD) for New Construction and Operation

Source Background and Description

Source Name: A. E. Staley Manufacturing Company
 Source Location: 2245 North Sagamore Parkway, Lafayette, Indiana
 County: Tippecanoe
 Construction Permit No.: CP-157-10232-00003
 SIC Code: 2046
 Permit Reviewer: Hua R. Zhu

The Office of Air Management (OAM) has reviewed an application from A. E. Staley Manufacturing Company relating to the construction and operation of a new spray dryer/flash dryer No. 2 system and the modifications for a propylated starch process:

- (a) two new reactors, identified as 15VAAA & 15VBBB, exhausting to one new propylene oxide scrubber identified as 15FXXX connected to one (1) stack identified as S/V #50. These two reactors will work in conjunction with eleven (11) existing reactors, which will also exhaust to scrubber 15FXXX.
- (b) one natural gas-fired dryer, identified as Spray Dryer #2, with a heat input rate of 38 million BTU per hour, exhausting to a set of six cyclones and four baghouses connected to one (1) stack identified as S/V #335. This dryer will work in conjunction with Spray Dryer #1, which will also exhaust to the same system of cyclones and baghouses.
- (c) modification to five storage bins identified as 41V14, 41V15, 41V17, 41V18 and 41 VEE and two transfer blowers identified as 41C30 & 41C35. The modification will allow the storage bins to be divided between the two dryers, allowing two blowers and two bins to operate at the same time.
- (d) two new spray dryer feed tanks, identified as Spray Dryer #2 Feed Tanks #1 and #2, vented to one (1) stack identified as S/V #338.

The company has requested that the production capacity of each facility be considered confidential.

Stack Summary

Stack ID	Operation	Height (feet)	Diameter (feet)	Flow Rate (acfm)	Temperature (°F)
S/V #50	Starch Reactors	90	1.17	1200	90
S/V #338	Spray Dryer #2 Feed Tank #1& #2	25	1	1500	Ambient
S/V #335	Spray Dryer #2 System	120	7.7	100,000	200

Enforcement Issue

There is no enforcement issue pending with the source.

Recommendation

The staff recommends to the Commissioner that the construction and operation be approved. This recommendation is based on the following facts and conditions:

Information, unless otherwise stated, used in this review was derived from the application and additional information submitted by the applicant.

A complete application for the purposes of this review was received on October 6, 1998.

Emissions Calculations

See Appendix A (Emissions Calculation Spreadsheets) for detailed calculations (2 pages).

Total Potential and Allowable Emissions

Indiana Permit Allowable Emissions Definition (after compliance with applicable rules, based on 8,760 hours of operation per year at rated capacity):

Pollutant	Allowable Emissions (tons/year)	Potential Emissions (tons/year)
Particulate Matter (PM)	-	714
Particulate Matter (PM10)	-	714
Sulfur Dioxide (SO ₂)	-	0.1
Volatile Organic Compounds (VOC)	-	116.5
Carbon Monoxide (CO)	-	13.71
Nitrogen Oxides (NO _x)	-	16.64
Single Hazardous Air Pollutant (HAP)	-	115.64
Combination of HAPs	-	115.64

- (a) Since there are no 326 IAC article rules applicable to limit this modification, the potential emissions before control are taken as the allowable emissions. Therefore, the potential emissions before control are used for the permitting determination.
- (b) Allowable emissions (as defined in the Indiana Rule) of particulate matter (PM) are greater than 25 tons per year. Therefore, pursuant to 326 IAC 2-1, Sections 1 and 3, a construction permit is required.
- (c) Allowable emissions (as defined in the Indiana Rule) of a single hazardous air pollutant (HAP) are greater than 10 tons per year and/or the allowable emissions of any combination of the HAPs are greater than 25 tons per year. Therefore, pursuant to 326 IAC 2-1, a construction permit is required.

County Attainment Status

- (a) Volatile organic compounds (VOC) are precursors for the formation of ozone. Therefore, VOC emissions are considered when evaluating the rule applicability relating to the ozone standards. Tippecanoe County has been designated as attainment or unclassifiable for ozone. Therefore, VOC emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 and 40 CFR 52.21.
- (b) Tippecanoe County has been classified as attainment or unclassifiable for all other regulated air pollutants. Therefore, these emissions were reviewed pursuant to the requirements for Prevention of Significant Deterioration (PSD), 326 IAC 2-2 and 40 CFR 52.21.

Source Status

Existing Source PSD, Part 70 or FESOP Definition (emissions after controls, based on 1995 STEPS submittal to OAM):

Pollutant	Emissions (ton/yr)
PM	220.5
PM10	220.5
SO ₂	1552.4
VOC	798.6
CO	45.9
NO _x	529.1

This existing source is a major stationary source because at least one attainment regulated pollutant is emitted at a rate of 250 tons per year.

Proposed Modification

PTE from the proposed modification (based on 8,760 hours of operation per year at rated capacity, including enforceable emission control and production limits where applicable):

Pollutant	PM (ton/yr)	PM10 (ton/yr)	SO ₂ (ton/yr)	VOC (ton/yr)	CO (ton/yr)	NO _x (ton/yr)
Proposed Modification	14.9	14.9	0.10	18.7	13.71	16.6
PSD Significant Level	25	15	40	40	100	40

* n/a means not applicable.

- (a) The emissions do not exceed the significant level for particulate matter (PM), particulate matter less than 10 microns (PM₁₀) and nitrogen oxides (NO_x). Therefore, 40 CFR 52.21 is not triggered. (See Appendix B of TSD).
- (b) This modification to an existing major stationary source is not major because the emissions increases are less than the PSD significant levels. Therefore, pursuant to 326 IAC 2-2, and 40 CFR 52.21, the PSD requirements do not apply.

- (c) The particulate matter (PM), particulate matter less than 10 microns in aerodynamic diameter (PM_{10}), and the volatile organic compounds (VOC) emissions are the emissions after any control device.

Part 70 Permit Determination

326 IAC 2-7 (Part 70 Permit Program)

This existing source has submitted a Part 70 (T-157-6009-00003) application on May 31, 1996. The equipment being reviewed under this permit shall be incorporated in the submitted Part 70 application.

Federal Rule Applicability

- (a) There are no New Source Performance Standards (326 IAC 12 and 40 CFR Part 60) applicable to this facility.
- (b) There are no National Emissions Standards for Hazardous Air Pollutants (NESHAP) (326 IAC 14 and 40 CFR Part 61) applicable to this facility.

State Rule Applicability

326 IAC 2-1-3.4 (New source toxic control)

This facility is not subject to this rule because the change in operation is a modification to an existing source. The MACT is not applicable to modifications.

326 IAC 2-2 (Prevention of Significant Deterioration)

The PM-10 emissions from the spray dryer will be limited to less than 15 tons per 12 consecutive month period.

326 IAC 2-6 (Emission Reporting)

This facility is subject to 326 IAC 2-6 (Emission Reporting), because the source emits more than 100 tons/yr of VOC. Pursuant to this rule, the owner/operator of this facility must annually submit an emission statement of the facility. The annual statement must be received by July 1 of each year and must contain the minimum requirements as specified in 326 IAC 2-6-4.

326 IAC 5-1-2 (Opacity Limitations)

Pursuant to 326 IAC 5-1-2 (Opacity Limitations), except as provided in 326 IAC 5-1-3 (Temporary Alternative Opacity Limitations), opacity shall meet the following:

- (a) Opacity shall not exceed an average of forty percent (40%) any one (1) six (6) minute averaging period.
- (b) Opacity shall not exceed sixty percent (60%) for more than a cumulative total of fifteen (15) minutes (sixty (60) readings) in a six (6) hour period.

326 IAC 8-1-6 (General Reduction Requirements)

This rule is applicable since the VOC emissions increase is equal to 115.6 tons per year before add-on controls. Since the propylene oxide is absorbed by the starch, then the input of the propylene oxide will be limited. This will be a limit of 30,000,000 pounds per year (15,000 tons per year). BACT is accepted as being the packed bed scrubber rated at an efficiency of 95%.

Air Toxic Emissions

Indiana presently requests applicants to provide information on emissions of the 188 hazardous air pollutants set out in the Clean Air Act Amendments of 1990. These pollutants are either carcinogenic or otherwise considered toxic and are commonly used by industries. They are listed as air toxics on the Office of Air Management (OAM) Construction Permit Application Form Y.

- (a) Based upon the emissions after the modification, this proposed construction of this new spray dryer/flash dryer #2 system and the modification to a propylated starch process will emit levels of air toxics less than those that constitute major source applicability according to Section 112 of the Clean Air Act.

Conclusion

The construction of this modification for a propylated starch expansion and this construction of a new spray dryer system will be subject to the conditions of the attached proposed **Construction Permit No. CP-157-10232-00003**.

**Appendix A: Emissions Calculations
Natural Gas Combustion Only
MM BTU/HR <100**

Company Name: A.E.Staley Manufacturing Co.
Address City IN Zip: Lafayette, IN
CP: 157-00003
Pit ID: 157-10232
Reviewer: Allen R. Davidson
Date: 08/17/99

Heat Input Capacity MMBtu/hr	Potential Throughput MMCF/yr
38.0	332.9

	Pollutant					
	PM*	PM10*	SO2	NOx	VOC	CO
Emission Factor in lb/MMCF	1.9	7.6	0.6	100.0 **see below	5.5	84.0
Potential Emission in tons/yr	0.3	1.3	0.1	16.6	0.9	14.0

*PM emission factor is filterable PM only. PM10 emission factor is condensable and filterable PM10 combined.

**Emission Factors for NOx: Uncontrolled = 100, Low NOx Burner = 50, Low NOx Burners/Flue gas recirculation = 32

Methodology

All emission factors are based on normal firing.

MMBtu = 1,000,000 Btu

MMCF = 1,000,000 Cubic Feet of Gas

Potential Throughput (MMCF) = Heat Input Capacity (MMBtu/hr) x 8,760 hrs/yr x 1 MMCF/1,000 MMBtu

Emission Factors are from AP 42, Chapter 1.4, Tables 1.4-1, 1.4-2, 1.4-3, SCC #1-02-006-02, 1-01-006-02, 1-03-006-02, and 1-03-006-03 (SUPPLEMENT D 3/98)

Emission (tons/yr) = Throughput (MMCF/yr) x Emission Factor (lb/MMCF)/2,000 lb/ton

Note: Check the applicable rules and test methods for PM and PM10 when using the above emission factors to confirm that the correct factor is used (i.e., condensable included/not included).

See page 2 for HAPs emissions calculations.

**Appendix A: Emissions Calculations
Natural Gas Combustion Only
MM BTU/HR <100**

HAPs Emissions

Company Name: A.E.Staley Manufacturing Co.
Address City IN Zip: Lafayette, IN
CP: 157-00003
Plt ID: 157-10232
Reviewer: Allen R. Davidson
Date: 08/17/99

HAPs - Organics

Emission Factor in lb/MMcf	Benzene 2.1E-03	Dichlorobenzene 1.2E-03	Formaldehyde 7.5E-02	Hexane 1.8E+00	Toluene 3.4E-03
Potential Emission in tons/yr	3.495E-04	1.997E-04	1.248E-02	2.996E-01	5.659E-04

HAPs - Metals

Emission Factor in lb/MMcf	Lead 5.0E-04	Cadmium 1.1E-03	Chromium 1.4E-03	Manganese 3.8E-04	Nickel 2.1E-03
Potential Emission in tons/yr	8.322E-05	1.831E-04	2.330E-04	6.325E-05	3.495E-04

Methodology is the same as page 1.

The five highest organic and metal HAPs emission factors are provided above.
Additional HAPs emission factors are available in AP-42, Chapter 1.4.

Appendix A: Emissions Calculations

Company Name: A.E.Staley Manufacturing Co.
Address City IN Zip: Lafayette, IN
CP: 157-00003
Plt ID: 157-10232
Reviewer: Allen R. Davidson
Date: 08/17/99

PM Emissions from Spray Dryer System #2 (S/V #335) (Includes combustion emissions)

(1) Cyclones and baghouses efficiency: 99.90%
 Grain loading: 0.008 gr/dscf
 Air flow rate: 100000 acf/min

$$\frac{0.0047 \text{ grain}^* \cdot 100000 \text{ acf}^* \cdot 528 \text{ deg. R} \cdot (100 - 0) \% \text{ moisture}^* \cdot 525600 \text{ min}^* \cdot 1 \text{ lb}^* \cdot 1 \text{ ton} = 14.12 \text{ ton/yr}}{\text{dscf} \cdot \text{min}^* \cdot (460 + 200) \text{ deg. R} \cdot 100 \% \text{ moisture}^* \cdot \text{year} \cdot 7000 \text{ grain} \cdot 2000 \text{ lb}}$$

PM Emissions from Spray Dryer #2 Feed Tanks (S/V #338)

(2) Cyclones and baghouses efficiency: N/A
 Grain loading: 0.008 gr/dscf
 Air flow rate: 300 acf/min

$$\frac{0.008 \text{ grain}^* \cdot 300 \text{ acf}^* \cdot 528 \text{ deg. R} \cdot (100 - 0) \% \text{ moisture}^* \cdot 525600 \text{ min}^* \cdot 1 \text{ lb}^* \cdot 1 \text{ ton} = 0.08 \text{ ton/yr}}{\text{dscf} \cdot \text{min}^* \cdot (460 + 100) \text{ deg. R} \cdot 100 \% \text{ moisture}^* \cdot \text{year} \cdot 7000 \text{ grain} \cdot 2000 \text{ lb}}$$

PM Emissions from Extra Blower Operating

(2) Cyclones and baghouses efficiency: N/A
 Grain loading: 0.008 gr/dscf
 Air flow rate: 300 acf/min

$$\frac{0.008 \text{ grain}^* \cdot 2000 \text{ acf}^* \cdot 528 \text{ deg. R} \cdot (100 - 0) \% \text{ moisture}^* \cdot 525600 \text{ min}^* \cdot 1 \text{ lb}^* \cdot 1 \text{ ton} = 0.57 \text{ ton/yr}}{\text{dscf} \cdot \text{min}^* \cdot (460 + 100) \text{ deg. R} \cdot 100 \% \text{ moisture}^* \cdot \text{year} \cdot 7000 \text{ grain} \cdot 2000 \text{ lb}}$$

PM Emissions from Extra Bin Vent Operating

(2) Cyclones and baghouses efficiency: N/A
 Grain loading: 0.008 gr/dscf
 Air flow rate: 300 acf/min

$$\frac{0.008 \text{ grain}^* \cdot 300 \text{ acf}^* \cdot 528 \text{ deg. R} \cdot (100 - 0) \% \text{ moisture}^* \cdot 525600 \text{ min}^* \cdot 1 \text{ lb}^* \cdot 1 \text{ ton} = 0.08 \text{ ton/yr}}{\text{dscf} \cdot \text{min}^* \cdot (460 + 100) \text{ deg. R} \cdot 100 \% \text{ moisture}^* \cdot \text{year} \cdot 7000 \text{ grain} \cdot 2000 \text{ lb}}$$

TOTAL PM EMISSION (AFTER CONTROLS): 14.85 ton/yr

PM EMISSION FROM S/V# 335 (BEFORE CONTROLS):

$$\frac{14.1161 \text{ ton/yr}}{0.10\% \text{ emitted}} = 14116.11 \text{ ton/yr}$$

TOTAL PM EMISSION (BEFORE CONTROLS): 14116.85 ton/yr

A.E. STALEY MANUFACTURING COMPANY
CONSTRUCTION PERMIT
PUBLIC HEARING

PERMIT NO. CP-157-10232-00003

Transcript of proceedings heard on March 25, 1999, at Tippecanoe County
Commissioner's Office, Lafayette, Indiana.

COPY

ACCURATE REPORTING OF INDIANA
William F. Daniels, Prop., RPR/CP, CM
12922 Brighton Avenue
Carmel, Indiana 46032
(317) 848-0088

P R O C E E D I N G S

MR. DUBENETZKY: Okay. I am going to go ahead and open up the public hearing. My name is Paul Dubenetzky, I'm chief of the Air Permits Branch of the Indiana Department of Environmental Management, and I will be conducting the public hearing this evening.

The purpose of this hearing is to -- is in response to requests that were generated by our proposal to issue a permit to A.E. Staley's Manufacturing Company at their Sagamore plant to construct a new spray dryer, two starch reactors, and other facilities related to processing a greater percentage of their plant's capacity in their system for producing modified food starch.

With me here tonight is Allen Davidson, who is one of our permit engineers who is familiar with the technical aspects of the program. And Gary Freeman over here is also here to help follow up from this hearing. We also have a court reporter here to transcribe what goes on at the hearing. That helps us review the transcript and make sure that we respond to all the questions and comments that we receive and it also provides a record if anyone else wants to get a copy of that.

My speech is going to be fairly brief.

The purpose of this hearing is for us to hear the concerns that you have about our proposal. We will try to answer any questions that you have to the best of our ability. If it is something that we have to go back to Indianapolis, though, and do some more research, we will tell you that tonight and we will follow up and do the research and provide the answers later.

I want to take this opportunity, though, to mention that we did put copies of our proposed permit along with other related documents in the Tippecanoe County Public Library here in Lafayette and a public notice was published in the Journal Courier in Lafayette. There was a 30-day public comment period which essentially runs through the end of this hearing. We also brought copies, which I think we might still have some available of those permit-related documents that you can pick up here.

The permit lays out how A.E. Staley is to comply with Air Pollution Control, that's what we do when we review permits. There is a number of state laws and state rules that apply and govern the amount of air pollution a plant can emit when they put in new facilities. We review those laws and write a permit that tells Staley what they have to do to comply with

the law. They have an obligation to fulfill those requirements, and if they fulfill those requirements we have an obligation to issue a permit.

I went through the appearance slip thing once, but I will do that one more time on the record. There is no requirement to fill out an appearance slip. I have got a number of them up here with me now, but if anyone needs one, they can get one from Gary and Gary will bring the rest of them up to me.

We do these appearance slips for two reasons: One, I am very shortly going to start reading people's names off one at a time, people who have indicated that they wish to speak, so they have their chance to speak. I don't believe there is going to be any reason to limit anybody's time to speak, we're here for as long as you want to be here to be able to hear your concerns and answer your questions.

The other thing that the appearance slips do for us and the reason why it is important that you have your address on there legibly is that we will notify you of the final decision that we make on this permit and that will also include a summary of this hearing, the comments we received, and the responses we have for those comments.

How many people got a -- just I'm curious

how many people here got this? We had this list and we sent notices of the public hearing directly to people who had commented, are there a number of people that got those? Okay. So that's the list we're trying to maintain is people that are interested in our air permit activities at A.E. Staley.

In addition to receiving notice of this action, you will receive notices rather than having to rely on the newspaper. We will send you public notices of any future actions that we have at public hearing and you will get those on an 8 ½ X 11 sheet of paper rather than the legal advertisement columns in the newspaper.

So with that being said, I am, going to go ahead and open up the hearing to hear what you have to say. A couple of rules on that is if we could have just one person speak at a time, that's easy as things begin but sometimes it breaks down later on in the hearing. But it is important we have one person speak at a time so we can hear what that one person has to say.

If you get up when I haven't called your name, if you could please identify yourself for the court reporter so that she can get your name and the comments attributed to you, that is also useful. And

if you get up again later on, if you could reintroduce yourself.

So the one other thing, I ask in advance for your patience or indulgence, my name is Paul Dubenetzky so I hope you forgive me if I stumble on some names here on the appearance slips as I call them out. I'm not as good at pronouncing other people's names as I am own. Howard Helfrich.

MR. HELFRICH: My name is Howard Helfrich, I live at 30 Torchwood Lane, Lafayette, and we would like to welcome Allen and Gary and Chief Dubenetzky to an all American city with an all American main street and we thank them to give us the opportunity to present our questions and concerns about this construction permit in the form of a public hearing.

I recently talked to Dr. Roger Michael, professor of pharmacology and toxicology at Purdue University. I asked him about his guest editorial which appeared in the Journal February 20th, 1999, with the title Are We at Risk? Dr. Michael is on -- out of state on conferencing and consulting, but with his approval I would like to guide -- quote parts of the editorial because I believe he speaks directly to the issues of our concerns.

He refers to the Environmental Protection Agency's toxic release inventory as one of the best examples of an ineffective approach to fulfill a mandate to protect the environment. Its publication of the toxics release inventory is sort of an environmental report card.

Whatever merits this annual listing may have, the EPA has managed to make it less than effective by considering only the magnitude of release of individual substances and totally disregarding the cooperative hazard of each emission.

He states the purpose of this listing is presumably to target these facilities as an approach to controlling pollution. This listing only tells a part of the story. Such a listing by amount only totally ignores a host of salient factors. For example, it fails to consider the relative toxicities or hazardous natures of the individual substances. It does not consider the baseline values of those substances that are indigenous to the environment, nor does it differentiate between these substances that are rapidly chemically or biodegradable and those that are not.

And perhaps most significantly, and this is where we come in, it takes no cognizance of the relative exposures of the population to each of the

substances. But we're the population and we intend to bring a host of salient factors that Dr. Michael refers to this evening.

We need you as the experts to translate the numbers and the trade-offs in ways that we can understand. For example, we know we live close to these plants that operate 24-hour schedules constantly increasing production. We don't know how much because maximum capacity of each facility is a trade secret re-requested by A.E. Staley and that's reported on Page 2 of the permit, the application.

We know that the by-products of production are the following hazardous materials: sulfur dioxide, nitrogen sulfide, nitrogen oxide, carbon monoxide, formaldehyde, narmalhyde (phonetic), septalhyde (phonetic) and propylene oxide.

We know we do not like what we see: Volatile organic compounds, particulate matter, fine powders and dust. We know that we do not like what we hear, constant noise vibrations of varying decibels on a 24-hour schedule. We know we do not like what we smell, obnoxious odors that drift and linger and permeate into the ventilation systems of our homes.

We know our quality of life, property values are compromised by every increase of production

and we wonder about this, a host of salient factors, as we indicated in our letter to the department requesting that a public hearing be held regarding the permit application.

This application to modify and expand production at the Sagamore plant dated February 2, 1999, follows less than a year of construction and operation permit for modifications to a flash dryer system dated April 2, 1998. In view of the fact that all production numbers are up in tons, for example, 1993 SO₂, 4,774 tons; 1996 SO₂, 11,463 tons, we are concerned.

In addition to this rapid increased production, there is a disturbing history of episodes or violations as reported by IDEM, your agency, and identified as Cause Number A-2439, A-3122, A-3147, and A-3186.

Reporting notices of violations from a period of January 1992 through December 1994, August of 1995, September of 1995 and monitoring violations of '94, '95, and the first quarter of '96. I don't know from '96 to three quarters in '96 or '97 or '98, I don't know if they are available now or whether they are in your files at this time. Are they?

MR. DUBENETZKY: Yes. We have

available public records of our enforcement actions. I can tell you there has been one since '96 for A.E. Staley that had to do with the operational waste water treatment plant that was in -- when was that, 1990 -- it was maybe a year ago. And those problems have since been corrected and improvements have been made, but the waste water treatment plant operates better and with less odor.

MR. HELFRICH: Okay. We're pleased with your efforts to better communicate with concerned citizens as you report in the notice that you sent to us that are involved with this, but we see along with increased production a history of violations and an ongoing continuous increasing problem of particulate matter, noise and odor. Therefore we are opposed to your staff recommendation of approval.

Page 2 of the permit describes expansion as follows: Two reactors exhausting to one new propylene oxide scrubber connected to one stack. These two reactors will work in conjunction with 11 existing reactors.

B, a natural gas fired dryer, identified as Spray Dryer Number 2 with a heat input rate of 38 million BTUs per hour, including two new propylated starch feed tanks connected to one stack.

C, modification to five storage bins, two transfer blowers, and a new spray dryer exhausting to a set of six cyclones, four baghouses connected to one stack allowing two blowers and two bins to operate at the same time.

Now, it is one thing to put this 14-page construction permit proposal in a public library and notify a few people in the neighborhood, and it is another thing to be able to determine why the Department of Environmental Management is recommending approval. Not being engineers, we have several laymen questions and I would like to bring up the first and then there will be a number following.

And the questions we're going to ask are about general operating conditions, permit revocation, episode alert levels, performance testing, compliance, malfunction conditions, contemporaneous decreases, particulate matter limitation, volatile organic compound, baghouse operating condition, reporting requirements.

So the first question that I will ask and then will be followed by other questions related to what I have listed here, my question is what kind of an impact with our present problems will this new addition have?

MR. DUBENETZKY: Sounds like we want to go one by one. That's going to be better than trying to go back and answer, and I have to give myself the same reminder. Any time you speak, please remember you are speaking to the whole room and not to someone that's just five feet away from you.

We have, and I was just talking to Allen about our need to provide better information on the impact of increased dust emissions. That's something we can use a computer to predict what the increase in dust from a stack, how much that is going to increase the amount of dust that you could breath at ground level in a neighborhood.

We weren't able to get that, that's not something we routinely do with every permit because in our experience this small increase is not going to have a large impact on air quality. But we will be able to put that together and provide that to you.

The other -- some of the pollutants we can do that with, the oxides and nitrogen and those sort of things we can provide better information or more complete information on the ground level impacts. One of the problems we're going to have with that, which you kind of touched on on one of the problems with TRI is that for some of the pollutants we have

standards to measure that against.

For particulate matter the EPA has adopted a health based air quality standard and says as long as air quality -- as long as the concentrations of the food are below this level, the public health is going to be protected. For some other pollutants that has never been established and there is a whole different program being put in place to do that.

So what we will do, you read off a bunch of -- a list of those pollutants and we will, again, use this computer to predict what the impact will be and provide that to you. In our normal course of review we do that only when the levels are above -when the emission increases are above certain levels. In this case they weren't above those levels but because you requested them, we will do that regardless of the levels. I will provide that and try to provide it in the table that is understandable.

MR. HELFRICH: I have a few other questions I'd ask at a later date if I may. Thanks very much.

MR. DUBENETZKY: Elaine Pearlman

MS. PEARLMAN: I don't need to right now, thank you.

MR. DUBENETZKY: Okay. Selene

Phillips.

MS. PHILLIPS: I'm -- later.

MR. DUBENETZKY: Okay. Sarah Stalling.

MS. STALLING: I don't want to speak now either.

MR. DUBENETZKY: Oh, I'm sorry. You know what, I'm looking at the wrong box here. Okay. Joachim Deguara. Joachim Deguara.

MR. DEGUARA: My name is Joachim Deguara of Harrison Hall 1691. I represent Environmental Action, a group at Purdue University. And I also represent just the common student, the person that isn't educated fully as to every facet of A.E. Staley, but a common citizen.

My viewpoint is short but I feel it is very important. I find that it is beneficial to give to the community if you are going to take from the community. If you are going take something, you should also give back, and what I see is a lot of taking and not much giving back. So I am just asking if there is going to be more taking, then we should also see the opposite side of how this is going to benefit our community. And that's my main message that why give to somebody that's actually going to hurt our community.

That's all I have to say.

MR. DUBENETZKY: And, actually, I mean, that's a question that's kind of outside my realm in air pollution control and my regulation of air pollution control is that that's what I regulate, so I'm not really the best person to talk about what other benefits A.E. Staley has to the community outside the fact that, yes, they emit air pollution and that's why they need a permit from me.

And we're not going to say that, you know, air pollution is good because it is not so, you know, I deal with the part that the, you know, one of the bad parts. My job is to make it so that it is not bad, it is not unhealthy, and it is better than it otherwise would be really. But I'm not really in a position to really answer your question as far as where is the benefit of A.E. Staley because that's not really my role.

MR. DEGUARA: Thanks for your time.

MR. DUBENETZKY: All right. Dan Sales.

MR. SALES: I'm Dan Sales and I live at Creek Water, also a student at Purdue University. I'm not extremely familiar with the issue and the facts at hand here, but I was doing some searching and the

earliest I could find information on was back in 1996, and back then A.E. Staley was ranked as one of the top 20 percent of the facilities in the U.S. for releasing of recognized carcinogens and kidney toxicants, suspected kidney toxicants. Mainly the chemical is acidic aldehyde. What's the emission standing on that as far as poundage released?

MR. DUBENETZKY: Was that quantified in here?

MR. DAVIDSON: No, I think he is asking a general question. Acid aldehyde is treated as hazardous air pollutant. It has limits on --

AUDIENCE MEMBER: Please speak up.

MR. DAVIDSON: Speak up? Okay, I shall. Acid aldehyde is treated as a hazardous air pollutant under the Clean Air Act regulations. It has tougher limits for companies that emit more than 10 tons per year of acid aldehyde or if they emit more than 25 tons per year of any -- of acid aldehyde and a combination of any hazardous air pollutants, they are subject to tighter control measures.

MR. DUBENETZKY: I have got -- I was just looking at the information here and I can't explain why my copy wouldn't have --

MR. DAVIDSON: There is no acid

aldehyde associated with the permit, with the plant notifications that they are proposing on this permit.

MR. SALES: What are the releases involved with this permit as far as chemicals and particulates released?

MR. DAVIDSON: The primary emission will be propylene oxide, which is also listed as an air pollutant. It is subject to the same limits that acid aldehyde would be subject to if it were the pollutant being -- it is subject to the same thresholds.

MR. SALES: Okay. My only concern is with chemicals like that and with the acid aldehyde is -- going to the acid aldehyde, Tippecanoe County was ranked as the -- back in 196 as the 65th highest or the -- yes, the 65th highest county in the country, not in the state, in the country for releasing of that chemical. And I am not sure as far as our releases of other types of chemicals, but I'm really concerned that we should watch out for toxicants like this and work to lower the number released. My old figure was 74,488 pounds, has that decreased at all?

MR. DAVIDSON: I don't know, we will have to find out. It sounds like you are bringing up information from the toxic release inventory and I

would have to say that's one of the benefits of the program. So it was not -- I never viewed that program as a hard regulatory program, it was getting this information out to the public so that the public could look at it.

The TRI, that EPA program doesn't provide in that report necessarily information on relative toxicity or exposure, but just providing information to the public allows the public to get that information and start digging around and saying -- and our department provides more information as well to supplement the TRI. But that's where the information is useable because you now have it and you are concerned and you start letting elected officials know that you want stronger laws to protect you from release of hazardous chemicals.

In this case the major -- we do have a rule that addresses total volatile organic compounds and in this case the company is operating a control device that destroys 98 percent of those organic compounds just as an organic compound rule.

The major regulatory effort will come as EPA establishes national requirements on the food chemical industry that will address across the country bringing everybody up to a much higher level of

control. And so that's going on and that's outside of what we're doing with our permit on just one spray dryer and one reactor.

We do have the rules that require 98 percent, so there is not much in the way of organic emissions from the dryer and the emissions from the reactors are controlled is 98 percent less than they would be without the control requirement there. We can provide you information on the -- if we have more recent information from what was recorded in 1997 on the TRI, we can get that from our people.

MR. SALES: I would appreciate that because, I mean, I look at my list and there is releases of carcinogens, suspected carcinogens, suspected blood toxicants, suspected kidney toxicants, Negro toxicants. I look at this list and it kind of scares me to be honest and any information that you could provide would be greatly appreciated and -

MR. DAVIDSON: I can do that.

MR. SALES: I would have to say until I get further information I would have to be opposed to any extension of the production. Thank you.

MR. DUBENETZKY: Mary Lynn Stoll.

MS. STOLL: My name is Mary Lynn Stoll and I live at 542 Fairy. I'm a graduate student

at Purdue and I'm also with Environmental Action. I just wanted to ask when you consider whether or not to give these permits or not, do you consider how it fits in with overall city planning? We just got recognized as an All-American City and it doesn't seem to me that, you know, given that Staley's already emits too much of a smell, too many carcinogens, too many things that are toxic for the people who live here, how is that in keeping with what seems to be the overall vision for Lafayette and West Lafayette of improvement of a place where people are going to want to live?

MR. DUBENETZKY: Well, it is not really the state's role so the overall city planning is something that happens at the city level or the local level. And so we when we review a permit, we review the permit for the -- with some exceptions that would apply in areas where the air is -- well, we apply statewide standards so the plant gets the same requirements regardless of where it locates in the state.

There are some more stringent requirements in areas that the air quality already does not meet the air quality standards, but for the most part we apply state standards and can occasionally address a local problem if it has to do with a

violation of state law. But when you are talking about city planning and city land use activities, those are the things that are within the local government jurisdiction.

MS. STOLL: Thank you.

MR. DUBENETZKY: Debra Jackson.

MS. JACKSON: Hi, my name is Debra Jackson, I live at 14 North Chauncey in West Lafayette. I am a resident of West Lafayette. I haven't lived in Lafayette before, but I have been living in West Lafayette for three years and I am somewhat confused about the purpose of this hearing. I have heard two people raise the issue so far, I'm the fifth speaker, and I have heard two people raise the issue that it seems to me the issue is that the increase of production of this plant is also going to be an increase of pollution; is that correct?

MR. DUBENETZKY: Well, actually, I don't think there is really an increase in production at the plant as a whole or we would have taken a look at increases that would occur in other places of the plant. So what this is is a modification that at their existing capacity ships some starch from one product that they make to this modified food starch.

MS. JACKSON: Okay. So they are

expanding production, right?

MR. DUBENETZKY: No, they are more diverting production. They are expanding the production of modified food starch possibly at the expense of the production of the other starch, but the ability to process grain throughout the entire plant is not changing as a result of this.

MS. JACKSON: Okay. If this permit is given, will the result be an increase in pollution in Lafayette and West Lafayette and Tippecanoe County in general and the state-of Indiana in general?

MR. DUBENETZKY: It probably is.

MS. JACKSON: Okay. So given that that's the truth that the acceptance of this permit means an increase in pollution in not just the city of Lafayette but also the state of Indiana, it seems like it is a concern of what the concern that has been asked twice and that is how is this increase in pollution going to benefit not just Lafayette, but the state of Indiana?

It doesn't seem clear to me that it is going to benefit anybody except Staley in terms of their profits, right? I mean, that's the only reason that they are motivated, right?

MR. DUBENETZKY: I am never going to

say that an increase in air pollution benefits anybody's public health because it doesn't. So what our role is is as we do our part of the picture of regulating air pollution control emissions is to ensure that that increase in emissions does not -- complies with all the applicable rules that apply and they apply because someone is putting in new equipment and it is going to emit more air pollution than would have been there otherwise. But there is rules that set limits on that and we ensure that they comply with those rules.

And then we also can go and take a look at what the impact on air quality would be and make a demonstration that it will not cause a violation of a health based air quality standard. So air pollution under law is allowed to increase, but they cannot go above -- they cannot increase the level of air pollution in the air above these health based levels.

And that is something we didn't do in our routine processing of the permit because as we do that kind of work, in our experience we don't need to bring in other people to do the models since one of the answers I gave before people asked and we're going to provide. And so we will provide some information on how this is different than tons per year and how is this going to affect the air that I breathe is what the

question is and we need to give you a better answer than that.

MS. JACKSON: That's okay.

MR. DUBENETZKY: But, I mean, it is not going to be that it is going to be to your benefit. But the conclusion, if we issue the permit, is that it is not going to cause, given the standard of -- the health based standard of the pollutants that we have, we can't issue a permit if we can't demonstrate that it is not going to cause a violation of those health based standards.

MS. JACKSON: Okay. So in your opinion so far, does the acceptance of this permit comply with the laws?

MR. DUBENETZKY: Yes, it does. I mean, that is -- we owe you some more technical work because we just used our opinion and we need to back that up more. But when we propose a permit, our review is and the reason we have it so long before it goes out for the public to look at it is we evaluate the application and convince ourselves or convince the applicant if they didn't come in prepared to comply with the rule, that the rules are going to be complied with and then the permit, it sounds like we might go through this a little later, tells the applicant what

they have to do to comply with the law. That's what our authority is is the law is there and we make sure that the applicant is going to comply with the law.

MS. JACKSON: Okay. So that means that -- okay. If it looks like the permit is going to comply with the law, then they're going to get the go, right? And so if they're going to comply with the law, what we say here really doesn't have much of an impact other than us getting more information about how they comply with the law; is that right?

MR. DUBENETZKY: Well, there is a couple of things. One, yes, we have an opportunity to explain our process to you. Two, I know this is -- I always hesitate to say this, one of the main purposes is we're the government, we are interpreting this application, we're interpreting the law, we're saying they are going to comply with the law. And we put this proposed permit out to say we have analyzed the law, we're not going to act until there has been at least a 30-day period for the public to review our decision.

Now, I recognize because we do this job everyday and it is difficult, that that is a difficult thing for the public to do for somebody that is just a neighbor or student or doesn't have a background. But the opportunity is there for someone to look at our

decision before we make it and confirm that we did in fact follow the law at least to the means they have.

So it is an open public process, it's there, we're not in a back room secretly deciding we're not going to look at this part of the law. So we lay it out.

I have approved thousands of permits in my career and conducted dozens of public hearings and occasionally somebody finds something that we have missed, you know. I am not going to say we're perfect. So people can find something and say you didn't address this and we make sure we address it before we issue the final permit.

The third thing that we can do occasionally, and I don't have an example in this case, we haven't even gotten into that maybe is that sometimes we have -- I mean, we have got some very specific authorities and then there is some and this permit goes out meeting the minimum requirements of the law.

There are some times that either in -well, we always have to have the authority, but in some more general authority and working with the applicant there are sometimes things we can do to better address a local issue that we wouldn't know as we are reviewing

the permit down in Indianapolis and just doing our job until we get out and get comments from the public or talk to the public face to face like this. There are on occasion things that we can do that go beyond the minimum federal requirements in response to a public concern that, again, we can address with our authority.

So I think there are three real purposes. one of the purposes, though, is not going to be, you know, X number of people said I don't want this to happen, it doesn't matter what the law says, and we're going to say, okay. then we won't do it. That isn't what the process is about.

MS. JACKSON: Okay. So that means no matter how many people that live in Lafayette and West Lafayette and Tippecanoe County in general, no matter how many of us or even for the whole state don't want the pollution increased, that's irrelevant?

MR. DUBENETZKY: No, it's not irrelevant because when people get that involved and have that much concern, what happens is they say, well, then change the law. Now, I don't change the law, I'm in an agency that implements the law. So then you get the attention of law makers, whether it is the Air Pollution Control Board who is appointed by the Governor to adopt administrative law, or it is your

elected officials either locally or at the state level or even at the federal level and say we don't like this law, we don't like it statewide or we don't like it the way it applies to us, there needs -- someone ought to pass a law and then a law can get -- and then a law gets passed. Laws get passed every year.

So that's -- I can't make up the law, but when people decide the law needs to be changed, then they need to be talking to the people who make the law and people and elected officials respond when there is -- especially when there is a lot of people that want the law changed.

MS. JACKSON: Okay. Well, I don't really know much about what the law actually is and I don't know much about how this permit does or doesn't comply with what the law is, but I do know that I would like to go on the record as saying that I oppose any increase in pollution in Lafayette, West Lafayette, Tippecanoe County, the State of Indiana in general, all together I oppose that.

I think there is a surprising -- I've only lived here for three years and I think that there is a surprisingly large impact on me as an individual of the pollution in this city that I have not confronted in other places that I have lived. I have

lived in Tennessee, I have lived in Louisiana, and I tell you Louisiana has a lot of problems with pollution.

And the water quality and the air quality here I feel even not knowing anything about the signs behind it, I can tell it has a negative impact on my body and on the bodies of people that I encounter daily. So any increase of the negative impact on me and the people that I care about and the people that I have lived next to from pollution, I oppose. Thank you.

MR. DUBENETZKY: Wendell Wiley.

MR. WILEY: I'm Wendell Wiley from 112 Peppertree Court in Lafayette. I'm about three streets east of Staley's. I guess I'm just coming from the perspective of the citizen, and the last person that was up here I guess answered a lot of questions I had as far as even though we are going through this whole process, does it really matter what we say.

All I can say is I'm in the corn business and I know Staley's is a big buyer of corn, one of our front products. But I understand from the business perspective what Staley's wants to do to increase their profits, whatever their other motives may be, but I also understand we're neighbors and they're not being

very neighborly when we have to continually 24 hours a day, seven days a week, 365 days a year smell and hear. And to think there might be an increase in what we're currently getting, it's really disturbing.

And I guess I'm just looking at a perspective from the cons and without knowing any of the biology or the technical aspects of it, that to think that they as being our neighbor would put more of this pollution in our neighborhoods and not just because I am three streets away, I smelled it at least from Benton Elementary School on the way here tonight, and I just want to go on record as being against it. Thank you.

MR. DUBENETZKY: Dora Jarmon.

MS. JARMON: Good evening, I'm Dora Jarmon. I live at 32 Peppertree Court, I am also a neighbor of Staley's. Some of the questions I have have been answered already, but I did want to go on record as asking what are the chemicals or the make-up of the carcinogens, pollutants that are out there in the air that will be emitted?

Will they be -- will they be lower than what they already are now or would they be more but the additional will be lowered by this that they want to expand with? Is it going to increase and yet will

there be some protection overall or just for the additional that's being put in and also who sets up the laws that state what levels are tolerable for the citizens? Politicians or --

MR. DUBENETZKY: Well, law makers.

MS. JARMON: Law makers?

MR. DUBENETZKY: So I will explain that in a minute and I don't -- we still don't have information on HAPS?

MR. DAVIDSON: No, we don't have innervation so we need the original HAPS because there is only one HAP of concern in this.

MR. DUBENETZKY: So we need to I don't have the -- well, if there is only one HAP --

MR. DAVIDSON: HAP is our name for hazardous air pollutant. For the air pollutants that there is health based criteria in these concentrations in there that we can measure again. So particulate matter, sulfur dioxide, carbon monoxide, and oxides and nitrogen. And so oxides and nitrogen and carbon monoxide usually come from fuel burning operations and sulfur dioxide often comes from sulfur content in fuel. In this case it may come from somewhere else and particular matter is dust.

So there will be -- in this case it is

all new equipment so it is all increases, it's not a change or at least the way we -- what we put together here, there is not a replacement of equipment or anything like that.

So there is a nearly 25 tons per year increase in particulate matter, less than a 10th of a ton increase in sulfur dioxide, 19 tons per year of volatile organic compounds, 14 tons per year of carbon monoxide, and 17 tons per year of oxides and nitrogen.

Now, one of the things that you would see in our table as we review one of the concerns about people adding equipment and increasing emissions over the years is that we look back over -- we look back over a five-year period and look at other projects that have occurred within the five-year period. And in that case, there is still an increase overall.

But there has been the most significant thing was, and it was some time ago and maybe Allen can help me on the date, but there have been some increases over the years that have been pointed out, but there was also at 87 ton per year decrease that occurred some time ago.

This modification now means that there has been more increases in the past five years than there have been decreases, but the net increase

compared to five years ago in dust is about 10 tons per year. So there have been increases, they're in here, we owe you some information on the increase in propylene oxide.

On the standard it is kind of complicated. So the Clean Air Act, the Congressional Clean Air Act requires EPA to establish health-based air quality standards, and they base those on health-based criteria, which means that we call them criteria pollutants.

There is a kind of a scientific group of people that supply information. There is lots of studies done on effective air pollution and health all the time and this information is presented to the EPA and the EPA sets a new standard. Just in fact, a year and a half ago it was fairly big news in the newspapers and in the air pollution field that EPA had set, actually adjusted to standards the standard for ozone, which is a summertime pollutant that is related to smog was essentially made more stringent. And the standard for particulate matter has been set to address even smaller particles because those are the ones that get into your lungs.

So EPA sets the standard, the appointed people in the agency, they're required -- they have

criteria that are laid out in the Clean Air Act and they are required to collect all this health based information. It goes through a big public process that was fairly contentious a year and a half ago, almost two years ago now. But that's basically how they set the standards, they have been doing that since 1970.

MS JARMON: With the permit, if you grant the permit, which it sounds like you are going to, will you follow up or will the citizens have to call upon you to follow up on that? Do you follow up to find out if it is putting out more, that this isn't working the way they told you it would on paper?

MR. DUBENETZKY: Right. There is a couple things we do and we -- maybe I will just say I will answer them kind of briefly here. It sounds like we might go into them in more detail later, but we do follow up. So there are -- there is a requirement, the stack test and -

MR. DAVIDSON: Yes. There is a court requirement to perform compliance tests.

MR. DUBENETZKY: So what that means is, you know, the thing isn't built yet so we're working off a design criteria and how we think it is going to perform and in our experience, yes, it looks like they have got the equipment in that is going to do

the job.

But the stack test requires that after it is put in, somebody -- they need to hire somebody and we come observe and we approve the way they do the test, it is all done by EPA testing methods. Somebody has to actually measure the air pollution coming out of these stacks to insure that it meets the limit that we put in the permit.

So that's a test that happens within the first couple months of the unit starting up and then our inspectors inspect on a regular basis back in the time period that was being mentioned in '95, '96, and '97 where there had been some compliance problems.

Our air pollution inspector was doing a number of full inspections every year and was doing monthly and weekly surveillance as far as coming by the plant and at least looking on the outside for dust and problems that he could determine from the outside. So we have an inspector that inspects the plant.

We also include some perimeters in the permit doing this stack test and actually measuring the emissions that come out of the stack is something that can only periodically be done. But we have requirements in the permit on how they operate their control devices and how they measure that performance

using pressure gauges or other things that they use so that our inspector, again, as part of his inspection can tell not only by how the dust looks coming out of the stack, which is one thing that we can do, but he can also go inside and look at records of how the control equipment has performed, how it is performing that day, how it performed the day before and how it performs getting to the last part.

If there is a citizen's complaint, a citizen says something happened, something is happening today, the inspector gets out the next day and can look back at the records to see how the air pollution control devices have been performing.

So those are things that are all either built into the permit or built into our authority to inspect and determine compliance with the law that helps insure that the law is complied with. John Percifield.

MR. PERCIFIELD: I'm John Percifield. I'm a citizen of West Lafayette. Paul, the question I have for you is do I understand correctly that the request would allow an increase of nearly 10 tons of particulate matter?

MR. DUBENETZKY: Yes. Actually an increase above today of about 15 tons per year of the

small particulate matter that we regulate to protect public health.

MR. PERCIFIELD: I can't speak so eloquently as he did to the problems and the particular ramifications of that increase, I can tell you some things that you are aware of, though. I have the report from last week's Journal Courier of your release from the 1997 survey of toxic emissions in the state and there is bad news there, Paul, as you know.

The bad news is that Tippecanoe County is the third worst county in the state for pollution. And there is a need for improvement. As you have identified, there is a need for improvement by the EPA standard you speak of, impending EPA standards. This article also talked about the Governor's challenge to us to increase by 50 percent a reduction in the pollution in the state within five years.

So there is clearly the need for improvement and what we have here tonight is, I believe, we have continued inaction by Staley. You're undoubtedly aware of the mandated meetings that Staley has to conduct locally in the community because of ongoing complaints of odors, with noises, and things of that nature, various kinds of odors.

So we have a situation that is bad, we

have a need for improvement. We have continued, in my opinion, inaction by Staley and what we're seeing tonight is a request to increase particulate matters by some 15 tons.

And all this is going on while others here -- I see that Eli Lilly has decreased their emissions by 24 percent in the same period, okay? If you are here to hear about an increase of 15 tons, right? Well, others have made efforts, I forget what it was, \$250 million they spent to reduce those emissions.

And throughout all of that, we have a company who wants to increase more and you are the policeman, okay, you are the policeman. As a matter of fact, you have been real helpful to me. I have talked to Dan Poole of your group to help me understand as a lay person what is really going on here.

I didn't understand totally, I said 10 tons and it is 15 tons, but you are here before people who are obviously not happy with what Staley is doing, okay? And as the policeman, whether it is legal or whether it is not, I ask you as a human being, what I say to you is, how can you say we're going to let this go on?

You can hide behind the wall, you know,

that's an easy thing to do, but these are concerned people, these are people who are here for a reason and the reason is they don't like what is going on in the community. You have an opportunity to impact that, you can be part of a decision to change things for the better here in Lafayette.

Your letterhead says, "Indiana Department of Environmental Management, We Make Indiana a Cleaner Healthier Place to Live." I encourage you to live by what you say you do. And my challenge to you is whether it is legal or whether it is not, you have got people here saying that they don't like it, that they don't want it, they have got justifiable reasons. My challenge is to you to stand up beside what you say you are doing or what you are all about and help us out here. We don't need anymore of this, okay?

(Applause heard.)

MR. DUBENETZKY: Was that the Journal Courier? I'm sorry, Mr. Percifield, what date was that edition, please?

MR. DAVIDSON: The date of the newspaper article, please?

MR. PERCIFIELD: March 16.

MR. DAVIDSON: Thank you.

MR. DUBENETZKY: Donna Giroux.

AUDIENCE MEMBER: Have you got a response to the letter?

MR. DUBENETZKY: Well, at the risk of -- okay. Yes. I will respond to it. Okay. one thing, I mean, IDEM is a lot bigger than just what I do in issuing a single permit or the permit that I issue. So overall, and I think the TRI data shows that overall the effect of our agency is that it does decrease pollution and pollution is being reduced across the state and individual plants are cleaning up. So overall, the air is getting cleaner and healthier to breathe.

Every once in awhile, though, there is an increase. When a new plant is built, there is just no getting around the fact that it is going to increase emissions. And so for that when you look at just that one incidence, yes, there is going to be an increase.

Overall, the goal of our agency is to reduce emissions and to keep the increases when they do occur as small as legally possible. So I get to be the part of the agency that goes out and says, yes we are approving this increase and the focus oftentimes is on the increase and -- but overall, our goal is to reduce emissions and we believe we are.

The other thing about what I can do and

hiding behind the law is two-fold. One, it is my duty to implement the law and if I would say, boy, I could make a big impression on the people of Lafayette by denying this permit and sign the denial letter and deny the permit, an applicant has the opportunity to take that to an agency outside of mine and say that the agency acted unlawfully and denied my permit contrary to law and the decision gets overturned.

So I mean, it is my duty to implement the law and even if I don't do that duty, whether you think I performed illegally, I will talk at the end of the hearing, you have an opportunity to go before an Administrative Law Judge and say I acted illegally, so does the applicant. So I have -- that's -- I have to implement the law.

Now, the one thing I did mention and the reason why I -- I come to these hearings so that I can hear what the concerns are and with my knowledge of the law and what authority we have to see if there is something additional we can do. If someone points out a mistake and we erred in our analysis and the permit should be denied, then we deny it, but that doesn't happen very -- it happens very, very, very rarely. And the one time that I have denied a permit in the last couple of years, I am still in court and the plant is

operating under an order of the judge.

So -- and that's -- you can imagine that that's a pretty intensive amount of time we spent on that thing. So when it is justified, we deny the permit. But when it is not justified, we need to issue the permit. But I can still look and see if there is something else we can do to make a difference and to make this permit result in the emissions being less than they wouldn't have been if we hadn't had a chance to hear your concerns and look for something we can do about it.

So I can't promise anything other than I am going to do my best to implement the law and I'm here to hear what you have to say and to see what I can learn about the situation to see how I can best exercise that authority. So that's the best answer I have to the question. Okay. Ms. Giroux.

MS. GIROUX: Giroux, Donna Giroux, 3324 US 52 South. I'm a neighbor of Staley's south plant, right next door, we share a fence. And the basic issue we're dealing with is two plant sites of a company in our all-American community that has been associated negatively with quality of life issues in our community.

The ones we are most aware of are noise

and smell, and we're not so knowledgeable about what is in the air, the particulate matter and then also the carcinogens and the chemicals that are coming out. But the company has made efforts to address these issues and to make improvements and yet hasn't been able to do that and so I am concerned that we're going to allow them to increase the pollution without having addressed these previous issues.

I wanted to specifically ask in the permit for some information on Page 5, Section 7, on performance testing. If we grant the permit then one of the things you said they do is we test and I'm not sure what all is involved here. We're talking about performance testing on the particulate matter emissions and the VOC emissions and the efficiency of the scrubber. But it seems like there is a pretty big range of time within which that needs to be done, 60 days after getting the maximum production, but no later than 180 days six months after they first start.

So somewhere in the first six months we need to do a test and there are some procedures to cover that. They have to put a protocol in and they have to notify when the test is going to happen and reports have to come back within a month and a half. It just doesn't quite feel adequate to the lay person

here how infrequency of the testing and I would like to know a little more about it.

MR. DUBENETZKY: All right. So, regarding the stack testing, so this is the permit for starting up a new facility so for the starch dryer and for the reactor. So that is what this permit is about, it is about just a few of the facilities -- well, the facilities aren't even there yet. But when they're there, there will just be a few of the facilities at the plant and that is what this permit is about.

And so when these facilities start up, they seldom start up at maximum production the first time they try to start the equipment. So it takes the company some time to get new equipment up and running the way it will be running the rest of its -- the life of its equipment.

So that's why they're busy trying to get the equipment up and running and get everything working properly, and so that's why the time frame is no longer than 180 days after you first turn it on and certainly within 60 days of when you first -- when you finally get it up and running at maximum capacity.

Some of the reasons those time frames are there is, one, we always want to do the stack test at maximum capacity when the process is running and it is

a full amount, and when it is emitting the most is when we want the stack test done. If the equipment gets up to that level, then we want to do the test when it is up to the level.

The other thing is you notice that there -- or you may have noticed that there is a requirement for them to submit the test protocol to us 35 days in advance of the test and notify us at least two weeks in advance of the actual test date.

So we need to have -- we want to make sure that they're prepared to do this test properly and if they follow procedures that for the most part have been laid out by the federal EPA and our people that specialize in stack test sometimes need to adapt those to the specific facility.

But our people that are experts in stack test need to make sure they are doing it properly and then we need two weeks' notification of the exact date they're going to do the test so that we can make sure that if it is possible, and in most cases we are, we're there to observe the test.

So we have somebody on site while they're doing the test making sure they are doing the test properly up above and making sure they are running the process properly down below. So a lot of that takes

planning and planning takes time so that's -- I mean, that's generally why the time frames are there.

MS. GIROUX: It seems like given the variations that occur in manufacturing we say, okay, here is our protocol and give you guys a couple of weeks to approve it and then, okay, we're going to do the test two weeks from now and then something happens at the plant, a generator fails and we are not at maximum capacity, it is going to be another delay. It seems the concern that it could be very -- in its normal operations happen that it could be months before we had a check on it.

MR. DUBENETZKY: It could be months, but the limit is 180 days.

MS. GIROUX: But you are getting close to the 180 days and then these unexpected things happen and it could be another couple of months it seems like. I'm a little concerned that the citizen could go so long without having any assurance that it is running properly.

MR. DUBENETZKY: Well, I would have to -- yes. I would have to get the input from the people that do the stack test part of the process day to day and see whether there is something we could do to better address your concern that this could -- I

mean, I think I am hearing you say this thing could drag on and on and on and they are still running. But they are not up to the perfect place where you want them to be to do the test and it just drags on and on and on and we still don't know whether they comply.

So I have to get a better response from the stack test people on what we do in situations like that because I think it is much the exception that it would drag out past 180 days, but I'm sure they have to on occasion deal with that.

In the meantime there are still some of the requirements in the permit to basically operate the control device properly so that if we don't have a stack test or while we are waiting for a stack test, the permit still contains some specific things they have to do to show that they're operating the air pollution control device properly. So we use that prior to the test and we use that same information to assess compliance between stack tests.

Since this is a first time stack test and first time permit, it doesn't address a routine schedule. That's something we will be doing. I have got a feeling I will be back here in about a year when we're going through the process of permitting the entire plant with a permit that will be very much

thicker than this one, I believe.

And that will be setting -- many of the older facilities probably don't have monitoring requirements on how to operate the control devices properly, for instance. And in this new permit we would have that and we would also in the new permit be deciding which facilities need to be stack tested again and how frequently should they be stack tested in the future.

So that will be something we will be doing in our assessment of the entire plant and we're on a schedule to -- I don't think I have that plant specifically scheduled, but I know we plan on issuing that permit before the end of next year. So the public comment period would be -- do you have the time?

MR. DAVIDSON: The public comment period for what?

MR. DUBENETZKY: No, no, for when we would be doing the Title 5 permit. So this so-called Title 5 permit is the operating permit and we'll likely be here going through a public process on it about a year from now or sooner.

MS. GIROUX: Thank you.

MR. DUBENETZKY: Michael Simpson.

MR. SIMPSON: I would like to thank

you for giving us this opportunity. My name is Mike Simpson, I am president of the River Oaks Homeowners Association and vice president of the board of Benton Woods Homeowners Association. I would like to make comments first and then I would like to ask a question.

I have lived in this neighborhood for five years and Staley has made some improvements. I would be standing here saying something wrong if I didn't tell you that the sulfur levels that we smelled five years ago have been lowered somewhat.

However, the corn syrup levels that we smell and the odors that we live with daily and the dust levels as neighbors, and we are adjoining neighbors, are not acceptable under anybody's standards whether it is the EPA or just general living standards.

When I moved here -- I have lived in three different Midwest manufacturing communities, one of which is Battle Creek, Michigan, which probably produces and processes more corn than anyone in the United States, and quite frankly, our levels here are so unacceptable when you look at the corn being processed in other communities that I have got to point to Staley's and say there is something wrong, folks.

The question I have is if you are changing your production, is it going to be parallel

with what's going on at the south plant, and I guess maybe you are not the right ones to judge that, but certainly I would like to know with this increase in production are they doing it to mirror what is going on at the south plant?

If so, we have an even bigger problem than we're facing as residents right now because if the north plant is bad, the south plant is despicable.

MR. DUBENETZKY: Just because I'm not going to be able to answer this question today, I want to make sure -- I want to make sure I get it down so --

MR. SIMPSON: But I want to understand if you are looking at a change in production and a shift in processes that it is going to put -- do we have anything to parallel it to in terms of Staley plans, because if it is to parallel what's happening on the south side, I think we have got a much bigger problem than what we're hearing.

MR. DUBENETZKY: Okay. So now I am hearing, I think I understand better and I might have heard -- I might have made up one of the concerns. So one of them, I think the final one was if you are saying you are going to be even more concerned if they become more like the south plant?

MR. SIMPSON: That's correct.

MR. DUBENETZKY: Okay.

MR. SIMPSON: Thank you.

MR. DUBENETZKY: Okay. Larry Giroux.

MR. GIROUX: Larry Giroux. I am also a neighbor to the south plant. I lived there before Staley was built. It was a hog operation next to me so I am used to a little bit of that. Not a lot, a little. My first question is on Page 7 of 14 in the permit, and I also have a problem with understanding this contemporaneous decreases. I guess I need an explanation for that to try to understand what those words mean. Can you look at that?

MR. DUBENETZKY: We used a few terms of art there. So there was a project at the feed house, I mentioned there was a big emission reduction that occurred from a -- and Allen might need to fill in some of the details on this, but there was a big reduction there in 1994 at the feed house and the flashers we shut down.

So we're mentioning here that we relied on those reductions to ensure that the PM10, the small dust partial emissions are not above the level that trigger a federal permit. So that level is 15 tons per

year, this project itself will emit almost 25 tons per year of this small particulate, but it is relying on the fact that they reduced emissions previously so that their net increase over a contemporaneous time period is less than the 15 ton per year threshold that would trigger a federal permit. I'm not sure that's any better of an explanation, but maybe we're getting closer.

MR. GIROUX: Also, am I correct in understanding that they already emit 220.5 tons of this particulate matter out of the north plant per year so it would be an additional 15 tons on to that, 235.35 tons of this particulate matter that is under 10 microns in diameter, that would be the number we're looking at?

MR. DUBENETZKY: Right. It looks like you put those together.

MR. GIROUX: Yes. That's a lot of emissions and that's the emission you mentioned awhile ago that is harmful to your respiratory system?

MR. DUBENETZKY: That's correct.

MR. GIROUX: And those --

MR. DUBENETZKY: I'm sorry, there is a level established in the ambient air, it is 50 or 60 micrograms per cubic meter that if it is above that

level it can be unhealthy to breathe.

MR. GIROUX: Okay. And I guess I am asking then these levels are safe with this much emission for the people in the community?

MR. DUBENETZKY: Based on other work and experience we have done, yes. We don't have a rigorous analysis in this permit that demonstrates that there is not an air quality problem around the plant.

MR. GIROUX: I guess I would ask then how much higher can it get before it is injurious?

MR. DUBENETZKY: And that's where I would have to go back and review the last time we did -- well, I would have to look at what, you know, the last time we comprehensively looked at this and what information we had to answer specific air quality questions.

MR. GIROUX: If we could get those answers back, I think that's a big concern to all of us. We see these high numbers, sometimes high numbers mean nothing but, you know, we see low numbers and those low numbers are more injurious than the high numbers. And we have all of these pollutants and we really don't seem to find anyone to give us answers on what it is doing to us.

MR. DAVIDSON: Yes. We can address

that in the air quality analysis that I plan on providing. And we will also provide -- as part of that we will provide information on air quality data that we collect in the Lafayette area that -- I can't promise it is available from our website, but I thought it was but I might not be able to provide it as part of this report.

MR. GIROUX: Okay. I'm sorry if I asked a question that has already been asked here. Also, can you explain grandfathering to me, the term, and when it is used to define emissions produced and released through machines that are, you know, old. Some stacks now I understand are grandfathered and would that be previous to 1980?

MR. DUBENETZKY: I'm sorry, you will have to help me find where we use that term.

MR. DAVIDSON: The term "grandfathering" means when a new regulation is enacted it does not always affect existing equipment, equipment that's already there. In other words, a new regulation may apply only to equipment that gets installed or gets built after a certain day, but not before that day.

MR. GIROUX: So would 1980 be the date? I had kind of heard that date.

MR. DUBENETZKY: I guess that's why

I'm looking for the context because I have got to admit I don't like the term "grandfathering," I would rather us just say words that mean -- that say what that may mean.

MR. HELFRICH: Howard Helfrich. I just want to follow up with Larry. When you say that -- you mean to say that in grandfathering equipment and stack that the emissions are not counted in the total?

MR. DUBENETZKY: No, normally the grandfathering just has to do with that at some point in time a rule was adopted that said new sources from henceforth will meet a certain standard. So there is still a standard for plants that existed before 1980, but plants or pieces of equipment after 1980 have to meet different standards generally more strict. So that is another general answer that Allen just provided and I can provide you a specific answer if we can find a place where we talk about it in that way.

MR. GIROUX: Okay. I know it is in here, but I think this comes from past dealings where if I understand some stacks were grandfathered and, you know, the emissions from there, I didn't know if those were grandfathered also or how that all worked.

MR. DUBENETZKY: There is just

several different things, again, the grandfathering. There is a lot of different rules that have different applicability dates. So there is a rule that says how tall your smoke stack has to be, new stacks that -- it didn't go back and say everybody has to raise their stack, but it said new stacks after this date have to be so tall, that was the date in the early '70s.

A 1980 date that I can recall had to do with the control of volatile organic compounds, so equipment that was in place prior to 1980 is essentially unregulated. New equipment that came in after 1980 had to demonstrate if they emitted more if there was more than 25 tons per year of emissions could not emit more than 25 tons per year without putting on the best available control technology.

So that would be -- someone might go back and say grandfathering, this equipment was old and therefore there are no rules that apply because they're grandfathered from this requirement to do best available control technology.

So I will be glad to -- it is going to be difficult in this context, but either after the meeting if there is a place where you can point it out or you could, again, if we could find the specific place where it was used, we could give you a specific answer of

what it's about and did we correctly characterize it.

MR. GIROUX: Okay. The next question I have is there are several places in the permit throughout that I see information on where recording is to be available to the Office of Air Management from both local plants, you know, numbers that are available on a sheet of paper saying this was this and this was that.

I would like to point out to you, and I guess I would suggest that the cities that have pollution control officers as we do, I would like to see those numbers available to those people and along with that the malfunction recordings, malfunction reports, too. I know that is something that you folks apparently have access to, you know, the city is trying keep record, too, and it seems that it would be beneficial for all the governmental agencies to have the same information.

MR. DUBENETZKY: And I will see what I can do. I mean, we work with any local health department or air pollution control authority and are happy to provide them copies of anything that we get if they want. So we can't force it upon someone or fill file drawers with stuff that they don't have room for, but if -- we will get in contact. Is that part of the

health department?

MR. GIROUX: It is actually out of the fire department.

MR. DUBENETZKY: Out of the fire department?

MR. GIROUX: Yes.

MR. DUBENETZKY: So we will get together with the fire department and see what they had and what they want to have and I presume it is -- also that they could see it so it is more locally available for you to look at.

MR. GIROUX: Right. And we can do that after. Thank you.

MR. DUBENETZKY: I have got both Mr. and Mrs. James Burkett.

MR. BURKETT: I'm James Burkett, 50 Lacrosse Court in Lafayette. I also represent Clean Air Now for Lafayette. My question is from Page 7 and 14, Question 15 under Baghouse Operations and Rule 326 IAC 6-3. Would you explain a little more about this operation and how it benefits Lafayette in the form of cleaner air or lower emissions?

MR. DUBENETZKY: Well, I can tell you what the legal requirements are. So that's our citation to a specific rule that limits particulate

matter, so 326 is the part of the -- is the title of the Indiana Administrative Code that pertains to air pollution control requirements. Article 6 is where most of the requirements for dust control are located and Rule 3 is the one we're talking about here.

It turns out that the requirement to limit emissions to under 15 tons per year is more stringent than 6-3 so there is a grain loading limit back here. There is a limit on the amount of dust that they emit that is actually more stringent than this 6-3 rule requires, so there is two different rules that apply, 6-3 isn't the most stringent.

But nonetheless, they have to operate the baghouse, which is a control device that filters the dust out of the air so they have to operate that control device to comply with the rule. So that is what the first sentence says, you need this control device, it has got to operate. If it is not operating, you are violating.

And then the rest of the provisions talk about making sure that the baghouse is operating properly and checking it periodically to make sure that there isn't something wrong with it and it is emitting too much dust on a day-to-day basis.

MR. BURKETT: Then you do agree that

this is a very complex operation, this baghouse operation? Could you explain to me why an employee with only four weeks, training be in charge of such a complex operation?

MR. DUBENETZKY: Well, because -- okay --

MR. BURKETT: This does concern me.

MR. DUBENETZKY: All right. That has to do with one part of the evaluation and I will ask you to bear with me on this. There is other requirements and we might look to see if there is more that we could do specifically on how the baghouses operated, but one of the things that they need to do regardless of these other inspections is take a look and see if there is too much dust coming out of the stack.

And too much dust -- there is one way that our inspectors can do it, in fact, they have all just had training today, periodically trained where they're trained to actually quantify the darkness of smoke or dust that comes out of stacks. They assign a number to that and they have got a very specific procedure they follow.

Another way that, you know, a layman can appreciate better is does it look dirtier than it

normally does. And so that is what this requirement is, it is not to do a rigorous regulatory exercise to demonstrate compliance with some emission limitation, it's just does the stack look normal, does it look like it is emitting more than it should.

And to do that we just felt that somebody as we negotiated this type of performance requirement, that it just needed to be somebody that had enough experience to know what the stack looked like from day to day. So this isn't necessarily a person that knows exactly how to run the baghouse properly, how to properly maintain the baghouse, this person to satisfy this requirement just has to be somebody that has been at the plant long enough to know how it normally should look.

MR. BURKETT: Thank you for your time.

MR. DUBENETZKY: Robert Laird.

MR. LAIRD: Thank you. I'm a resident of Benton Highland, which is very close to Staley's north plant. My question concerns something that starts on the bottom of Page 4 under Permit Revocation and it continues on to Page 5.

My specific question concerns under Letter D, it says, "That at episode alert levels to

reduce emission during an air pollution episode." I'm wondering just what is an air pollution episode; could you shed a little light on what that is?

MR. DUBENETZKY: I don't have the specific -- threshold episodes is the high ambient air quality levels. So the air pollution episode is something that's probably one of the oldest air pollution control requirements there are. It has to do with an episode alert or air pollution episodes.

And an air pollution episode is when the levels of air pollution are extremely, extremely high, much higher than they have ever been in Indiana for as long as I can almost remember and certainly with respect to particulate matter.

But they are generally, and we'll include in some information some specific information in our response, but they are two or three levels -- they are two or three times the level that is even allowed in ambient air. And we're talking here with the levels of air pollution are well below this threshold for healthy air.

It isn't even called an episode alert unless it is three times dirtier than that and that hasn't happened, it hasn't happened in Lafayette. I don't think it has ever happened in Lafayette that I'm

aware of, and I have been doing this for 25 years plus the four years I was here at Purdue before that.

But nonetheless, it is in the law and that means that if the air is really, really, really dirty then they have to have a plan on file with us that says what they're going to do to curtail emissions from their plant. And they are going to start -- eventually at this high level they need to start shutting some units down or doing something to reduce the amounts that they're contributing to this episode.

So that requirement is there, I believe they have a plan in place on file to us that if there was an episode we could call them up. The law is set up where we call up and say we're at this alert, you have got a plan that says here is first level what you are going to do, here is the second level what you are going to do and the third level. It is just not something that has been done for a long, long time because the air quality did not have that kind of a problem.

MR. LAIRD: So these first, second, and third options are levels of what could be done if one of these episodes does exist?

MR. DUBENETZKY: Well, let me take a look at the rest of this thing, I'm sorry. No, this is

actually about a number of things that might happen that we could revoke their permit for and one of them is failure to comply with an order under an episode alert plan. If we call them up and say we are ordering you because there is a severe health risk to curtail operations in accordance with this rule and they don't, they could have their permit revoked.

But the other things are separate things that could call for us to take what is a very extreme action to actually revoke somebody's authority to even operate. Those include-they would have to be not just any violation of this permit, but if violations of the permit get bad enough, we have the authority to revoke the permit. And lying in the permit application, changes that mandate that we change the permit can give us a cause to revoke if necessary.

And if we discover that we have issued the permit improperly and we need to cease the operation because it is not complying with state law, we can do that. Now, that doesn't mean we're going to revoke a permit every time that there is a problem, there is other remedies for that, but we do have the authority to revoke permits when there is a very, very serious problem.

MR. LAIRD: So these emissions that

should be reduced, what is a solution to reducing these emissions?

MR. DUBENETZKY: Under the D?

MR. LAIRD: Yes. Under the threat of revocation it says the emissions would be reduced during one of these pollution episodes.

MR. DUBENETZKY: We'll have to -- I mean, the best way to answer that would be to pull out something in the episode reduction plan. They have an episode reduction plan and we will just pull that out and provide that as part of the record as far as what is in that plant.

MR. LAIRD: Okay. So this would all be done after the fact, after the permit has been approved and the expansion has been added on and it is in operation?

MR. DUBENETZKY: Well, the episode reduction plan is a requirement that is in place now for the plant now, and so that's a requirement that they have to comply with whether they get this permit or not. It's just that as we include all the requirements of complying with the law, we have put it in this permit even though it applies to the existing operations.

MR. LAIRD: Okay. Thank you.

MR. DUBENETZKY: Ray Wise.

MR. WISE: I'm Ray Wise with Aqua Wise on the Second Parkway. I'm talking about Item Number 8 on the IDEM permit, Page 5, Malfunction Conditions. We're concerned about these noise malfunctions of emission control equipment and the fact that they are properly reported to the Office of Air Management.

We realize that some air pollution equipment or combustion processes will fail from time to time, and if so, we're concerned that these failures be reported and properly notified to the proper authorities. And also we would like to see the local air quality office notified when these malfunctions occur. It might be a real important some time in the future if something should happen.

It appears that the higher the production levels are achieved as well as the more complicated the process used, they are all going to tend to create more malfunctions and hence make compliance more difficult. And I would like to know what is the frequency or hazard then of malfunctions at these plants?

MR. DUBENETZKY: I didn't come with that information so I will have to provide that in our responses.

MR. WISE: Okay. I'm not saying that it is impossible to achieve higher levels of production and still be in compliance, but it is going to present a more difficult job for all those involved to avoid increased levels of air pollution which we don't need or don't want.

MR. DUBENETZKY: Mary Ann Jernius.

MS. JERNIUS: My questions have been answered or asked.

MR. DUBENETZKY: Okay. Michael Chappell.

MR. CHAPPELL: My name is Mike Chappell, I'm at 3608 Cypress Lane, a neighbor to the Staley north plant. My questions are all going to be coming from the proposal. First of all, on Page 3 under General Construction Conditions, Number 2, you talk about the responsibility to comply with environmental law, and in the last sentence, at the very last sentence it says as well as other applicable local, state, or federal requirements.

Does this mean if our local city government has an ordinance on the books now that is stricter than what your requirements are, can this permit be revoked on that local ordinance?

MR. DUBENETZKY: No. We don't

enforce local ordinances.

MR. CHAPPELL: Right. I understand.

MR. DUBENETZKY: So what this says is just because we gave you this -- just because we gave you this permit doesn't allow you to say I'm complying with this permit, I can ignore the local law or I can ignore some other law that isn't in this permit because we don't have in these permits -- we don't necessarily have every single requirement that has to do with things that don't directly affect emissions. So that statement is merely to say you can't use this permit to protect yourself from some violation of the law that is not covered by the permit.

MR. CHAPPELL: Okay. My second question is on Page 4 under General Operation Conditions, Number 1. I think I understand this but if you could clarify that. The sentence, "Prior to any change in the operation which may result in an increase in allowable emissions exceeding those specified in 326 IAC 2-1-1," is this an increase after this expansion has taken place, is that what this is pertaining to?

MR. DUBENETZKY: Actually, this condition needs a little work to catch up to some very recent changes in some of our citations. But what this is about is to basically say, you know, we approve what

you gave us an application for and that's what we approved and if you -- if there is any doubt about what it was that we approved in this permit, we're going to go back and look at the application and say wait a second, you told us you were building this, we didn't even contemplate that. I mean, you built something else and we didn't even contemplate you doing that when we issued this permit and we need to address it. So that is what most of the first thing is about.

The second thing is you have put the equipment in and you told us one way you are going to operate it. If you are going to operate it a different way that increases emissions enough, and in this case the term "increase in allowable emissions" has to do with triggering the requirement to get another permit.

So we permitted you to operate the equipment this way, if you are going to operate it in a way that is going to increase your emissions by the amount that you need to get another permit from us, then you need to get another permit. So that's what those two sentences are supposed to mean.

MR. DAVIDSON: That is essentially what they're doing now is they have equipment that they operate one way but they want to operate it in a different way and that is what -- that is the reason

for this application and for this hearing.

MR. WISE: Okay. My next question is in regard on Page 7, Number 14, talking about the volatile organic compounds, the limitation. At the bottom you are talking about during the first 12 months of operation, what about after that 12-month period is up, what type of --

MR. DUBENETZKY: Okay. Actually, some of the second sentence is more to cover the contingency that's not included in the first. So in the first we talk about that they're limited to the amount of propylene oxide to 15,000 tons per 12 consecutive month periods so they can't use more than 12,000 tons per year. And we do that on an annual basis and we look back for the last 12 months and see how much they have used.

So the question is, well, what about the first 12 months, what are you going to do if you realize that they have -- if they have told you that they're not going to emit, they're not going to use more than 12,000 tons in a year and in the first month they use five and the next month they use five and the next month they use five; are you going to wait another month for them to use the next five and now they have used 20,000 tons rather than the 15?

This next sentence says that we're going to look each month and keep track of kind of the pace of your usage. And if you multiply 12 times 1250 I think you are going to get 15,000.

So the idea is that we keep an eye on them to make sure, so that that means if they actually are going to use more than 15,000 tons in a year we can take an action before they actually do that.

MR. WISE: Okay. Thank you. Lastly, everyone seems to have different problems with Staley's in terms of our neighborhood. Some people are concerned about the odor, some are worried about the emissions, I mean, everybody is concerned about all of them, but it directly affects us in different ways.

In our particular instance noise is a big problem at our house. And I haven't seen anywhere in the proposal where noise has been addressed in terms of -- well, on Page 2 of the report where you are talking about the pieces of equipment that are going to go in.

As a person who doesn't understand this at all, you know, we're talking about blowers, reactors, and six cyclones. Cyclones to me means noise and we don't need any more of that. There has already been documented complaints to Staley's about noise and

I just wondered if anything has been addressed about the equipment that is going to go in, decibel levels, frequency, anything of that nature, what that is going to add to our environment?

MR. DUBENETZKY: We don't have authority to even regulate noise so it is not addressed.

MR. WISE: You have no --

MR. DUBENETZKY: No, we have no authority at the state, I don't think anywhere in the state and not in the Department of Environmental Management to regulate noise outside of the work place.

MR. WISE: So that is strictly a local regulation?

MR. DUBENETZKY: That's the type of thing that the state looks at it is that it would be virtually impossible to regulate statewide levels when there is so many things to consider and that would be something that is best left to be done in the local community.

MR. WISE: Okay. I understand. Thank you for your time.

MR. DUBENETZKY: Rae Schnapp.

MR. SCHNAPP: Thank you. My name is Rae Schnapp, I'm with the Hoosier Environmental Council

and I live on Newcastle Road. I would like to begin with a question. Is Staley's using the best available control technology in this permit modification?

MR. DUBENETZKY: The what -- the place where we require best available control technology is on the scrubbers controlling propylene oxide emissions from the reactors. And our analysis said that they are using best available control technology and that the scrubbers that reduce emissions by 98 percent. And then there is also some work practices they do that also prevent the release of volatile -- actually prevent the release of volatile organic compounds to the scrubber.

MS. SCHNAPP: So there is no requirement for them to use the best available control technology for particulate matter?

MR. DUBENETZKY: Yes. Strictly speaking, that's correct. So what they do, what there is a requirement is to meet that 326 IAC 6-3 rule, which I have to say doesn't come close to requiring best available control technology.

And there is also a requirement that it would have one of the -- I mentioned the federal permit that they would have to get, they would get it from us but it is a permit that is laid out by the Clean Air

Act called Prevention of Significant Deterioration that applies to major projects.

And a major project, they don't use that term, but major project would be one that increases emissions by more than 15 tons per year and it cannot emit more than 15 tons per year under that program unless they use best available control technology.

Now, they have controlled their emissions below that 15-ton threshold so there isn't a best available control technology analysis done. But on the bottom line is the technology they're using, the baghouse technology and I haven't -- I will have to check the concentration, but the technology they use is generally consistent with best available control technology. But under the law that's not what they're controlling, that's not the level of control they have.

MS. SCHNAPP: Is that because this modification is not increasing particulate matter that much or because they're over all not emitting that much?

MR. DUBENETZKY: It is because the modification does not increase the emissions above a certain threshold, and modification in this case, the way those federal rules work has to do with what their emission increase over a contemporaneous period of

time.

And we mentioned earlier that there is a table that lists all the increases they have done in the last five years and all the decreases they have done in the last five years. We sum all of those and if the net increase is less than 15 tons as a result of this project, then you don't trigger that requirement.

MS. SCHNAPP: So you don't look at the big picture of what the whole plant is producing, you are only looking at this modification; is that correct?

MR. DUBENETZKY: Those rules only look at either new plants or modifications to an existing plant.

MS. SCHNAPP: And has Staley's been in compliance or have they had violations over say the past five years?

MR. DUBENETZKY: Yes. They have had violations and we have had -- well, I'd have to -- there is an attorney that they might have to put on to actually read the agreed order, but we have sent them notices of violations and we have settled with an order to correct a problem. That order may say that, you know, there is no final decision that they actually did violate, but nonetheless, they have agreed to do

something to reduce emissions or fix what we thought was a problem or was a violation. So legally we have issued them a notice of violation and they have done something to fix it.

So we have mentioned a few of them at the beginning of notices of violation. There have not been any related to dust in the last three years, but there were a few between that three and five-year period that had existed and have since been addressed.

MS. SCHNAPP: Thank you. I'm sorry, I came in a little late so I must have missed that. Are you familiar with the law, the statute that says that IDEM is authorized, IDEM has the authority to protect our reasonable enjoyment of property?

MR. DUBENETZKY: Yes.

MS. SCHNAPP: And do you have rules that implement that law?

MR. DUBENETZKY: Not to where that would be the only authority that it would cite, not that I am aware of. You are probably aware there are hundreds of laws that we have, but off the top of my head I can't think of any that relate only to that specific authority. Although it might depend on what may be, and I don't know if you have a next question to this, a follow-up, but it might depend on where you are

going.

MS. SCHNAPP: Well, I think the previous speaker asked about whether you have authority to regulate noise and I was going to ask whether you have authority to regulate odors and whether you have implemented that authority.

MR. DUBENETZKY: We -- let me back up a little bit before talking about trying to implement that statute, that very, very general statute. We did, the department had gone to the Air Pollution Control board to attempt to adopt a specific regulation to control odor citing that statute as its authority.

I'm not familiar with any other statutory authority, the air board would have to adopt a rule specifically addressing odors. That rule could never -- nobody could agree what that rule should be and it never happened. So there was that exercise to implement that statutory authority by having the air board adopt rules and that couldn't happen.

We have, and it's been a pretty contentious thing, attempted to use that authority to address what we would term as chronic and severe odor problems. The ones that I am familiar with and have been involved with have had to do I think in almost all

cases with rendering plants. And the odors that can be associated with dealing with up to three- or four-day-old dead animals and cooking them down have caused chronic and severe odor problems that we have attempted to address in permits.

MS. SCHNAPP: I think all of us that live here in Lafayette are really neighbors of Staley's plants because we have all from time to time smelled them, and those of us who live closer smell them more often.

Many people smell them all the time and I want to just emphasize that odors, it's not just simply a nuisance thing, I mean, odors really have a health effect and some of these effects have been documented. Headaches, nausea, insomnia, are just a few that have been pretty well documented recently. So I want to go on record encouraging IDEM to develop rules to regulate odors.

On the way over here or on the way home from work tonight, actually, I heard on the radio a Staley's advertisement that talked about how Staley's is supplying corn products around the world, but I don't think that means that we have to sacrifice our quality of life right here in Lafayette. I think that Staley's could be a much better citizen of this

community. Thank you.

MR. DUBENETZKY: Kristin Amdahl.

MS. AMDAHL: My name is Kristin Amdahl, I'm a student at Purdue University. I live at 221 South Salisbury. This is going to be pretty short and I'm not looking for a response to this, but I am concerned about the quality of the air that I breathe as much as I'm disgusted with the way it smells.

Everyone in here is saying that same exact thing. We don't care what the law says, what is technically legal for, you know, companies, this corporation Staley to do, we're concerned about our quality of life here and I think that should take priority over some corporate dollar.

It just kind of blows my mind that that's, you know, that we're -- pretty much what we say, I mean, we can all complain and object to all this, but it is really not going to have much of an effect at the end. You know, this is my health and it is not up for sale and no one's health is up for sale.

I just want to say one more thing. This is a quote or it is actually a Cree Indian prophecy as something to think about. "Only after the last tree has been cut down, only after the last fish has been caught, and the last river has been poisoned will man

realize that he can't eat money."

And I think it is something that everyone should think about like what that means. And I would just like to say that I am very much opposed to Staley increasing the pollution it is already producing and that's it.

(Applause heard.)

MR. DUBENETZKY: Damon Hall.

MR. HALL: I'm Damon Hall, 810 North Grant Street. I attend Purdue University and I am the president of Purdue University's CFER, Christians for Ethical Responsibility, and I have few questions for you.

I do understand there has been some violations in the past with the Staley plant and you have been made aware by the agenda here that there have been Staley meetings with community concerns and complaints. And I have a question when you decide the permits, whether to deny them or not, what is the public interest? Where does the public comment, where is that involved at all or is there any involvement?

MR. DUBENETZKY: Yes, there is.

MR. HALL: Okay.

MR. DUBENETZKY: So the involvement, again, is to as we evaluate the permit and determine

that it meets the legal requirements, the public has the opportunity to review that. That's difficult to do, difficult to go through the law and try to figure out whether people like us that implement it every day made a mistake or not and we don't make many mistakes, but it is open there for you to see.

The more -- the area that I see more happening as a result of the hearing is, one, to get a better -- one of them is to get a better understanding of what the process is and if you -- and to where I could see a problem that we haven't grievously erred, somebody couldn't overturn.

It would be difficult to overturn our decision because we didn't do something. But I do, you know, if I hear something or as a result of coming to this and talking to the applicant, is there something we can do to make this better, then I can, you know, if I can get that -- if I hear something that we should do better or we can do better and put it in the permit then it becomes a legally enforceable tool above and beyond the minimum requirements.

And the other thing, and I might come up with another one in a minute, but the other thing is is that as I am sitting here, I'm sorry, the one I almost forgot, was as we review applications we do come

across, this doesn't get too much in the public comment, but we do come across people who are planning to build a facility and weren't planning to comply with the rules.

And the fact that they built the facility the way they planned, they would be violating an environmental rule. And we catch that before it happens in this preconstruction process, and before they even construct the facility we tell them what the rules are and make sure they're ready to comply with them.

And getting back to the public is not so directly affecting this individual decision, but when someone either gets information, some of the information that people provided today from TRI information or they begin to hear me say I don't have the authority to address this problem or I don't have the authority to deny this permit, then people can organize and change the law and change the law to say IDEM has to deny a permit in this situation or IDEM has to do this or IDEM has to do that.

And that happens, it happens when the General Assembly meets every year. There is generally something that the General Assembly tells IDEM to do differently.

MR. HALL: So is that what you are here to encourage us to do?

MR. DUBENETZKY: I mean, I don't have to encourage you to get involved with government, I don't think, because you are here today. You are here today involved in government and you are very interested in it and I imagine that more than a few of you are going to follow up and get more involved in the environmental government than just, you know, working with me or dealing with me on an individual permit.

MR. HALL: Have you been considering denying this permit for any reasons that you would share with us all?

MR. DUBENETZKY: Well, I -- I have not seen any -- we make two decisions. We make this decision to propose the permit and our decision to propose the permit says we think it is going to comply with the rules. It is possible that the reviewer could have even found something that I am not even aware of in the course of the review, that if it was just decided now yes or no, deny, they would have recommended deny. But instead they go to the company and say, hey, look, we can't issue this permit unless you comply with this requirement and then they comply. The last decision we make is the final

decision and that's, you know, how we get from proposal to final is just things that happen and then we make a final decision. So the proposed decision, yes, I wouldn't have proposed, we would not have proposed this permit if we thought we were going to deny or we thought that there was reason to deny it or, yeah, we could deny it, but let's see if we can get away with something, we wouldn't do that. We would say we would not propose a permit we didn't think we should issue. So we proposed the permit.

Or if there was something that we were uncertain about. There have been times when we proposed permits on very large projects where we have said here is something where the area was gray, here is something we felt we needed to do something about, this is what we did and we are specifically asking for public input on how we dealt with this issue. I don't have one of those issues here.

But there have been times we've gone out and said we did the best we could with our authority and we're really looking for help on how we could do it better, so we have done that. And then when we make a decision to deny, we have either issued -- I mean, to issue or deny, we've either decided if it should be issued or to be denied and we make our decision and

then things can go on from there.

MR. HALL: I understand that you are here to enforce the laws and you don't write them and you don't make them up, but I want to ask what can citizens, what kind of information can we provide to you or what can we do for you in order to consider it a denial in this proposal because we're not happy about this at all? You have said so that it is going to increase the air pollution and do you -- I don't think you live here. Do you live in Lafayette?

MR. DUBENETZKY: No.

MR. HALL: Okay. I just -- we do not support that whatsoever. So is there anything we can do, any information we can uncover, anything we can get past a relationship with Staley's and you guys or with EPA or with --

MR. DUBENETZKY: Well, we obviously have our own work, obviously, I'm sorry. We work closely with EPA and this is generally not the type of permit that they would get real involved with. I can guarantee you that if more than about one person calls, EPA air people and says they would want to make sure that EPA checks on an Indiana air permit, I will get a call or an E-mail the next day from the people at EPA saying what is the story on this permit.

We send all our permits up there electronically and they can review them, any one they want. So, yes, people can ask EPA to look over our shoulder and make sure we are doing our job correctly.

MR. HALL: Does the EPA come down and do the testing or do they ask you guys to go out and retest again?

MR. DUBENETZKY: EPA could ask us to -- I mean, they looked at the permit, and this is actually a good point because I didn't mention this. So as far as what the public can do, I mean, the public can say, you know, this is beyond my ability to do something or I am not going to hire an attorney to look at this.

But, yes, you can call EPA, you can call EPA Region 5 in Chicago. I was just actually trying to contact them on the way up here, I can give you a phone number. And you can call them up and say, hey, you know, one of your jobs is to oversee the way Indiana implements their permit program, we would like you to take a look at this permit.

They will check with us and they will get our -- but they will look at the permit to be responsive to, you know, the general public dealing with a federal agency.

MR. HALL: You have the EPA phone number for us all so we can write this down here?

MR. DUBENETZKY: Well, I got -- yeah, I left that in the car. I did, I left it in the car.

MR. DAVIDSON: It is on the internet, it's on the internet. WWW.EPAA.US.COM or /COM. And there is an EPA Region 5 web page and they have got their directory on there. You can even see our permits are posted on that. You actually get to our permits by accessing their web page and Stan Portinova, who is actually one of the sidelines is designing that web page, but Stan Portinova is our lead person that does oversight, works with us on permits.

MR. HALL: Okay. So if EPA gets enough phone calls then they will be concerned and they will be looking over your shoulders?

MR. DUBENETZKY: Yes. In my experience it just takes a couple of people to call them. They don't get a lot of calls from citizens in Indiana and if somebody calls the EPA permit people, it's not going to take -- I hate, you know, I will have them ask me what I am doing telling 60 people to call them up tomorrow, but it's not going to take 60 people for them to look.

It doesn't take -- it doesn't take much to write, you know, you write a letter to an elected official and an elected official is going to come to - a state official is going to come to the state government, a federal official is going to go to the state government in EPA and they will make sure that somebody looks that is qualified to make sure we're doing our job correctly. And that is something that we will do and that's one of their roles.

MR. HALL: Okay.

MR. DUBENETZKY: I guess the last thing, the one other thing as I sit here and explain, and I am the person that is doing this to -- even though my job gets to be to approve places to increase emissions, I'm trying to do the right thing, too. And to the extent that I have influence or talk to the people that adopt rules, I do wait and say --

You know, one of the most amazing things to me, frankly, is when we hold hearings on new rules, no one shows up, very few people show up. It is a situation like this where there is something concrete in your back yard that you know about that you are concerned about you have this many people come and talk to me about the problems you have with the permit, the problems with the law. And I can tell you that when we

talk about things we should be doing to -- we don't make the law, we make recommendations to someone else.

I weigh in, you know, here is what I sit for over two hours on a Thursday night and listen to concerned citizens and I tell them I can't do anything and here is some things I would like to see us do and that happens. It is not going to be -- I am never going to say leave it up to my total discretion depending on how many people show up and let me deny permit. I mean, I don't really want that authority so that's not the authority I would ever get. Under the law it is going to say you do this, you issue the permit, you do this, you deny the permit.

MR. HALL: Okay. I want to thank you and also want to encourage you or anyone else who is working on the permit to encourage you to look for the gray areas because we're all concerned, we're all extremely concerned about the air we're breathing. So thank you.

MR. DUBENETZKY: Mike Smith.

MR. SMITH: Good evening. My name is Mike Smith. I live at 1824 Arcadia so I am a north Staley neighbor, and I am also the city councilman for the north end, and Staley's has been one of the crosses I bear, I guess.

We have had the quarterly meetings, quarterly as a matter of fact. A lot of my colleagues are here tonight, too, and they have cut out but I want to -- I appreciate them having been here. And at first I was kind of sympathetic to Staley's. I mean, I thought, well, these poor people, they are sitting here and they're taking all these hits from us and they're doing a pretty good job of looking, you know, pathetic and sounding like they're doing the right thing and trying to do what they can to reduce emissions and to lower the noise level and to do what they can about noxious or obnoxious odors. I guess noxious is one thing, obnoxious is another.

And then, you know, the period of three years that I have been on the council we have had these meetings and I have felt pretty good about the way we're getting along. They're telling us they're doing the best they can and the neighbors are saying things are getting better.

And then at the last meeting I happened to come in a few minutes late and I was sitting down and I'm thinking wait a minute, what are they talking about. It sounds to me like they're talking about expansion or whatever they want to call it and that's not good. Because it seemed to me that all of the

public relations, positives that they had gotten in the previous few years of reducing the noise levels, reducing the obnoxious odor levels were all going for naught because they were going to take that window of opportunity and they were now going to raise the bar again up to that acceptable level which, again, may be legal but it is certainly not acceptable and I was very disappointed by that.

So I would just like to make that comment at the beginning. Tonight's meeting, by the way, the requirement for tonight's meeting was what? What is it that required tonight's meeting?

MR. DUBENETZKY: The state statute that they recodified the statutes a couple years ago and they require us for any permit to provide a 30-day public comment period and an opportunity for hearing.

MR. SMITH: But if nobody applied, there would have been no public comment if nobody had applied.

MR. DUBENETZKY: There would have been a public comment period with the notice published in the paper, there would have been no hearing without anyone asking for it.

MR. SMITH: So I want to thank the Clean Air group for stepping up to the plate and making

sure that we had such a meeting. These numbers come from where? These are hard and fast numbers, the numbers they give you 84, 72, whatever, those are estimates, or are those hard and fast numbers?

MR. DUBENETZKY: Well, there are a lot of numbers that are used so it is -- so they describe their operation to us.

MR. SMITH: Sure.

MR. DUBENETZKY: In terms of numbers, the amount of material that's going to go in, the size of equipment.

MR. SMITH: So it is a lot of guessing, it is a lot of scientific guessing?

MR. DUBENETZKY: Informed estimates that are then followed up.

MR. SMITH: Sure.

MR. DUBENETZKY: That are then followed up after. So we do the best job we can with what's on design and what's on paper.

MR. SMITH: And significant level you said the threshold was 15 tons?

MR. DUBENETZKY: After you do the contemporaneous increases.

MR. SMITH: And they are saying that they are going to increase by what level; isn't it 15

tons?

MR. DUBENETZKY: Well, under doing it contemporaneously.

MR. SMITH: Sure, I understand the contemporaneous and when you add and subtract and you balance out and all the figures are -- all the shells are moved and it comes out to 15, right, and that's the acceptable maximum?

MR. DUBENETZKY: It comes out to 10 and 15 is a level that isn't --

MR. SMITH: The numbers I am looking at come up to 15 when you round it up from 14.7. That's their best guess estimate, right? That's on a good day?

MR. DUBENETZKY: What page are you looking at?

MR. SMITH: I'm looking -- I'm sorry, I'm looking at Page 2 of this two-page thing. So when they come up with 15 tons, that's their best guesstimate, that's, you know, if they have a good year, that's if there are no violations, right? If there are

MR. DUBENETZKY: Let's I just wanted to make sure we're literally on the same page.

MR. SMITH: Right. When they say 15

that's the legal limit where they don't have to apply for more stringent requirements, right? If it were above that there would be more stringent requirements, would there not?

MR. DUBENETZKY: That's correct.

MR. SMITH: Okay. So isn't it amazing that the number they applied for just happens to be the maximum, they maxed out on the number that they can have and yet who is going to sit here and say there is not going to be a pressure drop, there is not going to be an accident, there is not going to be something that goes wrong, a power failure, and that's going to peak and that that is going to go above 15.

But then as Don has said and others said, then you get into that game of 45 days, 30 days, 120 days and all of a sudden we're talking about like a million here, a million there, we are talking about significant numbers. And the citizens of the north end are sitting there and having to deal with the problem.

And it's the -- the part that I am sorry about, the emissions are what we are here to talk about and other things we can't see, they are the things that hurt us but we can't quantify those things. Those are where the experts get in and do their pencil pushing. The things we can deal with are the noise

and the odor and it is kind of like upsetting, you know, you can't define it, but you know it when you see it. Well, the noise and the odor are things that, you know, we know when we see them and when we hear them and when we smell them, that's obnoxious.

And we have a city code that says obnoxious odors. Well, how do you define it? It's indefinable. I can step out of my door on my son's graduation in the back yard when we are having a house full of people and say that's an obnoxious odor, thank you very much, all my relatives have come from here and there. So me, I can define that as obnoxious and I know that that's not something that the state can regulate and that's maybe too bad because we deal with that every day.

You know, the thing that upsets me is if they were happy with the compliance now the quarterly meetings wouldn't be so well attended. We thought we were making progress and now we are back to ground zero as far as I'm concerned with the public relations aspect of it. And what if these estimates aren't correct? I mean, they're pushing the limits of what they're allowed and we know that those are the best guesstimates, those are the best case scenarios. we know that this -- scenarios daily that things happen,

scenarios, whatever happens and we smell it.

The difference -- and the other thing that concerns me is that this is being defined as a modification, not as new construction. And modification, again, gives you more lenient requirements than does new construction?

MR. DUBENETZKY: No, it is treated the same.

MR. SMITH: They're under the same rules, okay. And, again, there are - in these requirements there are nebulous phrases about what is normal and abnormal and you look it up and it says, well, whatever is prevailing or expected to prevail. You know, that's like looking up a word in the dictionary and seeing the words cross referenced, it doesn't really explain too much to us.

And when you want to talk about somebody in charge of deciding whether or not things are normal or abnormal, ask the citizens of the north end, you know, don't just have a person from Staley's perhaps create and this is maybe something you could do with the local, create a citizens watch that works with Staley to identify when things are not normal, when the smell or the noise is abnormal, when it is peaking. Because as Mike Chappell pointed out, you start talking

about cyclones and blowers and things, those don't sound like romper room kinds of kiddy corner nap time noises to me.

So these are the things that concern me as both a citizen of the north end and the city councilman for the north end. And it's hard because Staley's has been a good citizen, a good corporate citizen, or they tried at least I thought. And I have constituents who work at Staley's and I have other constituents who are -- whose lives, you know, the quality of their lives is being diminished by Staley's. So it kind of puts a public official between a proverbial rock and a hard place in dealing with this issue.

So I was really bummed when I walked into that meeting and heard them talking about expansion. And I know you have got to expand to grow to survive sometimes, but you could expand someplace else. This is a multi-national corporation owned by the British so I think they could expand somewhere else.

What's interesting -- I'll try not to take up too much time, but I have waited quite a long time to get to speak. The city conducted a questionnaire and it was interesting that there were 51 respondents to this questionnaire, and out of the 51

respondents, 50 of them had complaints. One of them didn't have complaints, but 50 out of 51 had substantial complaints. 48 complained about the odor. Noise complainants were 22 of them, 14 complained about emissions.

I just think those are some interesting numbers. And many of them said that there was no period of time without odor or noise pollution of some type that they had to put up with. Most reported there were no changes in these problems and that, again, these unquantifiable things like not being able to sleep, not being able to enjoy the outdoors at your son's graduation party in the back yard, having to close your windows and live in a false environment.

There are people who live in my district who are very quiet, very contemplative people who like to open up their windows and breathe the fresh air. And when they try to do that, in comes the stench, in comes the noise, and they're faced with either listening to the noise of Staley's or listening to Pat Sajack and neither one of them may be appropriate.

So I'm just very disappointed at this point and hope that, you know, something can happen. I know, again, you have got to cross your T's, dot your I's to permit the permits and if they have jimmied the

numbers or worked the numbers such that things appear to be correct on paper, there is nothing you can really do.

But a year from now we're going to be sitting here and we're going to be looking at violations, we're going to be looking at substantial periods where problems occurred, and we're all going to be wringing our hands again and little will have been done except the quality of life on the north end of Lafayette and throughout the city on some days will have been diminished and that's too bad.

(Applause heard.)

MR. DUBENETZKY: Not to try to -- I have got -- well, maybe I will do that then. I have got one, I think I have gotten down to the last person who wanted to speak on the first go around anyway. Dor Ben-Amotz.

MR. AMOTZ: I'm Dor Ben-Amotz, I'm a home owner in Tippecanoe County, father of two children, lived here for about 10 years, also a professor at Purdue University. And I didn't come here knowing a lot about this issue, but came to find out more and I'm very disturbed by a lot of the things I have heard.

A couple of things I wanted to ask you

about; one, I'd like to hear a little bit more about the statute to protect the reasonable enjoyment of property. I'm wondering if you actually have authority. It sounded like you were saying that under the statute we do have some sort of authority to make decisions in order to protect the reasonable enjoyment of property of citizens. Do you have some authority under the statute?

MR. DUBENETZKY: I guess I would say in my opinion we have got some authority, that it is very difficult to exercise, very general authority. And in my experience from trying to exercise that opinion, there is a large body of people who don't think we have that authority.

MR. BEN-AMOTZ: But you think you have that authority?

MR. DUBENETZKY: We think that we can exercise that authority, especially in extraordinary cases where we think there is something we can do. So we have tried to address some problems with that authority as being our only authority, but when you -- obviously it is easier for me to exert specific authority that says you may emit no more than X concentration of dust in a gas ring than to implement something that says you have got some general authority

to protect public health and welfare.

MR. BEN-AMOTZ: There is a statute that says that it is partly your authority, I understand, I mean, that's news to me. I'm very interested in this statute that says that you have some mission to protect the reasonable enjoyment of property and everything you are hearing about tonight is all about the reasonable enjoyment of property.

We are all complaining about exactly that, you know, and maybe you could help us out by implementing your authority to do something about our reasonable enjoyment of property.

That's what we're here for, we're asking you to implement your authority which you say you have. Could you please try to do something to protect our reasonable enjoyment of property by, I mean, not just preventing further emissions from this company and more noise and more odor, let's bring it down. You have the authority to ask them to bring it down if I understand correctly. Why can't you?

MR. DUBENETZKY: The department and the air board has authority to adopt rules that would look at an area and say for whatever reason that we need to reduce emissions. The emissions are going to be reduced and in this instance we are going to choose

adopting rules and making people reduce emissions.

I don't really have that authority in my permits to tell people that if they're complying with all specific rules that they have got to reduce their emissions more, that kind of authority I'm not aware of.

Now, the authority -- I'm sorry, I was just going to get back to that general -- there is a lot of statutes, there is lots of provisions that say what the agency can and can't do. And, again, grabbing that one sentence out of the statute which we have not, I have got to say, not terribly successfully, oftentimes tried to implement, sometimes runs up against other statutes that says your authority is limited in certain cases.

Or there is case law that attorneys learn about on how people read these statutes to what they really mean under the law that makes it pretty difficult to take that sentence and say that the agency can do whatever they want to reduce emissions if enough people ask for it.

MR. BEN-AMOTZ: Like I said, this is the first I heard about the statute, but I was interested to hear that you said you had authority. Aren't we all here asking you to exercise that

authority, and if you have it and we're asking you to exercise it, is there anything standing in the way of making an effort to exercise that authority, in this case saying no, this increase in pollutants and increase in noise and increase in odor that is being proposed here is possibly in conflict with your mission to protect reasonable enjoyment of property? Can we request that you look into that?

You are asking us to bring up some things that might be possible, legal problems with this requested increase, is that or is that not a possible thing to look into? Can we ask you to look into it?

MR. DUBENETZKY: Yes. It is something we will look into and when I talk about our ability to sometimes look and require more in a permit than the minimum legal requirements, yes, that's part of the authority we use to do that. A lot of it has to do with the specific case and so I'm -- as I -- I'm not sitting here, you know, formulating decisions right like this exactly how we're going to do, I'm taking all this in and go back and see what we have, look closer at the plant, talk to the company, talk to the inspectors.

The inspectors, I have got to say they don't -- they haven't from my talking to the inspectors

and looking at the record, I have got to say now, here is another people I work with who might not get some calls tomorrow. Our inspectors have to get a whole lot of complaints so, again, they have got several counties they inspect, they have got lots of plants they inspect, they have got a regular schedule of things they do, but they inspect more often when there is complaints. So when the citizens we had mentioned before

MR. BEN-AMOTZ: So are you suggesting we can complain to somewhere specific? We're complaining. I mean, we're complaining to you but that's the not right place. Tell us where to complain to.

MR. DUBENETZKY: It's on our letterhead, the toll-free number.

MR. BEN-AMOTZ: Okay. Can we have that?

MR. DUBENETZKY: Yes.

AUDIENCE MEMBER: 800-451-6027.

MR. BEN-AMOTZ: 451-6027. So anyone who is interested in registering a complaint can use that?

MR. DUBENETZKY: That number.

That's the best and the thing what will happen is, I mean, that's, you know, someone answers the phone so you will say that you want -- you have got an air pollution complaint and they will get it down to the office of air management.

And then you will say you have got a complaint on A.E. Staley in Lafayette and they will direct you to the inspector if the inspector is in the office or I'm not sure whether they would direct you to the supervisor or whether they have them take a message and forward the message on to the inspector -

MR. BEN-AMOTZ: You can possibly get a run around on this. But it seems like you are asking for citizens, input and then you are saying that, you know, we should be doing it another way. Well, I'm sure a lot of us would be happy to know the most effective way to do it. We are all here because we want to say something, we don't like it. We all have complaints and we're not the only ones, I mean, everyone that lives in Lafayette does not like the smell.

I would like to see one person in Lafayette that would stand up and say, yes, I love the fact that Staley's is here, that it is making noise and smell and is putting out one of the top 20 percent in

the nation in carcinogen emissions. I mean, who is going to be happy about that? Just tell us, make it very clear where we are supposed to register that complaint so it has some impact, that's what we want to do here.

MR. DAVIDSON: In addition to making a call on the 1-800 number, you can write to the Indiana Department of Environmental Management Officer of Air Management in care of the Air Compliance section. They are the inspectors. The address is on our letterhead, it is 100 North Senate Avenue, PO Box 6015, Indianapolis, Indiana, 46260-6015.

MR. BEN-AMOTZ: Can those letterheads be available?

MR. DUBENETZKY: It is posted outside there on the door.

MR. DAVIDSON: If you have our packet that we --

MR. BEN-AMOTZ: Oh, they're on the front of the packet?

MR. DAVIDSON: They are on the top left-hand corner of the packets.

MR. BEN-AMOTZ: Right. I have got you. Another thing that came up, if I may switch to this, is you mentioned you were going to put out an air

quality impact analysis. Tell us a little bit more about that. Is that going to involve health risks associated in some specific way? I mean, estimates of the amount of you mentioned possible lung damage for pollutants, particle pollutants, possible carcinogenic side effects. Do these air quality impact analyses involve estimates of the amount of incidents of various health problems that are going to occur?

MR. DUBENETZKY: Not the way it seems like you might be envisioning. What we will have, and it depends on how much -- one thing we can pretty straight forwardly do is say what the increase in pollutant concentration is going to be from this modification from those numbers that were being worked around the 25 tons, the 40 tons. We can use the computer to predict how much that is going to increase the air pollution that they are going to have microgram per cubic meter concentration attached to it.

MR. BEN-AMOTZ: Okay.

MR. DUBENETZKY: For some of the pollutants that -- then there is another part is so that's the increase, the increase is going to be very very small in all likelihood. So you can look at that and one piece of information that we will provide along with that is what is the national ambient air quality

standard for what represents a concentration that EPA has determined is unhealthy and that number is going to be relatively high.

The thing that is in between is here is increase, here is the total air quality concentration. And the part that's in between is, well, what else is already in the air, what else has Staley already impacting, what are you already measuring at the one or two sites where we actually measure air quality. And we will put together information like that. That's also going to be estimates.

MR. BEN-AMOTZ: So it is all about just finding out whether the numbers are consistent with national --

MR. DUBENETZKY: Ambient air quality standards. It is not going to be a prediction that there is going to be more, X percent more heart disease or lung disease or asthma attacks or anything like that.

It is going to say here is our estimate of what the total air quality is, here is what we think the impact of this modification will be, and here is why we think it is below the health-based air quality levels. And if it is under the health-based air quality levels then EPA tells us there will not be a

substantial health risk.

MR. BEN-AMOTZ: I mean, is it within our -- can we ask you to research and give us information about what demonstrates that this really is not going to cause any health risks to the citizens, this particular increase in pollutants?

MR. DUBENETZKY: We will put together the information that we have. I mean, you know, the analysis to the extent that we have the tools to do the analysis. We can provide some information, again, you know, it may be relying on information that's available on the Internet or stuff that we can provide on the side that talks about how EPA developed these standards and why EPA feels that this level of dust in the air is not going to be unhealthy.

But it's -- I guess I don't want this to sound like this analysis is going to be -- I don't want to -- I don't want to make this analysis sound like it is going to be more rigorous than it is going to be.

It is going to be an estimate of the increase, it is going to be our best estimate of what current air quality is, and it is going to be a demonstration that this is our best feel for what air quality actually is, this is how much it could increase. And that's not going to violate an air

quality standard.

MR. BEN-AMOTZ: So it is based on just comparison with air quality standards?

MR. DUBENETZKY: Right.

MR. BEN-AMOTZ: I mean, we can't -I gather we can't ask you to give us some guarantees that this -- the current level or the requested increase is not going to cause health problems? Can we ask you to give us documentation about that?

MR. DUBENETZKY: The documentation I will give you -- the only documentation I can give you is that for certain pollutants the EPA has established the standards. And EPA has determined that as long as air pollution is below that standard, there is not -those standards are set to protect public health and welfare. So they set those for some pollutants, they have not set them for every chemical species there is. And they're drawing a line or doing health effects is something that medical people do studies on that draw --

MR. BEN-AMOTZ: I understand. So there is already authorities that have decided what legal limits are, you are basically just going to make sure it is within those limits? Is there anything -we're here to have some input information, is there

anything we can ask you to do that could help to stave off this thing, you know, to help to prevent this increase from going through to bring down the current amount that's being put out?

Is there anything we can ask you to do or are we just completely talking into the wind or whatever? You know, it's just there is nothing we can really ask you to do to help us get these emissions reduced and not to approve the current requested increase and to reduce the amount that is already here, I mean, it is bad. Can you help us?

MR. DUBENETZKY: Sitting here right now I can't think of a way that I am going to write a permit that requires Staley to reduce their emissions below what they're doing now.

MR. BEN-AMOTZ: Well, okay. What if it is just not increasing, to do something to protect the reasonable enjoyment of property, you know, even though it has already got a lot of problems to make sure it isn't any worse, smells are not increased, noises are not increased, can you do that? Can we ask you to do that?

MR. DUBENETZKY: You are asking me to do that? I mean, yeah, I am hearing that --

MR. BEN-AMOTZ: Well, can you?

MR. DUBENETZKY: -- and we will look, we will be looking. We will look to make sure that the permit is as strong as it can be to make sure that what we say is done is done in the future and improve the ability both for us to enforce the permit as well as to let Staley know what it is they have to do and things that they could do to make sure their emissions are minimized to the extent that the level that the permit allows.

And we will look at the level to see if there is authority that can require those emissions increase to be minimized to the extent that we can exercise the authority. So I am going to have to think on that for a while.

The other thing I will do is get with our people. We have a number of things going on now, again, that are kind of related to that toxic release information. So people are getting a lot of information, people are saying, you know, this area has -- seems to be the number three county in the state in styrene emissions, this county is the number three -- number one county in the state of methane chloride emissions.

These emissions are, you know, dangerous, unhealthful, what is the department going to do about

it? We sent people that are trying to answer those questions and saying look at the areas, go out and talk, go out in an area where we say we are going to go out and do something general with these air emissions and we want to find some interested people.

I will tell them there is interested people in Lafayette, interested people that will come to a meeting and say what their concerns are and say that they are going to support the department if the department is going to pursue emission reductions. But as a public agency, there needs to be some public support for that kind of thing.

So I hear it in this permit, it is just that my authority under the permit rules is more limited than the people that say we're out to make the new rules, we're going out to make the new rules, we are going to recommend the new rules to the air pollution control board. If it is not a rule, we are going to have some other program that provides ways for reducing emissions.

So I will talk to those people about a pretty solid group of people that are interested in finding out what can be done to reduce emissions of especially the hazardous air pollutants, the pollutants that it is impossible to say here is a level that is

safe and here is a level that is not safe. And when they go on the road to look for areas that people are interested in controlling emissions, I will say Lafayette, Indiana, is one of them, West Lafayette, Indiana, is one of them.

(Applause heard.)

MR. BEN-AMOTZ: Thank you. I hope I wasn't coming off too confrontationally, I mean, I just -- I am amazed that, you know, things are allowed to take place that are obviously harmful to all of us and that there somehow is no recourse.

You know, like you said, you represent the government, I think we're all -- we're the taxpayers, you know, we are the government, too. I mean, we support the government. And it seems like we should be somehow finding a way to work together to make the quality of life in our community better. And I am mystified by the fact that everything seems to be set up to just give the go ahead to companies who just want to make more money at our expense.

And, you know, I would love to hear more about ways that we can make a concrete impact besides just having our little night of speaking-here. I mean, if there is more places we should write that really will make a difference or things that we can do, I ask

you as our representative in this agency to help us figure out how to do this because we don't like what is going on here. It is a very -- there is environmental problems here and they're being increased. So I mean, is there -- you gave us the 800 number.

MR. DUBENETZKY: I will follow up in the written -- in the written report of the hearing on some suggestions either to access information that we put up on our web page or programs that we have. I mean, we have got a very large program going on now to reduce styrene emissions up in Northern Indiana and see that I can at least get you communicating with the people that decide what's the next program or what is the next place we should try to --

MR. BEN-AMOTZ: I have talked too long, I'm sorry. Thank you.

MR. SMITH: Could I have one quick comment on that page?

MR. DUBENETZKY: Sure, Mr. Smith.

MR. SMITH: I'm Mike Smith. The complaints that Staley's gets from the citizens, are those internal documents that Staley sits on or are those things that they must report then to the Department of Environmental Management? Or, you know, anything that we would complain to Staley's about stops

at Staley's, right, they don't send that on to anybody else voluntarily?

MR. DUBENETZKY: Not that I am aware of so - -

MR. SMITH: So if you want to complain, you have got to complain in the chain of command, right?

MR. DUBENETZKY: Well, I mean, there is a bunch of different people you can complain to. You can complain to the source, the plant manager at the source, and see if the plant manager will take care of the problem.

MR. SMITH: Then you get a comment like we don't get any complaints at IDEM and you think that the situation is fine because nothing is passed on from the source.

MR. DUBENETZKY: Right. I am not aware of anything that is set up where our inspector would come in and ask the source how many complaints have you gotten from citizens.

MR. SMITH: Thank you.

MR. DUBENETZKY: Well, I've gone through the list. Oh, no, Gary has got more.

MR. FREEMAN: Just one.

MR. DUBENETZKY: Okay. Terry Keech.

MR. KEECH: My name is Terry Keech. I live at 3541 US 52 South, I'm just south of the Staley's south plant. I had a question about stack emissions, but I think it has pretty well been answered and I don't want to beat a dead horse.

But I do have a question on Page 8, Number 17, with the document compliance and operation permit conditions. Can we get these sent to the pollution control officer in Lafayette, is that a problem?

MR. DUBENETZKY: Well, there is the records are kept at the source and then there is a recording requirement -- I'm sorry, you are talking about the recording requirement. I will contact -- I think we're going to follow up here and make sure I could easily contact the right person and we will ask them if they want copies of the reports. We can arrange either to have a copy sent directly to them or forward a copy from us.

MR. KEECH: Okay. I have got a couple of questions, I'm going to maybe put you on the spot on. If you were going to rate Staley's from one to ten, one being bad, ten being good as complying with all their permits over time, you want to throw a number out?

MR. DUBENETZKY: Not right now. Actually, that's not my -- I'm not directly in that role in the department. So I issue the permits, I try to get a capsule not a comparison, but I did have information on some of the past things that have been brought up during the comment period. But I don't really have a handle on the ranking of compliance histories of different facilities.

MR. KEECH: What -- do you have any idea how many permits IDEM issues totally in a year roughly?

MR. DUBENETZKY: It depends on how you count them, but over 1,000 a year. I mean, they vary, but that number includes when somebody changes their plant name or a contact named, there is some very small things that we approve and count. As far as projects of this size or larger, I would say about 200 to 300 a year.

MR. KEECH: Okay. How many inspectors do you have that actually go out and --

MR. DUBENETZKY: Boy, I should know that but I don't.

MR. DAVIDSON: More than a dozen?

MR. DUBENETZKY: Yeah, it is more than a dozen. It is probably -- we will get the real

number in there, but I think it is more like as far as people that are actually out in the field inspecting it is probably about 30, and then there is another six or seven of the people that specialize in the stack testing and kind of inspect the stack test.

And then there is a lot of people that serve in support roles as far as all these reports that come in. Those are processed by people and the information provided by the inspectors. In the report I will provide information on the inspectors that we have. We have got them deployed in different regional offices as well.

MR. KEECH: Okay. That's all I had. Thank you.

MS. JERNIUS: I have one more question. Mary Ann Jernius, 1625 Cottonwood Circle. I called your office this past week and complained about some odors that were in the community and I sell real estate so I am in various portions of the community and it is everywhere. I also asked you what could be done and you on the telephone said you as in your entity cannot do anything because of the way the law is written.

MR. DUBENETZKY: Regarding odor?

MS. JERNIUS: Regarding odor. That

you could not, according to what was our handout, there wasn't anything you could do, you are simply implementing the law and that's kind of what I am hearing tonight. And then over the telephone you told me that we could change it on a local basis. Now, what did you -- do you mean that we go to the mayor, do we go to our city councilman? How do we go about changing that? That's what you told me.

MR. DUBENETZKY: Right. I'm not the expert how the local -- especially since not all local governments are set up the same way, but it is possible for either through a local environmental ordinance or local zoning ordinances to address land use issues, odor issues, noise issues at least theoretically.

I mean, they would have to tell you about how practical it is for them to actually do it, how feasible it is, what it would take to even develop a code that would be enforceable. There have been communities that have adopted codes, but they're almost impossible to enforce and actually hold somebody to.

I'm not going to shirk this off and say it would be a simple thing for a local government to adopt such a measure, but it can be done. But you would have to work either with your -- with the people you elect to ask them what it would take to adopt a

local law.

MS. JERNIUS: And over the telephone you had suggested that we should go back to our local government. Are you still saying that this evening?

MR. DUBENETZKY: Well, I am just saying that is an option is that usually, again, some other people mentioned it, too. It would be probably difficult for the state to adopt an odor or a noise rule that would be acceptable to everybody on a statewide basis or could weigh all the facts that come into play.

But in a local community where you are one, you have got, you know, one group of people that feel, you know, that are more unified in how they feel about something than they might be some -- maybe there is a place in the state that, you know, is willing to put up with more than you are willing to put up with.

But that's where the local community can weigh that better just -- and I am not an expert in civics either, but it is just a, you know, it is a thing that the local community can better address than the state can address. Now, that's not to say that it is easy for the local government to address it, though.

MS. PHILLIPS: My name is Selene Phillips, I live on Cypress Lane, which is fairly close

to the north plant. Some of the petition indicates or had the terminology indicating that along with the increase in production Staley appears to be proposing that new pollution control equipment will be put in place; is that correct?

MR. DUBENETZKY: Correct.

MS. PHILLIPS: Okay. Some of us have a question as to why that pollution control equipment hasn't been required before. I mean, obviously we have a problem so why hasn't some of that equipment already been installed?

MR. DUBENETZKY: Similar equipment is installed on similar facilities. I don't know how exactly well controlled every facility is there, but it is that there is -- now, is it new facilities or facilities that they're using a new way that's triggering the requirement?

MR. DAVIDSON: It is the desire, it is their petition to use the plant in a different way. Specifically they're wanting to dedicate a larger portion of their plant's capacity to the production of these modified starches.

MR. DUBENETZKY: And to do that, they need to add new equipment. The new equipment is coming in and the new equipment needs air pollution

control equipment that comes along with it. So the other reactors, the other modified food starch reactors that have the propylene oxide going into them also have the scrubbers installed on them and they have similar controls.

MR. DAVIDSON: They all share the same scrubber which will be replaced. The old scrubber will be replaced with the new scrubber.

MR. DUBENETZKY: That has the capacity.

MR. DAVIDSON: That has the capacity to handle their 11 existing starch reactors and the two.

MR. DUBENETZKY: Actually, we have got somebody here from Staley that might be better able to answer questions about how they work than we are.

MR. NEIBERDY: My name is Kevin Neiberdy (phonetic), I'm the plant manager of Staley. If I could, just to answer that particular question, we have come up with a different process and I can't get into all the details, but we have come up with a different process in our process that will reduce the amount of emissions by changing how we process the starch. In doing that, we also are putting in a bigger scrubber as they mentioned.

But the change in the process we found that we implemented that almost a year ago, right, when we found that different way of processing and reduced the amount of emissions, we implemented that immediately as soon as we found change it. So, in fact, we did change the way we process things, reduce our emissions as soon as we found a new way of doing it. But we are looking to expand that capacity and that is why we're putting in another scrubber. Thank you.

MS. PHILLIPS: So and, of course, I'm not on this so forgive me if I don't have the terms right, but do we understand correctly that there is already activated 11 reactors and will there be two more additional scrubbers?

MR. DUBENETZKY: I think I heard that there is one scrubber. It is to be a larger scrubber that will handle the 11 existing plus two. So there will now be 13 reactors going to one common but larger scrubber.

MS. PHILLIPS: So are all the existing reactors currently being controlled?

MR. DUBENETZKY: Yes.

MS. PHILLIPS: How specifically, and forgive me for there is a little, a tad bit of

repetition here, but we just want to be as clear and understand as clear as possible and be specific as possible. How specifically in your opinion will the proposal make our situation better and/or worse?

MR. DUBENETZKY: I will have -- I would have to compare what we have got in the permits already, for instance, permits on the 11 existing reactors. I know it was done some time ago and I think I might have been involved in improving that, but I don't recall how specific the requirements are on how to operate the scrubber, for instance.

So if those aren't very specific, these are going to be more specific then since it is the same scrubber that controls the existing 11. Anything we do to improve our ability to know that scrubber is operating properly on this permit that has to do with two reactors is going to improve our ability to know that the scrubber is operating properly on the 11 existing reactors as well. So there is a possibility that there is some improvement there.

The -- again, this whole, with the exception of that and with some clarification coming that is even coming through this hearing to the extent that there are some facilities that are effective. For the most part, though, most of the facilities are just

new facilities that have new control devices on them and we're not focusing on other -- this permit isn't about the other facilities except for the requirement that the thing that they shut down and improved before stay in place.

MS. PHILLIPS: We understand that it is possible to request the opportunity to submit written comments after tonight; is that correct?

MR. DAVIDSON: That is correct.

MR. DUBENETZKY: Yes. I mean, what you are asking for is an extension of the comment period?

MS. PHILLIPS: Right.

MR. DUBENETZKY: So considering, you know, all the information that we have exchanged here and maybe some of us are thinking, have some new thoughts going around and the fact that I doubt that I am going to be getting that transcript tomorrow would be able to -- we can extend the public comment period to April 9th.

MS. PHILLIPS: We would like to do that. When do you expect to make a final decision and, I know that depends upon a lot of factors",

MR. DUBENETZKY: Right.

MS. PHILLIPS: But estimate.

MR. DUBENETZKY: One of my legal obligations is to make timely decisions. So it is not going to be before April 9, but it is going to be - - so the first thing I am going to do is make sure that we do our job right as far as whatever time it takes for us to respond to these comments and so as I have been -- both Allen and I have been jotting down notes here to make sure that we don't have to wait for the transcript to start following up.

We will start following up on trying to pull information, do some of that modeling and all the things we need to do to prepare this document that is going to respond to the comments. So that is going to take us some time and sometimes that is hard to predict, but we are going to be starting that very soon.

And then of course we're going to wait to see what else we get between now and April 9, so it is hard for me to predict what I am going to get there. Again, with the accessed information that people have, sometimes they come up with information that we have not looked at and we need to look at.

But nonetheless, and I haven't taken a look through that statutory requirement that I act within a certain amount of days with a clock that got

extended for 45 days so we could hold this hearing and I have got to work within that time. So it is likely be a matter of within a couple weeks of the end of the public comment period because we're going to be working and working on this and it is our jobs to come to correct closure in a timely way.

MS. PHILLIPS: So could you, and I know you have done this a little bit just by what you have explained just now, but could you explain what typically happens, in a nutshell, the process after tonight? For example, the 15 days to get a petition to the Office of Environmental Adjudication and the right to hearing on issue and then possible appeal and what usually, what typically happens and what might happen?

MR. DUBENETZKY: Right. And I am planning on going through that at the end of this. So what we do as we mentioned before that we put together a couple of documents. The first kind of works in this order so we summarize all the comments and oftentimes, you know, we paraphrase, we may group peoples' comments together.

And so we do that in some way and prepare responses and those responses might be narrative, they might be tables of more information and whatever. We pull all that together, I think we -- well, title it an

addendum to the technical support document. So we don't change the document that has supported this proposed permit, but we add to it with this thing that other people call a responsiveness.

So we receive comments by mail, we receive comments today, we respond to those and put them into a document. And then we -- as we look at those responses, some of those responses might be we -- well, one of the responses might be we decided to deny the permit for these reasons and here is a letter denying the permit.

Much more frequently it is that we have decided to change the permit and we decided to change the permit here and so then there will be a different permit that would contain changes in it. Sometimes there is nothing we were going to do to change the permit, the permit isn't changed, but it is not called a final permit.

We put that together, the original technical support document, our responsiveness summary, and issue a decision. That gets put in a package covered with a copy of a memo it sounds like you might already have, it is a form memo that says "attached is the final decision on this matter and here is what you can do to file an objection. And it gives you the

address, it gives you the 15-day time frame.

As part of that -- once you file that thing you have objected, you have to say why you are affected. I don't even know, you may need to say what you think is wrong at the time you file, I don't recall. And the other thing you can request is a stay in the effectiveness of the permit and the office of which is different.

So you can object to a permit and when I issue the permit, the permit is effective immediately. You can object, it will go in front of a law judge and that's a separate agency from us a block and a half away.

MS. PHILLIPS: And that will take place in Indy?

MR. DUBENETZKY: That takes place in Indianapolis. And you don't get those guys very often, it is very rare for them to come and hold a hearing in a city outside of Indianapolis. So you come to Indianapolis and this is a fairly -- this is not quite the level of being in court, but it is a pretty formal process. You have got filing deadlines, there is rules of evidence, and it is not quite as formal as being in court, but nonetheless, it is a lot more formal than this.

You can, in addition to objecting to the permit, you can request a stay of the effectiveness of the permit or a stay in the effectiveness of certain conditions of the permit and the judge rules on that. So the judge would rule first on should this permit be stayed and A.E. Staley told they can't construct and then they rule later on the substance of the objection.

And that all takes place, that's when I get an attorney, you either represent yourself or have an attorney. Usually when a citizen objects to a permit, the company files to be a party of the objection.

It is our permit that -- so you are objecting to my decision, but you can understand that normally the company comes in and becomes a party and then so now you have got three groups of people and three sets of attorneys and an Administrative Law Judge. And you usually meet prior to going to a hearing to see if there is something that you can do to settle.

MS. PHILLIPS: Okay. Thank you. We have a petition which I would like to read. It is not very long, but we would like to read this". "We are opposed to any expansion that the north or south plant of the A.E. Staley manufacturing company in Lafayette,

Indiana, may be proposing. In consideration of the continued problems with noise and air pollution that both plants already have, it would not be in the best interest to the greater Lafayette area citizens for the company to be allowed to expand in any way. The company should be made to correct their current problems that adversely affect the community."

And within the past three days without even an organized effort we have well over 225 signatures. These are people who say that the Staley plant adversely affects their quality of life and, again, some of this is repetition.

Mike Smith talked about the survey that the city of Lafayette conducted and that provides concrete evidence that the problem is not -- a problem that is occurring right now prior to the expansion is not acceptable. Again, and that was a survey that was done without a lot of publicity as was our petition. So this is just something by word of mouth that some neighbors have put together in a short notice that we're so totally opposed to this.

Some of the concrete evidence that again Mike Smith has mentioned in the city, the survey that the city took was the odor of sewer gas, burnt corn smell, rotten eggs, and noise, which I realize you have

no -- the state has no regulation over.

However, if there wasn't the odor and emission problem, we probably wouldn't be getting the noise problem. There is a low pitched hum and high pitched whines. And some people actually have called me crying sometimes because they have to leave their home because either the smell is so bad or that they're not getting enough rest or can't sleep because the noise is so bad they can't sleep at night.

Or like Mike said, they will have a party or a family gathering, which we have had at times and you just can't go outside and have a cookout or do something outside because it is just so awful.

And that fact doesn't just -- it is not just an aesthetic thing, it affects your health and your mental well-being and I think that's really important. I think that is something you should consider when you are deciding how to proceed.

And finally, I would like to say that we have been consulting with private experts in this field concerning matters of noise and emissions and will continue that path providing that the improvement in the situation doesn't take place. And we thank you and very much appreciate your trip and allowing for the hearing to take place.

MR. DUBENETZKY: I think we had some other people that wanted to speak.

MR. HELFRICH: Howard Helfrich, 30 Torchwood Lane. I would like to refer to Mary Ann's comments and I would like to say that the Indiana Law Encyclopedia Volume 21, Chapter 9, 334 quoted is "The mere fact that the state legislates on a subject does not necessarily deprive a city of power to adopt an ordinance if the statute does not exclusively occupy the field.

"Both the state and the city may have concurrent jurisdiction over the same subject matter relating to municipal affairs and only when there is conflicting and more stringent regulations by the state," and that obviously is not so, "must the city yield power. Thus the municipality may be authorized to supplement the state law by ordinances and may impose regulations in excess of but not in conflict with the statute." So that's the story on that.

I would like to just make a statement in terms of a level playing field. I don't think this playing field is very level right now. Because when you approve the permit, are there any additional requirements that you might suggest as a result of this meeting? You heard 20, 30 people talking tonight, you

heard about a questionnaire that's out, you know that as you mentioned before reasonable enjoyment of property. Somewhere in this addendum to the technical support documents those statements should appear.

I have in my hand an addendum of February 16, 1998, this is last year on a complaint by Edith and Stanton Babcock and through the one paragraph it was explained technically to them that at this point the officer of air management believes by his comment there is no need for the public hearing, period.

Now, to follow there are 11 comments and 11 responses, comments from your office, comments from Staley. You were negotiating the parameters of this permit and we had no input at that point. We have got to level the playing field.

MS. SCHNAPP: Again, I want to thank you and really commend you for hearing our concerns and for having this interactive forum, it has been very informative. I think that some of us don't have a whole lot of satisfaction with your answers, but it has been very informative.

You have mentioned that there are some things that we can do, some avenues that we can take like calling EPA, for instance, and working with our legislators. You mentioned the air pollution control

board, but you didn't emphasize that very much. I wondered if you could tell us when is the next air pollution control board meeting and how do we go about getting this on the agenda?

MR. DUBENETZKY: The -- well, there is a couple things about the Air Pollution Control Board. They generally meet on the first Wednesday of every month and I don't know whether they meet on April 7th or not. That information is on our web page, though, and the agendas are posted on the web page and, in fact, I think the entire package of materials, rule making documents that they are going to consider is also available on the web page.

You can also get on a mailing list to receive it. So the next meeting could be as early as April 7 or it would be May 5th. May 5th, yes.

So there is two ways, two ways to -well, there is three ways I guess. On -- well, let me just back up a little bit. So the state rule making process, let me just explain real quickly what the normal state rule making process is. It is a four, at least a four-step process.

One is the agency is required to public -- what's called a first notice that says we intend to provide rules for the air pollution control

board to consider to regulate this issue. And that's not all that might be in the notice, it is not a specific thing, it is that we intend to start recommending that the air board put together a rule to reduce dust emission in Marion County to meet air quality standards. And then there is an opportunity for people to comment on that.

And then we do -- then there is an obligation to provide a second notice. The second notice contains draft rule language. And the department puts out rule language, this is what we intend to ask the air board to adopt and hear specific regulatory language.

It says so and so will reduce their emissions to this and that and there will be a stack test every six months or there will be, you know, specific things there for people to comment on.

Then the third step is that we take people's comments on that draft rule language that we put together. Third step is that we take it to the air pollution control board and they hold a public hearing on whether they should propose language,, rule language.

And so they -- the material is available to the public and the air board holds a hearing. The air board is up to about 12 people, I believe, that

represent a lot of different interests. They are nominated or they are appointed by the Governor and they hold a hearing. People can get up, this is an opportunity that if they're doing a rule that you are interested in to get up and provide testimony on the rule. And then they vote whether to propose the rule with or without amendments.

And then they reschedule, they schedule the fourth step, which is to final adopt the rule, again, with or without amendments. And so that's another opportunity for -- and they hold a public hearing on that and that's an opportunity for anybody to come and express their thoughts on the rule.

Now, there is two other ways that -- so that has to do with rules that usually are driven by us to meet federal air pollution control planning requirements or our initiatives.

So there is two other opportunities to address the air board. One, is there is still a provision, I believe, for anybody to put together a petition to the air board and send that to the air board and say we need to -- we think there should be a rule that does this, there should be a rule that says no industry shall ever increase their air pollution emissions again.

But, well, you can look around for who might tell the air board that that's the kind of rule they should adopt and it is probably going to come from a citizens petition. So they don't happen very -- they happen very rarely but there is an opportunity to put together a citizens petition and I just have to apologize, I don't know the rule cite. I think there is a requirement to get 200 signatures or 500 signatures or some number of signatures and the air board needs to act on that petition.

And then the last thing that can be done is to just request to address the air board on an issue. And that's at their discretion, that's really not -- I mean, they have a very defined role under state law to adopt air pollution control rules, but they have been known to at the end of their normal business have someone come and address them and address their concerns.

So is that enough about the air pollution control board? I'm sorry I don't have the specifics. Requests to address the Air Board, I believe, are supposed to be made to the chairman, whose name is John Walker, he is in Evansville. I will be glad to, as a follow-up on this meeting, get with Howard over the phone to provide some more information on,, you know,

well, does the Air Board meet on April 7th or on May 5th.

And I can also provide maybe a code cite. We seem to be getting into going through those Indiana codes. But I can get you to the part on how to do a citizens petition if that's still in the statute, and I believe it is. So did that cover the Air Pollution Control Board?

MS. SCHNAPP: Yes.

MR. DUBENETZKY: Okay. Is there anything else? Well, I appreciate -- yes, ma'am yes, sir? AUDIENCE MEMBER: When you say you are going to get back to us, is that him personally or --

MR. DUBENETZKY: Yes. In fact, there is a couple of things. As I close the -- the hearing is not yet closed, but on follow-up. So I talked about the big formal follow-up with the written documents and the official memo saying how to object to my decision and here is the responsiveness number. I will be glad to stick around to -- I don't have any answers off the top of my head, I'll be glad to stick around and talk to people after the hearing is closed. And I also will be glad to talk to somebody tomorrow on

some of the stuff that I don't have off the top of my- head, inspector phone numbers, EPA phone numbers.

Statutory cites for citizens provisions is something I can get my fingers on in a matter of minutes or Allen can help me pull that together. It is kind of hard to get a hold of some times, but Allen is the person -- is the best person to follow-up on with comments and is going to be in a better position to either immediately get you information or his office is actually just a few feet from mine, to come to me and say what can I do to provide some informal follow-up.

I mean, at some point we might say look, okay, we're going to address all these concerns in our formal document, but there is a couple of simple things that we can follow up on tomorrow or Monday, we'll be glad to do that.

AUDIENCE MEMBER: I'm sorry, but I still don't quite understand. We have to follow up with you?

MR. DUBENETZKY: No, after the meeting, I'll get together and if there is -- I think Howard here is one of your leaders and Mr. Giroux is a leader. And I will be glad to, I mean, I'm not trying to cut anybody out, but I will be glad to talk with them after this meeting or talk with them on the phone

in the next couple of days.

There is a few pieces of information that I just should have had in my hip pocket and didn't have. I will be glad to do that. Some of the, you know, the more involved responses and that sort of thing are going to be part of the formal process, but just being able to come back and say, you know, I used to carry around the list of our whole offices phone numbers here and normally I would have pulled it out and said call this person or this number. That's not a big deal for me to get back with you on tomorrow just to help you get, you know, some of the simple information.

So there is going to be a formal notice, everybody, you will get a big 'ol thick package with a formal memo. We can do a little bit of discussion at the end of this hearing. And we will be glad to follow up by phone, and again, the comment period is open for another two weeks.

Phoned-in comments or mailed comments are actually better sent to Allen's attention because he is the one that works on it day to day. I touch in and out of it so the sooner you get it to him, the sooner it is going to get worked on. Does that get a better answer to the follow-up?

MR BEN-AMOTZ: Yes

MR. DUBENETZKY: Is there anything else? I'm just about done talking this loudly myself so -- yes, sir?

MR. BEN-AMOTZ: Do you people ever take into consideration the area that a plant is located in and the affect of property values?

MR. DUBENETZKY: We do not take into account property values so that's not, you know, we take into account air pollution --

MR. BEN-AMOTZ: Why not?

MR. DUBENETZKY: Because that is not in our authority so the way we would --

MR. BEN-AMOTZ: That adversely affects the public.

MR. DUBENETZKY: And the way that we -- what we do that we see trying to test that is to address that issue is to ensure that people comply with the rules that are set to limit their emissions and to ensure that they aren't going to violate health-based air quality standards. It is, again, something that maybe Mike Smith will want to have a talk to me later, but, I mean, property values and where factories are located and where homes are located is zoning and not air pollution control.

So now, the one time we do take -- one of the ways we take into account where our plant is located is where they would -- especially a new plant, locating in an area where there is already a lot of other plants, then that's a time when we would be taking a special look at air quality and making sure that health-based air quality standard isn't going to be bothered. So we don't really have the authority to try to decide whether to approve or deny a permit based on a property value issue that you would be raising.

MR. BEN-AMOTZ: Could we get Allen's last name?

MR. DAVIDSON: My last name is Davidson.

MR. DUBENETZKY: Your phone, Allen?

MR. DAVIDSON: My phone number is 317-233-2126 or you can dial the 1-800 number and ask for extension 32126.

MR. BEN-AMOTZ: Thank you.

MR. DUBENETZKY: Go ahead and use that 800 number, that's what it is for. Anything else? Like I said, I will be glad to talk with you individually as we wind down out of here -So if there isn't anyone else that wants to be heard on the record, I'm going to go ahead and close the hearing and it's

closed.

(At 10:25 p.m. the meeting was adjourned.)

CERTIFICATE

STATE OF INDIANA)
) ss:
COUNTY OF TIPTON)

I, Heather S. Orbaugh, the undersigned Court Reporter and Notary Public residing and maintaining offices in the City of Tipton, Tipton County, Indiana, do hereby certify:

That I then reported to the best of my ability in machine shorthand all of the words spoken by all parties in attendance during the course of the ensuing proceedings, including objections, if any, made by all counsel present;

That I later reduced my shorthand notes into the foregoing typewritten transcript form, which typewritten transcript is a true record to the best of my ability of the testimony given by the witness as stated above;

That I am not a relative or employee or attorney or counsel of any of the parties, nor am I a relative or an employee of such attorney or counsel, and that I am not financially interested in this action.

IN WITNESS HERETO, I have affixed my Notarial Seal and subscribed my signature below this 16th day of April, 1999.

Notary Public
County of Residence: Tipton (Seal)
My Commission Expires on: April 20, 2001