



June 5, 2014

Jim Ditter, CEO
PPC Partners
5070 North 35th Street
Milwaukee, WI 53209

Casetrack ID# 2014-SCEE-001

Subject: May 22, 2014, Enforcement Conference Summary

Dear Mr. Ditter:

Thank you for meeting with Department staff and representatives from Dane County on May 22, 2014, in Fitchburg. The purpose of the meeting was to discuss the alleged violations outlined in the Department's March 25, 2014, Notice of Violation letter as well as progress made at Clear Horizon's facility since our March 11, 2014, meeting. This letter will serve as a summary of the meeting. For your convenience, I have attached an attendance sheet of those present at the conference as well as the agenda from the meeting.

Clear Horizons stated that only one digester (#1) is currently in operation at the facility. The second digester has been in the process of drawdown since March and the third digester is plugged. Clear Horizons added that operating a business using new technology has been complicated and has included unforeseen challenges.

The Department expects that the June 13, 2014, response will outline specific actions and associated timeframes that will ensure Clear Horizons achieves compliance with violations outlined in the January 2014, and March 2014, Notice of Violation letters. Also to be included as part of the response is an explanation of the relationship between spill mitigation efforts, potential long term composting, and storm water control at the Clear Horizons facility.

Topics of Discussion:

1. Temporary Composting Proposal

We discussed Clear Horizon's proposal to Dane County and the Department to establish a 12 week composting trial at Clear Horizon's facility. Clear Horizons explained that a buyer is willing to purchase compost from the facility which would be marketed in Chicago. The compost would be comprised of wet fiber that has not been dried. Clear Horizons has stockpiled wet fiber from times when the dryer is not operational. Clear Horizons stated that they lost one of their vendors in the St. Louis area and only have 7 days of capacity available before they are out of storage for the wet fiber. Clear Horizons previously completed a composting trial approximately 3 years ago. Clear Horizons is hopeful that the composting will be a long term outlet for the wet fiber as it can't be land applied or sold as cow bedding. The trial would prove to Clear Horizon's vendor that the product is saleable in the Chicago area. Selling compost would be a source of revenue for Clear Horizons.

Dane County and the Department expressed their concerns about the proposal and potential impacts to the existing storm water basin. The Department questioned the necessity of the trial since a previous compost trial was done only three years ago. There were many questions

about how the compost trial area would affect the storm water basins and about how this trial would delay the rebuilding or restructuring of the basins. Concerns were also discussed about how and where the long term compost area might be built.

Currently Clear Horizons is evaluating the possibility of converting the existing storm water basin into secondary containment. The existing storm water basin was filled with manure during the November 2013, spill and is not functioning. In addition, there is a 250' private well setback requirement for composting activities. Clear Horizon's well would be within 250' of the setback.

Clear Horizons explained that after the November 2013, manure spill, Applied Technologies prepared an engineering report. REA Engineering prepared a proposal for Clear Horizons to evaluate containment options and costs. The proposal includes the potential composting activity. Clear Horizons has not made a final decision on the options. If composting becomes a long term activity at the facility, it is probable that Clear Horizons will need to construct a building that will be used during the winter for composting.

Next Steps

- a. Clear Horizons agreed to submit a revised composting proposal to both Dane County and the Department as soon as practicable. The proposal will address plugging the existing basin, interim storm water management, and any manure additions necessary to balance the carbon/nitrogen ratio.

On Friday May 23, 2014, Clear Horizons submitted a revised proposal for the 12 week trial. The Department approved the trial on Thursday May 29, by email.

- b. The Department needs to determine if a permanent composting facility at the property is allowed as part of Clear Horizon's WPDES permit. The Department needs to verify the 250' setback to Clear Horizon's well.
2. Clear Horizon's inability to meet their WPDES Permit Requirement of 60% Phosphorous Removal.

The Department stated that instead of increasing, the phosphorous removal rates continue to decrease. It has been two years since Clear Horizons has consistently removed 60% of the phosphorus. For 2014, the average monthly phosphorus removal is only 33.2%. Clear Horizons verified that the Discharge Monitoring Reports (DMR) removal rates do not include any trials. The reporting is done as normal.

Phosphorous Removal Plan

On April 11, 2014, the Department received a revised Phosphorus Removal Plan. At the conference, Clear Horizons updated the Department on efforts made since the submittal to achieve compliance.

Polymer Field Testing

Clear Horizons stated that with the addition of polymer the 60% removal rate can be achieved. Clear Horizons can't process the manure in the dryer with polymer due to the sticky consistency.

Polymer Bench Testing/DAF tank

Clear Horizons is evaluating polymer addition after centrifuge separation to prevent sticky fiber in the dryer. This polymer addition location would require a DAF tank to remove phosphorus polymers. Clear Horizons completed a bench trial, but the lab was unable to complete work on the samples. Clear Horizons believes that the samples cooled to too low of a temperature after delivery to the lab.

A DAF tank is being delivered to the site during the time period of June 9-23, 2014. This will allow Clear Horizons to use the DAF tank at the facility without samples being taken to a lab.

Ferric Chloride

Clear Horizons had dropped ferric chloride as a potential alternative to achieving phosphorus removal. Clear Horizons stated that farmers do not want ferric chloride added to their fertilizer due to the effect on nutrients.

Clear Horizons is planning to meet with a new representative from their supplier and will discuss the farmer's nutrient concerns.

Upgrade of Centrifuge

Clear Horizons explained that Centrisys Corporation had a mobile unit on site in late April 2014, for four days of testing. The results of the sampling arrived just prior to the conference. From the initial review, it appears that installation of a new Centrifuge will not help Clear Horizons meet their 60% Phosphorus removal rate. Clear Horizons needs time to review the report from Centrisys.

Next Steps

It was agreed that by **June 13, 2014**, Clear Horizons will provide an updated Phosphorus Removal Plan to the Department.

3. Bypassing

Currently only digester #1 is operational and Clear Horizons does not have the capacity to process all the manure. Manure that is not processed is pumped directly to the farms' lagoons and mixed with the processed centrate that is eventually land spread.

The Department said that Clear Horizon's WPDES permit specifies that, "All liquid manure from the participating farms will be directed to the digester." The Department's concern with not processing liquid manure was outlined in the March 25, 2014, enforcement conference summary letter. Essentially, zero phosphorus is being removed from the manure which creates the potential for over application of phosphorus.

Next Steps

- a. Clear Horizons will contact David Mosher each week and notify him when manure is not going to the digester. The notification should include an estimate of how much manure is not being processed. In addition, the Department is requesting to be notified when any of the digesters are not operational. Until this meeting, the Department did not know that digester #1 was the only digester in use.
- b. Clear Horizons will continue to evaluate alternatives to bypassing the phosphorus separation equipment, such as utilizing on-site storage structures at participating farms.

4. Spills – Unpermitted Discharges & Deleterious Substances to Waters of the State

Clear Horizons stated that several consultants have been contacted about the three spills. A draft report and analysis has been completed of the March 12, 2014, spill. It is believed that the 2014, spill is related to a pressure issue. Clear Horizons has a list of recommendations, some of which have already been implemented or are in the process of being implemented as a result of the previous two spills and the HazOP review.

Clear Horizons stated that since the March 12, 2014, spill an employee has been on site 24/7. Clear Horizons plans to continue around the clock monitoring until July 15, 2014, when auto valves are scheduled to be installed.

Next Steps

By June 13, 2014, Clear Horizons will submit a final report outlining the cause and subsequent actions related to the March spill. The report will contain any improvements for spill prevention and containment already done or planned to be made.

5. Potential Alternatives

Clear Horizons explained that they have been in communication with two professors from UW-Madison. One theory that has been discussed is that the digesters are a phosphorus sink. Currently Digester #1 is being drawn down. Clear Horizons may sample the sludge in the digester to determine the level of phosphorus remaining. The Department isn't opposed to this proposal, but doesn't believe that the digester should have an effect on the phosphorus level.

Another theory proposed by a second UW-Madison professor relates to mass balance. This theory assumes that as manure goes through the digester and centrifuge the nutrients are changing. Sampling at various points in the process would determine if the nutrients are changing and how that change is affecting the phosphorus level.

We discussed an alternative sampling location. Clear Horizons may pursue taking samples after the centrifuge, and before the digester. Currently samples are taken immediately before and after the centrifuge. Clear Horizons changed the current sampling location in early 2012, which coincides with the increase in phosphorus levels.

We also talked about the possibility that flow meters might be affecting calculations. Clear Horizons stated that they will review how their earlier calculations were done.

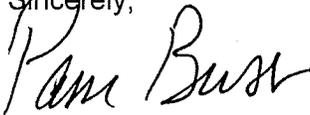
Next Steps

Clear Horizons will continue to inform the Department of any information obtained from the pursuit of these potential alternatives.

The Department has not made a final decision regarding any additional enforcement. Our determination will, in part, be based on actions taken by Clear Horizons.

If you have any questions regarding this letter, please feel free to contact me at 608-275-3306.

Sincerely,



Pamela Buss
Environmental Enforcement Specialist

Attachments: 4/22/14 Attendance List
4/22/14 Agenda

cc: Leo Maney, Authorized Representative - Clear Horizons Dane, LLC, 5070 North 35th Street,
Milwaukee, WI 53209
Monte Lamer, Plant Manager- Clear Horizons Dane, LLC, 6321 Cuba Valley Road, Dane, WI
53539
David Crass & Cameron Field – Michael Best & Friedrich LLP, PO Box 1806, Madison, WI
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Kevin Connors and Dave Merritt – Dane County
Robin Nyffeler – LS/8
David Mosher- SCR
Mark Cain – SCR
Andy Morton – SCR
Tim Ryan - SCR

Clear Horizons Second Enforcement Conference - Agenda
South Central Region Headquarters
May 22, 2014

I. Introduction

1. Introductions
2. Enforcement conference overview
3. Agenda topics

II. Review of March Enforcement Conference

1. Clear Horizon's April 11th Response Letter
 - a. Ferric chloride full scale testing results
 - b. Mobile test unit for centrifuge replacement
 - c. HazOP review and implementation status

III. Alleged Violations

1. Inability to meet WPDES permit requirement to remove 60% phosphorus in 2013
 - a. Department summary of phosphorus removal requirements
 - b. Clear Horizons summary of events, actions completed, and actions to be completed in response to not meeting the 60% removal requirement
 - c. Discussion of future expectations
2. Unpermitted discharges & deleterious substance to waters of the state
 - a. Department summary of unpermitted discharges due to March spill
 - b. Clear Horizons summary of events and discussion of steps taken as requested in March NOV
 - i. Results from pipe pressure testing
 - ii. Letter from pipe/fitting manufacturer on why fittings failed
 - iii. Report from independent qualified consultant on pipe failures
 - iv. Description of operational changes since startup
 - v. Assurance of 24 / 7 staffing levels
 - vi. Timeline for all tasks
 - c. Discussion of future expectations

IV. Composting Trial Request

1. Information received by the Department
2. Dane County and Department concerns
3. Discussion

V. Summary

1. Summary of future expectations
2. Possible outcomes of the Enforcement Conference

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Revised

2014 Average	33.2	31.8125 Percent Removed
2013 Average		44.14583333 Percent Removed
2012 Average		55.99916667 Percent Removed
2011 Average		62.61166667 Percent Removed

MEETING SIGN-IN SHEET

Clear Horizons Enforcement Conference

Meeting Date:

5/22/14

Place: DNR - Fitchburg

Name	Title	Company	Phone	E-Mail
Pam Bass	Enforcement Specialist	DNR	275-3306	parela.bass@wi.gov
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DAVE MERRITT	Program Director	DANE CO.	261-9792	MERRITT@COUNTYDANE.COM
Mark Cain	Wastewater Engineer	DNR	275 3252	Mark.Cain@wisconsin.gov
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