



Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, Minnesota 55155-4194 | 651-296-6300

800-657-3864 | 651-282-5332 TTY | www.pca.state.mn.us | Equal Opportunity Employer

March 26, 2013

TO: INTERESTED PARTIES

RE: Perham Resource Recovery Facility Expansion Project Environmental Impact Statement

On March 26, 2013, the Minnesota Pollution Control Agency (MPCA) Citizens' Board voted to approve the Findings of Fact, Conclusions of Law, and Order for the adequacy decision on the Environmental Impact Statement (EIS) for the proposed Perham Resource Recovery Facility Expansion Project (PRRF), Otter Tail County. The MPCA has determined that the PRRF EIS is adequate.

We appreciate the time and effort of those who submitted comments on the Draft EIS. Your input helped to clarify the final documents and will be considered by MPCA staff during the permit process for the proposed project.

Sincerely,

A handwritten signature in black ink, appearing to read "John Linc Stine", is positioned above the printed name.

John Linc Stine
Commissioner

JLS:bt

STATE OF MINNESOTA
MINNESOTA POLLUTION CONTROL AGENCY

IN THE MATTER OF THE DECISION
ON THE NEED FOR AN ENVIRONMENTAL
IMPACT STATEMENT FOR THE PROPOSED
PERHAM RESOURCE RECOVERY FACILITY
EXPANSION PROJECT
PERHAM, MINNESOTA

FINDINGS OF FACT
CONCLUSIONS OF LAW
AND ORDER

FINDINGS OF FACT

The Final Environmental Impact Statement for the Perham Resource Recovery Expansion Project (Project) came before the Minnesota Pollution Control Agency (MPCA) for a determination of adequacy on March 26, 2013. After affording all interested persons the opportunity to present written data, statements to the MPCA, after reviewing the Draft and Final Environmental Impact Statement (EIS), and considering all of the evidence in the record, files, and proceedings herein, the MPCA, being fully advised, hereby makes the following Findings of Fact, Conclusions of Law, and Order.

Project Description

1. The existing Perham Resource Recovery Facility (PRRF) consists of two municipal waste combustion units (South Unit and North Unit), one waste heat recovery boiler, and one Air Pollution Control (APC) system. PRRF can process up to 116 tons per day (tpd) of mixed municipal solid waste (MSW). The facility also includes an auxiliary gas-fueled boiler. Steam produced by the two boilers is sold to local industries.
2. The proposed Project includes the addition of a new waste heat recovery boiler and a second APC system to serve the South Unit. The North Unit will be serviced solely by the existing heat recovery boiler and APC equipment. After this modification has been completed, the units will each be able to concurrently process up to 100 tpd of MSW, giving PRRF a new capacity of 200 tpd.
3. In addition to the new waste heat recovery boiler and APC system, the Project includes the construction of a Materials Recovery Facility (MRF) at the PRRF. The MRF will presort incoming material in an effort to remove various undesirable waste and recyclable components prior to combustion of the remaining material. The MRF system would be designed to separate and remove undesirable waste and fines, including much of the glass and grit in the MSW, from the fuel supply and to recover ferrous (magnetic) metals, non-ferrous metals including aluminum, and old corrugated containers as the primary products. The undesirable waste and fine material contains little combustible material and contains higher ash and abrasive material. Removing the aluminum and ferrous material from the fuel supply can also provide operating benefits for the combustion units.

Permits and Approvals

4. The Project will require the following permits and approvals:

Minnesota Pollution Control Agency

- Air Emissions Permit
- National Pollutant Discharge Elimination System Permit/State Disposal System (NPDES/SDS) Permit for Industrial Wastewater Discharge
- NPDES/SDS Stormwater Construction Permit.

City of Perham

- Building Permit and Zoning Certificate
- Conditional Use Permit

5. No previous environmental review had been done on PRRF or at this site.

Procedural History

6. Minn. R. 4410.4300, subp. 17(D), requires the preparation of an Environmental Assessment Worksheet (EAW) for the construction or expansion of a mixed MSW energy recovery facility or incinerator with a capacity of 30 or more tpd of input. Minn. R. 4410.4400, subp. 13(C) requires that an EIS be prepared for the construction or expansion of a mixed MSW energy recovery facility or incinerator with a capacity of 250 or more tpd of input. The Responsible Governmental Unit (RGU) is the MPCA.
7. The proposed Project, with a planned capacity of 200 tpd of MSW, does not meet or exceed the threshold for a mandatory EIS; however, the Prairie Lakes Municipal Solid Waste Authority requested the preparation of a discretionary EIS. Pursuant to Minn. R. 4410.2000, subp. 3(B), the MPCA agreed to the preparation of an EIS.
8. A Scoping EAW and Draft Scoping Decision Document were prepared on the proposed Project and distributed to the Environmental Quality Board (EQB) mailing list and other interested parties on November 23, 2011. A press release containing notice of the availability of the Scoping EAW and the Draft Scoping Decision Document and the date of a public meeting was provided to newspapers serving the Project area on November 23, 2011.
9. A notice of the availability of the scoping documents and the scoping period was published in the *EQB Monitor* on November 28, 2011. The scoping period began November 28, 2011, and ended on January 5, 2012, running a total of 38 days. The MPCA also held a public meeting in Perham, Minnesota, on December 13, 2011.
10. Written comments regarding the scoping process were received from two units of government during the comment period: the Minnesota Department of Transportation and the Minnesota State Historical Society. No other comment letters were received.

11. A scoping decision was adopted by the MPCA Citizens' Board on February 28, 2012. The Final Scoping Decision Document contained an anticipated EIS schedule, a listing of issues to be addressed in the EIS, and a description of alternatives to be addressed in the EIS.
12. The Final Scoping Decision Document identified the environmental and resource information and issues that were to be examined in the EIS. They are identified below:
 - Project description
 - Air modeling to demonstrate compliance with National and Minnesota Ambient Air Quality Standards
 - Air Emissions Risk Analysis to evaluate the human health risks of air toxics emissions from PRRF, including cancer risks, from exposures to air, soils, and biota
 - An analysis of the mercury emissions from PRRF using the Minnesota Mercury Risk Estimation Method
 - A discussion of any changes in the water use and generation and disposal of wastewater from the PRRF
 - An evaluation of the expected increase in traffic due to the proposed project and its potential impacts on affected roads in the immediate vicinity of the PRRF
 - An evaluation of the expected impacts from on-site vehicle-related emissions at the site.
 - An evaluation of noise in the area around and emanating from the PRRF, and compliance with applicable state noise standards
 - A technical report on the solid waste management programs and practices of the regional and local governing bodies in Otter Tail, Wadena, Todd, and Becker Counties.
13. The EQB rules, found at Minn. R. ch. 4410, require that an EIS evaluation address the "no build" alternative and at least one alternative from each of several alternative types, or provide a concise explanation of why an alternative from a particular alternative type is not evaluated.
14. The EIS assessed the consequences of a "no build" decision for the proposed Project using the Solid Waste Report which evaluated the no-build/no action alternative for the proposed Project, including the potential effects on private MSW landfills, private industrial waste landfills, recycling rates in the four-county region, and solid waste composting in the four-county region.
15. The issue of design alternatives was not evaluated in the EIS because the design of the proposed expansion must meet specific design specifications that are required by both the U.S. Environmental Protection Agency (EPA) and the MPCA. Therefore, this alternative discussion was not carried forward to the EIS.
16. The issue of location alternatives was not discussed in the EIS since the proposed Project is an expansion of an existing facility.
17. The issue of alternative technologies was not discussed in the EIS because the design of the proposed expansion must meet specific design specifications that are required by both the EPA and the MPCA. Therefore, this discussion was not carried forward to the EIS.

18. An assessment of economic and social impacts evaluated the potential for the Project and the "no-build" alternative to directly and indirectly affect the local economic and sociological impacts. The PRRF's impact on cost to the users of the facility and general public and the effects of the Project on regional and county solid waste system costs and public economic risks was evaluated.
19. Inventories were completed of any nearby existing and planned recreational resources. Any potential impacts resulting from the expansion were described. Historical and archeological resources do not appear to exist at or near the site, and there was no analysis of these issues in the EIS.

Draft EIS

20. The Draft EIS was prepared in a manner consistent with EQB rules (Minn. R. 4410.2300) and in accordance with the scoping decision. The Draft EIS contained:
 - a. A cover sheet identifying the RGU and a contact person there, the Project proposer and the proposer's contact person, the Project title, the Project location, the date of the public meeting on the Draft EIS, the date for the end of the comment period, and a one paragraph abstract of the EIS.
 - b. A summary which stressed the major findings, areas of controversy, and issues to be resolved, including the choice among alternatives.
 - c. A table of contents.
 - d. A list of preparers.
 - e. A project description identifying the purpose of the Project, its size, scope, environmental setting, geographic location, and the anticipated phases of development.
 - f. A list of all known governmental permits and approvals required by the Project.
 - g. A discussion of the potentially significant impacts of the proposed Project and the environmental, economic, employment, and sociological impacts generated by the Project, and a brief discussion of any major differences of opinion concerning significant impacts of the proposed Project on the environment.
 - h. A discussion of the other reasonable alternatives that were considered and their potentially significant impacts, or an explanation why an alternative of a particular type was not included.
 - i. An identification of reasonable mitigation measures proposed to eliminate or minimize any adverse effects of the Project.
21. The Draft EIS was distributed to the mailing list contained in EQB rules, to the Project proposer, the governmental units known to have permitting or approval authority over the Project, and to other interested persons on the mailing list. A notice of availability of the Draft EIS was published in the *EQB Monitor* on December 10, 2012, and a press release was also issued to newspapers in the area on December 10, 2012.
22. The public notice and press release provided a brief description of the Project, information on the date, time, and location of the public meeting, the date on which the public comment period would end, and the locations at which copies of the Draft EIS were available for review.

23. A public meeting on the Draft EIS was held on Thursday, January 3, 2013, from 6:30 to 8:30 p.m., in the Perham City Council Chambers, 125 2nd Avenue, Perham, Minnesota. The meeting was attended by the Project proposer, consultants to the Project proposer, representatives from Bongard Creamery, representatives from the city of Perham, and members of the Prairie Lakes Municipal Solid Waste Authority.
24. According to Minn. R. 4410.2700, subp. 1, the Final EIS shall respond to timely substantive comments on the Draft EIS. Two comment letters were received during the comment period on the Draft EIS. Chuck Johnson, Director, Perham Economic Development Authority wrote in support of the proposed Project, and Bridget Miller, District 4 Planning Director and Consultant Coordinator, Minnesota Department of Transportation had no comment. Comments were also provided by Michele Ross, Environmental Review Coordinator, Environmental Health Division, Minnesota Department of Health (M after the end of the comment period).

Final EIS

25. The MPCA staff prepared a Final EIS pursuant to the requirements in Minn. R. 4410.2700. Only minor changes in the Draft EIS were necessary in response to the comments received. Comment letters and responses to comments were included in the Final EIS. The Final EIS also noted specific revisions of the text of the Draft EIS and additional information on the MRF, steam and electricity generation and wastewater were also included.
26. The revisions to the Draft EIS text were made in the following areas. New or modified text is shown in **bold type**.
- a. Text in Item 29 on page 373 of the Draft EIS is revised to read: "the toxicity values used for dioxins and furans already **includes a consideration** of incorporating an early childhood exposure, and the 1.6 scalar is not appropriate.
 - b. The first paragraph on page 179 of the Draft EIS is revised to read: As noted in MPCA's AERA-26 form text, when following the hierarchy, early-life sensitivity adjustments are already made for some pollutants when developing the toxicity values. **If the toxicity value for a linear carcinogen was developed without considering early-life sensitivity and it is a risk driver (with the EPA's default adjustment of 1.6), then MDH would be asked for guidance on whether to include an adjustment or not. None of the risk drivers in the Perham analysis met this criteria.**
 - c. Text in Item 9.1.6 on page 185 of the Draft EIS is revised to read: According to the Human Health Risk Assessment Protocol (HHRAP) (September 2005), the total concentration of chlorine in waste is important in the amount of PCDD/PCDF that will form in combustion. PCDD/PCDF emission rates varied by more than 284fold between different facilities according to a 1996 study cited in the HHRAP. Also, HHRAP notes that fly ash can catalyze the reactions to form PCDD/PCDF. The projected Project will feature a MRF that is designed to remove fines, which could reduce the amount of fly ash produced per ton of MSW burned. This would further reduce PCDD/PCDF production at the facility. The production mechanisms of PCDD/PCDF are uncertain so estimating future emissions is difficult. **One PCDD/PCDF uncertainty that may affect the variability of PCDD/PCDF formation and subsequent emission is the impact of**

copper (and to a lesser extent other metals) on PCDD/PCDF formation. Copper and other metals have been shown to promote the formation of PCDD/PCDFs. Therefore, incineration of large amounts of chromium copper arsenate (CCA), alkaline copper quaternary preservatives (ACQ), and other metal-treated woods at different times may facilitate formation of greater amounts of PCDD/PCDFs or modify the formation profile. The significance of this impact is not known.

- d. Text on page 44 and 45 of the Draft EIS is revised to read: Persistent bioaccumulative toxic chemicals (PBTs) may be emitted. Therefore, nearby fishable water bodies need to be evaluated. Figure 13 shows fishable water bodies in the area. The MPCA considers a water body "fishable" if it contains water year-round in a year receiving at least 75 percent of normal annual precipitation. There are two such water bodies within a 3 km radius of the facility: the Otter Tail River and Little Pine Lake. The Otter Tail River, while declared fishable due to its open water, is not accessible for sport fishing within 3 km of the facility. **According to the Department of Natural Resources the Otter Tail River is a diverse tributary for both fish species and mussels.** Local information is that only carp are targeted in Otter Tail River near the facility, and the fish are not eaten. The southernmost tip of Little Pine Lake is within 3 km of PRRF and is fished, especially for walleye. Therefore, mercury effects on Little Pine Lake were evaluated as the potentially most impacted water body.
27. A notice of availability of the Final EIS was published in the *EQB Monitor* on March 4, 2013, and a press release was issued to newspapers in Becker, Otter Tail, Todd, and Wadena Counties on March 4, 2013. These notices indicated the locations at which copies of the Final EIS were available for review and the date on which the comment period on the Final EIS was to expire March 18, 2013.
 28. The MPCA distributed copies of the Final EIS on March 1, 2013, in a manner consistent with Minn. R. 4410.2700, subp. 3. Copies were provided to all persons receiving copies of the Draft EIS, all parties who submitted comments on the Draft EIS, and all persons requesting copies of the Final EIS.

CONCLUSIONS OF LAW

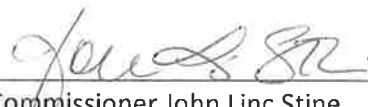
29. The MPCA, as RGU for the proposed Project, is the appropriate governmental unit for making a determination of adequacy pursuant to Minn. R. 4410.2800.
30. The information presented in the Final EIS adequately addresses the issues identified in the Final Scoping Decision Document adopted February 28, 2011.
31. The proposed action is described in sufficient detail.
32. The EIS adequately analyzes and addresses the potentially significant issues and alternatives raised in scoping.
33. The EIS adequately addresses all significant issues and alternatives raised in scoping so that all issues for which information can be reasonably obtained in accordance with Minn. R. 4410.2300, Items G and H.

34. The EIS adequately presents methods by which adverse environmental impacts can be mitigated.
35. The EIS adequately presents the economic, employment, and sociological effects that cannot be avoided should the proposed action be implemented.
36. The public has had an adequate opportunity to participate in the environmental review process and to provide comments.
37. The EIS has been developed in accordance with the procedures specified in Minn. Stat. ch. 116D and Minn. R. 4410.0200 to Minn. R. 4410.6500.
38. The MPCA finds that the EIS is adequate.
39. Any Findings of Fact that are more properly deemed Conclusions, and any Conclusions that are more properly deemed Findings of Fact, are hereby adopted as such.

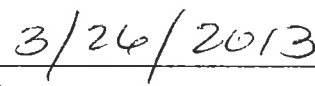
ORDER

Based on the criteria established in Minn. R. 4410.2800 and the requirements of Minn. Stat. ch. 116D, the Minnesota Pollution Control Agency determines that the Environmental Impact Statement for the proposed Perham Resource Recovery Facility Expansion Project is adequate and orders that notice be published and circulated in accordance with applicable Minnesota Rules.

IT IS SO ORDERED



Commissioner John Linc Stine
Chair, Citizens' Board
Minnesota Pollution Control Agency



Date