

August 8, 2024

RE: US Distilled Products Storage Tank Expansion Project

To: Interested Parties

The Minnesota Pollution Control Agency (MPCA) has approved the Findings of Fact (FOF), Conclusions of Law, and Order for a Negative Declaration on the need for an Environmental Impact Statement (EIS) on the US Distilled Products Storage Tank Expansion Project. The FOF document concludes that this project does not have the potential for significant environmental effects. The decision for a Negative Declaration completes the state environmental review process under Environmental Quality Board (EQB) rules, Minn. R. Ch. 4410. Final governmental decisions on permits or approvals for the project may now be made.

The MPCA appreciates comments submitted on the Environmental Assessment Worksheet (EAW). The comments were considered by MPCA staff during the environmental review process and responses to these comments are provided in the FOF.

Interested parties can review the FOF and the EAW documents at the following locations: the MPCA offices in St. Paul; the Hennepin County Library at 300 Nicollet Mall, Minneapolis; and the Great River Regional Library at 1300 West Germain Street, St. Cloud, Minnesota. Interested parties can also view the documents on MPCA's website at: <https://www.pca.state.mn.us/business-with-us/recently-completed-mPCA-reviews>. Please contact the MPCA's St. Paul office at 651-757-2098 for copies of these documents.

State of Minnesota
Minnesota Pollution Control Agency

**In the Matter of the Decision on the Need
for an Environmental Impact Statement
for the Proposed US Distilled Products Storage
Tank Expansion Project City of Princeton,
Sherburne County, Minnesota**

**Findings of Fact
Conclusions of Law
and Order**

Introduction

Pursuant to Minn. R. ch. 4410, the Minnesota Pollution Control Agency (MPCA) staff prepared and distributed an Environmental Assessment Worksheet (EAW) for the proposed US Distilled Products Storage Tank Expansion Project (Project) at the City of Princeton in Sherburne County. Based on the MPCA staff environmental review, the EAW, comments, and information received during the comment period, and other information in the record of the MPCA, the MPCA hereby makes the following Findings of Fact, Conclusions of Law, and Order.

Findings of Fact

Project description

1. US Distilled Products (USDP) operates an existing facility to support spirits blending and bottling at 1607 12th Street South in the city of Princeton, Sherburne County, Minnesota (Facility). USDP proposes to 1) replace ten smaller above ground storage tanks (ASTs) with ten larger new ASTs (A-Building Outdoor Tank Farm and Containment Area), 2) construct nine new ASTs (I-Building Blending Area), and 3) potentially add six new ASTs (a potential future South Tank Farm and Outdoor Containment Area) (Project). More specifically, the Project will result in:
 - Increasing approximately 120,753 gallons storage at the Facility's existing outdoor tank farm by replacing 10 of the 42 existing smaller ASTs with 10 larger ASTs (A-Building Outdoor Tank Farm and adjacent Containment Area).
 - Increasing approximately 80,297 gallons storage by adding nine new ASTs at the Facility's existing indoor I-Building Blending Area. This will also involve relocation of eleven existing tanks and removal of one existing tank within the existing I-Building Blending Area. Ten existing tanks in the I-Building will be unchanged and will remain in service.
 - The potential future addition of approximately 180,000 gallons of new storage tank capacity with a South Tank Farm and Outdoor Containment Area. This is a phased action per Minn. R. 4410.0200, subp. 60. The impacts of these potential additional tanks were included in this EAW evaluation of direct and cumulative effects.
2. The Project includes an approximately 5.2-acre area of the existing USDP Facility and would increase total hazardous material storage to over 1,000,000 gallons at the USDP Facility.
3. The proposed activity exceeds one mandatory EAW rule, Minn. R. 4410.4300, subp. 10(D): For the expansion of an existing Facility that has less than 1,000,000 gallons in total designated storage capacity of hazardous materials when the net increase in design storage capacity results in 1,000,000 gallons or more of hazardous materials.
4. The purpose of the Project is not to increase annual production, but to provide additional storage for the product. USDP has not finalized the potential third phase of the Project (South Tank Farm and Outdoor Containment Area) and the timing of construction would be dependent on market

conditions. The South Tank Farm and Outdoor Containment Area could be considered a phased action and is included as part of the EAW to capture the full magnitude of the Project.

5. USDP operates an existing Facility that blends and bottles liquors, cordials, and spirits. USDP does no fermentation onsite. Supplier sites produce all incoming spirits by fermentation and arrive primarily as distilled grain neutral spirits (GNS). USDP further distills some products on-site in a craft distillery. USDP loads incoming bulk deliveries into one of three scale tanks and then into bulk tanks. USDP routes the spirits to various internal tanks where other components can be added such as water that has gone through a reverse osmosis (RO) process, simple syrup or glucose, flavorings, and other spirit base liquids.
6. USDP pipes blended products into tanks within the existing indoor tank containment area. The total current tank storage volume at the Facility is approximately 972,291 gallons. Due to the flammability of the alcohol-based spirits within the tanks, the contents are hazardous materials.

Procedural history

7. An EAW is a brief document designed to provide the basic facts necessary for the Responsible Governmental Unit (RGU) to determine whether an EIS is required for a proposed Project or to initiate the scoping process for an EIS (Minn. R. 4410.0200, subp. 24). The MPCA is the RGU for this Project.
8. Minn. R. 4410.4300, subp. 1 requires preparation of an EAW for the Project because it is for the expansion of an existing Facility that has less than 1,000,000 gallons in total designated storage capacity of hazardous materials when the net increase in design storage capacity results in 1,000,000 gallons or more of hazardous materials, which exceeds the threshold identified in Minn. R. 4410.4300, subp. 10(D).
9. The potential future addition of approximately 180,000 gallons of new storage tank capacity with a South Tank Farm and Outdoor Containment Area is considered a phased action per Minn. R. 4410.0200, subp. 60. The impacts of this potential additional tanks were included in this EAW evaluation of direct and cumulative effects.
10. The MPCA provided public notice of the Project as follows:
 - EQB published the notice of availability of the EAW for public comment in the *EQB Monitor* on May 28, 2024, as required by Minn. R. 4410.1500.
 - The EAW was available for review on the MPCA website at <https://mpca.commentinput.com/comment/search>.
 - The MPCA provided a news release to media in Sherburne County and Mille Lacs Counties Minnesota, and other state-wide interested parties, on May 28, 2024.
11. During the 30-day comment period on the EAW ending on June 27, 2024, the MPCA received two comment letters from Minnesota Department of Transportation (MnDOT) on June 7, 2024, and Minnesota Department of Natural Resources (DNR) on June 26, 2024. There were no comments from any citizens.
12. On June 26, 2024, the MPCA requested and was granted approval from the EQB for a 15-day extension of the decision-making process on the need for an EIS for the Project in accordance with Minn. R. 4410.1700, subp. 2(B).
13. The list of comments received during the 30-day public comment period are included as Appendix A to these Findings. The MPCA prepared written responses to the comments received during the 30-day public comment period. These responses are included as Appendix B to these Findings.

**Criteria for determining the potential for
significant environmental effects**

14. The MPCA shall base its decision on the need for an EIS on the information gathered during the EAW process and the comments received on the EAW (Minn. R. 4410.1700, subp. 3). The MPCA must order an EIS for projects that have the potential for significant environmental effects. (Minn. R. 4410.1700, subp. 1). In deciding whether a project has the potential for significant environmental effects, the MPCA must compare the impacts that may be reasonably expected to occur from the Project with the criteria set forth in Minn. R. 4410.1700, subp. 7. These criteria are:
- A. Type, extent, and reversibility of environmental effects.
 - B. Cumulative potential effects. The RGU shall consider the following factors: whether the cumulative potential effect is significant; whether the contribution from the project is significant when viewed in connection with other contributions to the cumulative potential effect; the degree to which the project complies with approved mitigation measures specifically designed to address the cumulative potential effect; and the efforts of the Proposer to minimize the contributions from the project.
 - C. The extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority. The RGU may rely only on mitigation measures that are specific and that can be reasonably expected to effectively mitigate the identified environmental impacts of the project.
 - D. The extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the Project Proposer, including other EISs.

**The MPCA Findings with respect to each of these criteria
are set forth below**

A. Type, extent, and reversibility of environmental effects

15. The first criterion that the MPCA must consider when determining if a project has the potential for significant environmental effects is the “type, extent, and reversibility of environmental effects” Minn. R. 4410.1700, subp. 7(A). The MPCA findings with respect to this criterion are set forth below.
16. The types of impacts that may reasonably be expected to occur from the Project include the following:
- Groundwater and drinking water quality.
 - Air quality.
 - Greenhouse gas emissions.

17. With respect to the extent and reversibility of impacts that are reasonably expected to occur from the Project, the MPCA makes the following Findings:

Groundwater and drinking water quality

18. The majority of the Project area exists in the Princeton South Minnesota Department of Health (MDH) Wellhead Protection Area (WHPA) and within the Princeton South Drinking Water Supply Management Area (DWSMA).
- The vulnerability of the DWSMA is rated moderate.
 - Groundwater and drinking water would be impacted if a spill should occur outside of the containment area.

19. Annual water usage at the existing Facility is approximately 13,000,000 gallons per year over 200 production days a year. The Project does not plan production increases and would only occur under market driven conditions. No upgrades or improvements are required to the City of Princeton water supply system to support the proposed Project.
20. Due to the DNR oversight and permitting of water appropriation, the MPCA does not expect significant adverse impacts to water quantity. A DNR Water Appropriation Permit could be required for dewatering when constructing the footings for the new tanks if the water pumped exceeds 10,000 gallons in a day, or one million gallons in one year. The DNR General Permit for Temporary Appropriation, with its lower permit application fee and reduced time for review, may be used for the dewatering if the dewatering volume is less than 50 million gallons and the time of the appropriation is less than one year. Therefore, the MPCA finds that any water appropriation impacts that may occur from the Project are reversible.
21. The Project area lies above the Mount Simon major aquifer within the Cambrian-Ordovician aquifer system, approximately 200 feet below ground surface. The depth of the shallow water table in the Project area is between 0 to 10 feet below the surface.
22. There are no wells within the Project area and 36 wells within a half-mile of the Project. The majority of the wells are used for domestic and commercial use. Several monitoring wells are present within a half-mile of the Project area.
23. USDP does not plan to install any new groundwater wells for this Project and water will continue to be supplied by the City of Princeton.
24. USDP does not plan to discharge wastewater from the Facility to surface water or groundwater.
25. The MPCA finds that information presented in the EAW and other information in the environmental review record is adequate to address the concerns related to groundwater and drinking water quality. The impacts on groundwater and drinking water quality that are reasonably expected to occur from the proposed Project have been considered during the review process and methods to prevent significant adverse impacts have been developed.
26. The MPCA finds that the Project, as it is proposed, does not have the potential for significant environmental effects based on the type, extent, and reversibility of impacts related to groundwater and drinking water quality that are reasonably expected to occur from the Project.

Air quality

27. The Project will involve replacement and/or addition of ASTs. USDP completed an Air Emissions Risk Analysis (AERA) to support air assessment required for the Project (AERA- October 6, 2022, resubmitted on July 26, 2023). The report estimated the type of air emissions from the tanks is Volatile Organic Compounds (VOCs), principally as ethanol vapor, via breathing and working losses from storage tanks. Ethanol is not an air toxic; therefore, the tanks do not require air dispersion modeling.
28. Point sources at the Facility include boilers and area sources include building heaters. All boilers and heaters burn natural gas. Select air toxics with E-rated emissions factors from AP-42's Natural Gas chapter are not included in the quantitative assessment as recommended by MPCA's AERA Guide. Per AERA guidance, emergency generators are exempt from the quantitative risk estimate.
29. The total potential emissions of VOCs in the form of ethanol from existing tanks and those part of the Project are 3.36 tons per year. The potential emissions attributable to the changed and proposed

tanks are 1.23 tons per year of VOCs in the form of ethanol emissions. Estimated actual emissions for the same changed and proposed tanks are estimated to be 0.46 tons per year.

30. An air toxics analysis was conducted for the Project. The air toxics evaluated in the Facility-wide Risk Assessment Screening Spreadsheet (RASS) are primarily related to natural gas combustion and were evaluated for all hours of the year. Following AERA guidance, the existing Facility was evaluated at PTE. The combustion equipment does not run continuously at the Facility, nor do all emission units run simultaneously. The RASS sums the maximum impacts from each emission source while measured sources have different locations of maximum impact.
31. There are residential areas north and east of the Facility, primarily separated from the Project by Highway 169. USDP and the MPCA do not expect health effects would be observed at the residential areas or other surrounding areas with sensitive receptors. The maximum impact for the 1 g/s emission rate is within the USDP property line at the fence line of the north tank farm and no residential properties exist there. The Facility maintains access control through security camera coverage and employee situational awareness, so trespasser access is extremely unlikely. The risk assessment excludes potential effects from certain air toxics that are exempted from the quantitative risk assessment.
32. The Project evaluated in the EAW and by the AERA is to install ASTs to hold distilled spirits. The Project-related emissions are of VOCs in the form of ethanol, which is not an air toxic with health benchmarks in the RASS. The Project evaluation demonstrates zero added health risk to the area. To fit the Project to MPCA's default AERA forms, the Facility underwent a risk assessment analysis for the entire Facility evaluated at PTE levels since the Facility qualifies for an Option D Air Permit and has no enforceable limits to reduce potential emissions. The RASS result for the total Facility for acute inhalation is 1.8. The respiratory endpoint has a hazard quotient (HQ) of 0.85, which is the highest endpoint HQ. The ambient background for rural areas has a HQ of 1.7, for a total acute respiratory HQ of 3.5. The total Facility chronic noncancer HQ is 0.6 and the carcinogenic HQ is 1.2. The acute inhalation risk is above HQ of 1. However, given the stacks evaluated in the AERA, most, if not all the sources are natural gas (boilers and generators). Given this fact, the exceedance for the total acute inhalation risk is suitable for this Facility. The evaluation following MPCA guidance necessarily overestimates potential human health impacts.
33. The MPCA finds that information presented in the EAW and other information in the environmental review record is adequate to address the concerns related to air quality. The impacts on air quality that are reasonably expected to occur from the proposed Project have been considered during the review process and methods to prevent significant adverse impacts have been developed.
34. The MPCA finds that the Project, as it is proposed, does not have the potential for significant environmental effects based on the type, extent, and reversibility of impacts related to air quality that are reasonably expected to occur from the Project.

Air quality related to vehicle emissions

35. The vehicle emissions impacts from the Project are low, based on relatively low vehicle counts and low on-site speeds. No specific level of traffic is attributable to the Project, but any increases in vehicle counts observed after construction would be expected to result in similarly low levels of vehicle emissions impacts.
36. Based on the July 2023 AERA results discussed above, the MPCA finds that vehicle emissions expected from the Project do not present the potential for significant effects.

Greenhouse gas (GHG) emissions

37. The MPCA considered GHG emission sources that are within the scope of the Project.
38. The Project will directly release GHG emissions, which can widely disperse within the atmosphere, and which vary both in terms of their global warming potential and their persistence in the atmosphere.
39. To provide a common unit of measure, the MPCA uses the individual global warming potential of methane and nitrous oxide to convert to carbon dioxide equivalency (CO₂e).
40. Using U.S. Environmental Protection Agency (EPA) emission factors, Scope 1 Construction Sources, Scope 1 Mobile Equipment Combustion, Scope 1 Stationary Equipment Combustion, Scope 2 Fugitive Emissions, and Scope 2 Off-site Electricity, the Project will release 2,495 tons of CO₂e during construction over the course of 18-24 months.
41. There are no Minnesota or National Ambient Air Quality Standards for GHGs.
42. Currently, there are no federal or Minnesota thresholds of GHG significance for determining impacts of GHG emissions from an individual project on global climate change.
43. In the absence of a threshold of GHG significance, the MPCA looks to existing regulation. Minn. R. 4410.4300, subp. 15(B), establishes a mandatory category requiring preparation of an EAW for stationary source facilities generating 100,000 tpy of GHGs. The purpose of an EAW is to assess environmental effects associated with a proposed project to aid in the determination of whether an EIS is needed. On the premise of GHG emissions, environmental review regulations establish 100,000 tpy as a “trigger” to prepare an EAW to aid in determining potential significant environmental effects. A reasonable conclusion is that the Project’s total GHG emissions below 100,000 tpy are not considered significant.
44. There are insignificant GHG emissions from the Project’s operations, including construction operations. There are GHG emissions from the production of steel materials for the Project.
45. The estimated impact of on-road construction vehicles (diesel construction and delivery/removal vehicles for tank delivery, foundation material delivery, and construction laborers’ vehicles) is 279 tons of CO₂e during the Project. USDP will reduce GHG emissions from construction by idling equipment as little as possible. On-road construction emissions would be reduced proportionally to the reduced travel distance compared to the assumed 80 miles. Actual travel distance is likely shorter and on-road construction emissions would be reduced proportionally to the shorter travel distance.
46. The total off-road construction vehicles (backhoes, dozers, excavators, and cranes, generators and miscellaneous small engines) emissions are 94 tons of CO₂e during the Project.
47. The total emissions for on-site construction for the foundation of the tanks for the Project (material density of cement, aggregate, sand, and gravel, and concrete) are estimated to be 1,704 tons of CO₂e.
48. Greenhouse gas emissions for the Project were quantified for stainless steel production for the tanks, including the existing tank farm, south tank farm, I-building tanks, tank welding and scrap, and foundation rebar. The total estimated off-site manufacturing emissions are 418 tons of CO₂e during the Project.
49. The MPCA finds that information presented in the EAW and other information in the environmental review record is adequate to address the concerns related to GHG emissions. The impacts on GHG

emissions that are reasonably expected to occur from the proposed Project have been considered during the review process and methods to prevent significant adverse impacts have been developed.

50. The MPCA finds that the Project, as it is proposed, does not have the potential for significant environmental effects based on the type, extent, and reversibility of impacts related to GHG emissions that are reasonably expected to occur from the Project.

Public comments on impacts related to groundwater quality

51. A DNR Water Appropriation Permit could be required for dewatering when constructing the footings for the new tanks if the water pumped exceeds 10,000 gallons in a day, or one million gallons in one year. The DNR General Permit for Temporary Appropriation, with its lower permit application fee and reduced time for review, may be used for the dewatering if the dewatering volume is less than 50 million gallons and the time of the appropriation is less than one year.

Public comments on impacts related to threatened and endangered species

52. The December 20, 2023, Natural Heritage Review letter (attached) contains requirements and recommendations regarding the state-threatened, Blanding's turtle. This section states, "The DNR determined that the Project will not negatively affect any known occurrences of rare features," which is not accurate. Blanding's turtles, a state-listed threatened species, have been reported in the proposed Project area and may be encountered on the site. Contractors working in the Project area should be given the Blanding's turtles flyer which provides recommendations for avoiding and minimizing impacts to this rare turtle. If turtles are in imminent danger, they must be moved by hand out of harm's way, otherwise they are to be left undisturbed.

B. Cumulative potential effects

53. The second criterion that the MPCA must consider when determining if a project has the potential for significant environmental effects is the "cumulative potential effects." In making this determination, the MPCA must consider "whether the cumulative potential effect is significant; whether the contribution from the project is significant when viewed in connection with other contributions to the cumulative potential effect; the degree to which the project complies with approved mitigation measures specifically designed to address the cumulative potential effects; and the efforts of the Proposer to minimize the contributions from the project." Minn. R. 4410.1700, subp. 7(B). The MPCA findings with respect to this criterion are set forth below.
54. The EAW, public comments, and MPCA follow-up evaluation did not disclose any related or anticipated future projects that may interact with this Project in such a way as to result in significant cumulative potential environmental effects.
55. The EAW addressed the following areas for cumulative potential effects for the proposed Project:
- Air quality.

Air quality

56. Cumulative potential effects related to air quality were discussed in part 21.c of the EAW. Findings 27 through 34 are incorporated herein as part of MPCA's cumulative potential effects evaluation for human health impacts to air quality, in that the air assessment through an AERA incorporated ambient background concentrations and nearby contributing emission sources in the same geographic region.

57. The air toxics evaluated in the Facility-wide RASS are entirely related to natural gas combustion and were evaluated for all hours of the year. Following AERA guidance, the existing Facility was evaluated at PTE. The combustion equipment does not run continuously at the Facility, nor do all emission units run simultaneously. The RASS sums the maximum impacts from each emission source while in reality the sources have different locations of maximum impact.
58. With respect to air emissions of criteria pollutants and hazardous air pollutants, the Project-related emissions are limited to VOCs (as ethanol) with minimum levels of hazardous air pollutant (HAP) emissions. The AERA does not indicate a potential for significant environmental effects from cumulative impacts of Facility and Project air emissions to the surrounding area.
59. The MPCA finds the information presented in the EAW and other information in the environmental review record does not demonstrate that the Project has the potential for significant environmental effects to air quality based on significant cumulative potential effects because: the Project will obtain and comply with an MPCA air emissions permit, will meet the NAAQS, and will not pose any acute inhalation health hazards or any sub-chronic or chronic multi-pathway health hazards to the public.
60. Therefore, the MPCA finds that the Project is not expected to contribute significantly to adverse cumulative potential effects on air quality.

C. The extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority

61. The third criterion that the MPCA must consider when determining if a project has the potential for significant environmental effects is "the extent to which the environmental effects are subject to mitigation by ongoing public regulatory authority. The RGU may rely only on mitigation measures that are specific and that can be reasonably expected to effectively mitigate the identified environmental impacts of the Project." Minn. R. 4410.1700, subp. 7(C). The MPCA findings with respect to this criterion are set forth below.
62. The following permits or approvals will be required for the Project:

Required permits and approvals

Unit of Government	Permit or approval required
MPCA	Major Facility Permit, Aboveground Storage Tanks
MPCA	Tank Removal Notification
MPCA	Air Permit
State Fire Marshall	Uniform Fire Code Compliance
City of Princeton	Conditional Use Permit
DNR	Water Appropriation Permit

63. **Major Facility Permit, Aboveground Storage Tanks (ASTs).** USDP must receive an ASTs permit before it starts construction of its proposed new storage tanks. The purpose of this permit is to prevent pollution to the waters of the state, including surface waters and groundwater, by leaks and spills of liquid substances from ASTs systems located at the Project, through implementation of appropriate release prevention, detection, and containment measures.
64. **Tank Removal Notification.** If substance has not been added to or removed from a regulated AST for a year or more, the owner must maintain and monitor the tank, declare the tank inactive and out of

service, or remove the tank. Within 30 days of these actions, USDP must submit an updated AST notification form to the MPCA.

65. **Air Permit.** USDP has applied for an Option D Air Permit from the MPCA. Option D registration permits are for facilities with potential-to-emit levels exceeding state or federal thresholds, that reduce their emissions using pollution control equipment, burning less fuel, or other measures. Their actual emissions must be less than half the federal permit threshold for each pollutant. Based on past and current actual production, the Facility's actual emissions qualify for an Option D Air Permit and will continue to do so after construction of the Project.
66. **Uniform Fire Code Compliance.** USDP will comply with the Minnesota (MN) State Fire Code adopted on March 31, 2020. The new Minnesota code is based on the 2018 International Fire Code (IFC). The purpose of the MN State Fire Code is to adopt uniform fire safety standards consistent with nationally recognized good practice for the safeguarding to a reasonable degree of life and property from the hazards of fire and explosion arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the use or occupancy of buildings or premises.
67. **City Conditional Use Permit.** USDP is required to obtain all required building and conditional use permits required by local units of government to ensure compliance with local ordinances. The conditional use permit will address local zoning, environmental, regulatory, and other requirements that are needed to avoid adverse effects on adjacent land uses.
68. **Water Appropriation Permit.** USDP could be required to obtain a DNR Water Appropriation Permit for dewatering when constructing the footings for the new tanks if the water pumped exceeds 10,000 gallons in a day, or one million gallons in one year. The DNR General Permit for Temporary Appropriation, with its lower permit application fee and reduced time for review, may be used for the dewatering if the dewatering volume is less than 50 million gallons and the time of the appropriation is less than one year.
69. The above-listed permits include general and specific requirements for mitigation of environmental effects of the Project. The MPCA finds that the environmental effects of the Project are subject to mitigation, as explained in these Findings and the EAW, by ongoing public regulatory authority.
- D. The extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the Project Proposer, including other EISs**
70. The fourth criterion that the MPCA must consider is "the extent to which environmental effects can be anticipated and controlled as a result of other available environmental studies undertaken by public agencies or the Project Proposer, including other EISs," Minn. R. 4410.1700, subp. 7(D). The MPCA Findings with respect to this criterion are set forth below.
71. Although not exhaustive, the MPCA reviewed the following documents as part of the environmental impact analysis for the proposed Project:
- Data presented in the EAW.
 - Air Emissions Risk Analysis (AERA).
 - Permits and environmental review of similar projects.
72. The MPCA also relies on information provided by US Distilled Products, persons commenting on the EAW, staff experience, and other available information obtained by staff.
73. The environmental effects of the Project have been addressed by the design and permit development processes, and by ensuring conformance with regional and local plans. No elements of

the Project pose the potential for significant environmental effects that are not addressed or mitigated by the requirements of the permits listed above or in the EAW.

74. Based on the environmental review, previous environmental studies by public agencies or the Project Proposer, and staff expertise and experience on similar projects, the MPCA finds that the environmental effects of the Project that are reasonably expected to occur can be anticipated and controlled.
75. The MPCA adopts the rationale stated in the attached Response to comments (Appendix B) as the basis for response to any issues not specifically addressed in these Findings.

Conclusions of Law

76. The MPCA has jurisdiction in determining the need for an EIS for this Project. The EAW, the permit development process, and the evidence in the record are adequate to support a reasoned decision regarding the potential significant environmental effects that are reasonably expected to occur from this Project.
77. The MPCA identified areas for potential significant environmental effects. The Project design and permits ensure US Distilled Products will take appropriate mitigation measures to address significant effects. The MPCA expects the Project to comply with all environmental rules, regulations, and standards.
78. Based on a comparison of the impacts that are reasonably expected to occur from the Project with the criteria established in Minn. R. 4410.1700, subp. 7, the Project does not have the potential for significant environmental effects.
79. An EIS is not required for the proposed US Distilled Products Storage Tank Expansion Project.
80. Any Findings that might properly be termed conclusions and any conclusions that might properly be termed Findings are hereby adopted as such.

Order

81. The Minnesota Pollution Control Agency determines that there are no potential significant environmental effects reasonably expected to occur from the US Distilled Products Storage Tank Expansion Project and that there is no need for an Environmental Impact Statement.

August 7, 2024

Date signed

Peter Tester

This document has been electronically signed.

Peter Tester
Deputy Commissioner

Minnesota Pollution Control Agency
US Distilled Products Storage Tank Expansion Project
Environmental Assessment Worksheet (EAW)

Appendix A

List of comment letters received

1. Minnesota Department of Transportation, letter received June 7, 2024.
2. Minnesota Department of Natural Resources, letter received June 26, 2024.

Appendix B

Responses to comments on the EAW

1. Thomas Cruikshank, Minnesota Department of Transportation, letter received June 7, 2024.
Comment 1-1: MnDOT District 3 received notice of an open comment period for an EAW for US Distilled Products storage tank expansion project. In review of the materials, it has been determined that no comment will be necessary for the EAW by MnDOT District 3 since there will be no additional impact by the proposed project on MnDOT highways or rights-of-way to necessitate any action.
Response: No response required.
2. Melissa Collins, **Minnesota Department of Natural Resources**, letter received June 26, 2024.
Comment 2-1: Page 27, Section 9: Please note that a DNR Water Appropriation Permit could be required for dewatering when constructing the footings for the new tanks if the water pumped exceeds 10,000 gallons in a day, or one million gallons in one year. The DNR General Permit for Temporary Appropriation, with its lower permit application fee and reduced time for review, may be used for the dewatering if the dewatering volume is less than 50 million gallons and the time of the appropriation is less than one year. Please add this permit to *Table 10. Permits and Approvals*.
Response: Noted; thank you. Please see Appendix C.
Comment 2-2: Page 43, Section 14.b: The December 20, 2023, Natural Heritage Review letter (attached) contains requirements and recommendations regarding the state-threatened, Blanding's turtle. This section states, "The DNR determined that the Project will not negatively affect any known occurrences of rare features," which is not accurate.
Response: Noted; thank you. Please see Appendix C.
Comment 2-3: Page 44, Section 14.b: This section states, "The United States Fish and Wildlife Service (USFWS) Information for Planning and Consultation (IPaC) tool, was reviewed by the MN DNR to identify federally listed species within the Project," and refers to a, "DNR and USFWS joint document." The DNR and USFWS have separate consultation processes for evaluating the impacts to state-listed and federally listed species and must be completed independently. A DNR Natural Heritage Review does not substitute for federal consultation. Attachment 3 shows that the proposer did access IPaC, but it is still unclear if any further consultation was required.
Response: A review of federally listed species in the Project area is not required for EAWs and therefore, this section does not need to be updated in the EAW. The IPaC tool used by the USFWS to supply a list of endangered species for the Project area was an addition to the information for the EAW, but not required.

From: [Cruikshank, Thomas \(DOT\)](#)
To: [Husnik, Doree \(She/Her/Hers\) \(MPCA\)](#)
Cc: [Lind, Katherine \(DOT\)](#); [Voss, Steven \(DOT\)](#)
Subject: MnDOT D3 Review_RE: EAW Public Notice for the Proposed US Distilled Products Storage Tank Expansion Project
Date: Friday, June 7, 2024 11:51:56 AM
Attachments: [image002.png](#)
[image003.png](#)

Hello Doree,

MnDOT District 3 received notice of an open comment period for an EAW for US Distilled Products storage tank expansion project. In review of the materials, it has been determined that no comment will be necessary for the EAW by MnDOT District 3 since there will be no additional impact by the proposed project on MnDOT highways or rights-of-way to necessitate any action.

Reach out with any questions.

Thanks,

Tom Cruikshank

Principal Planner | District 3

3725 12th Street North, St. Cloud, MN 56303-2107

Phone: (320) 223-6526 | Cell: (320) 267-9859

Email: thomas.cruikshank@state.mn.us



From: Lind, Katherine (DOT) <Katherine.Lind@state.mn.us>
Sent: Friday, June 7, 2024 9:14 AM
To: Voss, Steven (DOT) <steve.voss@state.mn.us>; Cruikshank, Thomas (DOT) <Thomas.Cruikshank@state.mn.us>
Subject: FW: EAW Public Notice for the Proposed US Distilled Products Storage Tank Expansion Project

The following notice of Environmental Assessment Worksheet (EAW) has been forwarded for your District's possible review and comment. Please refer to the Notice for further info on this project. Due to file sizes exceeding email limits, the project documents are being forwarded to you via the MnDOT MFT/web file transfer system.

Any transportation or MnDOT right of way concerns the District may have should be provided directly to the Responsible Governmental Unit (RGU)

indicated on the transmittal (attached cover letter).

Please note the comment period for this EAW closes on: 06/27/2024

To submit written comments on the EAW

Written comments on the EAW must be received by the MPCA within the comment period listed above.

Comments may be submitted:

- Online at <http://www.pca.state.mn.us/publiccomments>; or
- By U.S. postal mail to the following address:

Minnesota Pollution Control Agency
Doree Husnik
520 Lafayette Road North
Saint Paul, MN 55155

Note: All comment letters are public documents and will be part of the official public record for this project.

Katherine Lind

Environmental Review Specialist
Minnesota Department of Transportation
Central Office | Office of Environmental Stewardship (OES)
395 John Ireland Blvd, Mail Stop 620
St Paul, MN 55155

From: Swanson, Regina (MPCA) <Regina.Swanson@state.mn.us>

Sent: Tuesday, May 28, 2024 12:28 PM

To: waynedupuis@fdlrez.com; evanschroeder@fdlrez.com; jackbassett@fdlrez.com; kelly.applegate <kelly.applegate@millelacsband.com>; Susan.Klapel@millelacsband.com; mike.wilson@millelacsband.com; andrew.boyd@millelacsband.com; jcoleman <jcoleman@glifwc.org>; Esteban Chiriboga <esteban@glifwc.org>; Mehl, Molly - FPAC-NRCS, MN <Molly.Mehl@usda.gov>; allison.praet@usda.gov; barbara.zeroth@usda.gov; Smart, Allison M <allison_smart@fws.gov>; Walt_ford@fws.gov; Vanessa.j.alberto@usace.army.mil; Walts.alan@epa.gov; Kelly.kingbird@ihs.gov; Scott.doig@bia.gov; Brown, Levi (DOT) <levi.brown@state.mn.us>; Harrington, Bradley (DNR) <Bradley.Harrington@state.mn.us>; Kesner, Shannon (MDA) <shannon.kesner@state.mn.us>; Dionne, Jackie (COMM) <jackie.dionne@state.mn.us>; Cerda, Melissa (MIAC) <melissa.cerda@state.mn.us>; Waqui, Helen (MPCA) <helen.waqui@state.mn.us>; Roos, Stephan (MDA) <stephan.roos@state.mn.us>; Kirsch, Raymond (COMM) <raymond.kirsch@state.mn.us>; MN_MDH_Review

<Health.Review@state.mn.us>; Townley, Jill (DNR) <jill.townley@state.mn.us>; King, Melissa (BWSR) <Melissa.King@state.mn.us>; Lind, Katherine (DOT) <Katherine.Lind@state.mn.us>; OSA, MN (ADM) <mn.osa@state.mn.us>; MN_ADM_ENV_Review_SHPO <ENReviewSHPO@state.mn.us>; govdoc@hclib.org; shauna_marquardt <shauna_marquardt@fws.gov>; peter_fasbender@fws.gov; usace_requests_mn@usace.army.mil; R5NEPA@epa.gov; Westlake.kenneth@epa.gov; elindberg@mncenter.org; reviewscoordinator@metc.state.mn.us; city@princetonmn.org; mmcpherson@princetonmn.org; barbara.burandt@co.sherburne.mn.us; lynn.waytashek@co.sherburne.mn.us; Flarson <flarson@sherburneswcd.org>; Votruba, Phil (MPCA) <phil.votruba@state.mn.us>; Goshey, Bonnie (MPCA) <Bonnie.Goshey@state.mn.us>; saintcloudlibrary@grrl.lib.mn.us; Lucas, Scott (He/Him/His) (MPCA) <scott.lucas@state.mn.us>; Blasing, Nicole (MPCA) <nicole.blasing@state.mn.us>; Mikkelson, Stephen (MPCA) <stephen.mikkelson@state.mn.us>; environment@co.sherburne.mn.us; LaFave, Jared (MPCA) <jared.lafave@state.mn.us>; Johnson, Sandra M (She/Her/Hers) (MPCA) <sandra.m.johnson@state.mn.us>; Leland, Mary (MPCA) <mary.leland@state.mn.us>; Card, Dan (MPCA) <dan.card@state.mn.us>; Benke, David J (MPCA) <david.j.benke@state.mn.us>; Hotz, Anna (MPCA) <Anna.Hotz@state.mn.us>; Kessler, Katrina (She/Her/Hers) (MPCA) <katrina.kessler@state.mn.us>; Husnik, Doree (She/Her/Hers) (MPCA) <doree.husnik@state.mn.us>
Subject: EAW Public Notice for the Proposed US Distilled Products Storage Tank Expansion Project

Hello all,

Attached is a Notice of Availability of an Environmental Assessment Worksheet for the Project referenced above.

If you need or would like a paper copy of the Environmental Assessment Worksheet, please respond to this email. If you have questions or concerns about the project, please contact Doree Husnik at doree.husnik@state.mn.us.

Thank you,

Regina Swanson

Office Administrative Specialist Sr.

EAO Division, Business Systems Unit 1

regina.swanson@state.mn.us

651-757-2098 (work)



Our mission is to protect and improve the environment and human health.

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Thank you



Division of Ecological and Water Resources
Region 3 Headquarters
1200 Warner Road
Saint Paul, MN 55106

Transmitted by Email

June 26, 2024

Doree Husnik
Resource Management and Assistance Division
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155

Dear Doree Husnik,

Thank you for the opportunity to review the US Distilled Products Storage Tank Expansion Project Environmental Assessment Worksheet (EAW) for the project located in the City of Princeton, Sherburne County. The DNR appreciates the early coordination that has already occurred during the development of the EAW. We have minimal concerns, and respectfully submit the following comments for your consideration:

1. Page 27, Section 9: Please note that a DNR Water Appropriation Permit could be required for dewatering when constructing the footings for the new tanks if the water pumped exceeds 10,000 gallons in a day, or one million gallons in one year. The DNR General Permit for Temporary Appropriation, with its lower permit application fee and reduced time for review, may be used for the dewatering if the dewatering volume is less than 50 million gallons and the time of the appropriation is less than one year. Please add this permit to *Table 10. Permits and Approvals*.
2. Page 43, Section 14.b.: The December 20, 2023 Natural Heritage Review letter (attached) contains requirements and recommendations regarding the state-threatened, Blanding's turtle. This section states, "The DNR determined that the Project will not negatively affect any known occurrences of rare features," which is not accurate.
3. Page 44, Section 14.b.: This section states, "The United States Fish and Wildlife Service (USFWS) Information for Planning and Consultation (IPaC) tool, was reviewed by the MN DNR to identify federally listed species within the Project," and refers to a, "DNR and USFWS joint document." The DNR and USFWS have separate consultation processes for evaluating the impacts to state-listed and federally-listed species, and must be completed independently. A DNR Natural Heritage Review does not substitute for federal consultation. Attachment 3 shows that the proposer did access IPaC, but it is still unclear if any further consultation was required.

Thank you for the opportunity to review this document, and please let me know if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Melissa Collins". The signature is written in a cursive style and is set against a light blue rectangular background.

Melissa Collins

Regional Environmental Assessment Ecologist | Ecological and Water Resources

Minnesota Department of Natural Resources

1200 Warner Road

St. Paul, MN 55106

Phone: 651-259-5755

Email: melissa.collins@state.mn.us

CC: Kerri A. Steinbrecher, Phillips Distilling

Equal Opportunity Employer

Minnesota Pollution Control Agency
US Distilled Products Storage Tank Expansion Project
Environmental Assessment Worksheet (EAW)

Appendix C

Errata sheet

1. The EAW had one missing item in the table on page 27, section 9: Addition of DNR Water Appropriation Permit (only if necessary) would be required for dewatering when constructing the footings for the new tanks if the water pumped exceeds 10,000 gallons in a day, or one million gallons in one year.

Note: The DNR General Permit for Temporary Appropriation, with its lower permit application fee and reduced time for review, may be used for the dewatering if the dewatering volume is less than 50 million gallons and the time of the appropriation is less than one year.

2. The EAW had one inaccurate sentence on page 43, section 14.b: The sentence should be changed to "The DNR determined that the Project has the potential to impact ~~will not negatively affect~~ the state-listed species, the Blanding Turtle, and its habitat ~~any known occurrence of rare features.~~"

Note: Refer to the December 20, 2023, Natural Heritage Review letter (attached).