CABE ASSOCIATES, INC.
CONSULTING ENGINEERS
144 SOUTH GOVERNORS AVENUE
P.O. BOX 877
DOVER, DELAWARE 19903-0877

-PRINCIPALS-
LEE J. BEETSCHEN, P.E., DEE
ROBERT W. KERR, P.E., DEE

-SENIOR ASSOCIATE-
MARK K. DOWNES, P.E.

-ASSOCIATES-
KENNETH L. DAVIS, P.E.
SCOTT C. HOFFMAN, P.E.
STEVEN H. LEWANDOWSKI, P.E.

August 4, 2010

Mr. Phillip J. Cherry
Director of Policy and Planning
Department of Natural Resources
and Environmental Control
Office of the Secretary
89 Kings Highway
Dover DE 19901

HAND DELIVERED

Re: Application for Coastal Zone Act Permit
Mountaire Farms of Delaware, Inc.

Dear Mr. Cherry:

This letter is in regard to the Mountaire Farms of Delaware, Inc., application for a Coastal Zone Act Permit which was submitted to your office on July 22, 2009. As we have discussed, Mountaire is voluntarily replacing two (2) of the three (3) complex boilers and will be firing the new boilers on natural gas rather than #6 fuel oil. This is good news for the environment because it will reduce complex air emissions by approximately 39%. You had suggested that we file for credits under Regulation 1134 of the Air Regulations after which we could apply some of these credits toward offsetting the much smaller increase in emissions associated with the new resource recovery plant. As you may not have been aware, SOx is a substantial part of the reduction associated with the switchover to natural gas. That is not a substance which can be banked under Regulation 1134. Therefore, we intend to use a portion of the SOx reduction as an offset to the total emissions from the resource recovery plant. This requires a revision to our Coastal Zone Act Permit application. Toward that end, we are submitting the following pages to replace those in the initial July 22, 2009 submission; 6, 7, 12, 13 and Attachment I.

As you are aware, Mountaire has initiated the process of expanding and upgrading their wastewater treatment facility which, as noted in the application, will substantially reduce the nitrogen and phosphorus currently being land applied to over 1000 acres owned and operated by the applicant. The Ground Water Discharges Section (GWDS) has been provided with design calculations for the upgraded wastewater treatment facility. Hopefully, after they have reviewed them, they will indicate to you that a process designed in accordance with the calculations will provide the offset amount indicated in the CZA application. The calculations were submitted to

GWDS on July 29, 2010. These are the same calculations that were included as attachment J in the July 22, 2009 application.

You have indicated that in order for the application to be deemed administratively complete, you will need a construction schedule for the wastewater project. The anticipated construction schedule for this project is as follows:

- Submission of plans and specifications for construction permit to the Groundwater Discharges Section on or before February 1, 2011
- Construction to start on or before May 2, 2011
- Anticipated completion and startup on or before January 30, 2012.

We request that you review the attachments and the information included in the body of this letter and advise if there is any follow up necessary. It is our understanding that once the GWDS has reviewed and accepted the design calculations for this project, the application will be deemed administratively complete. Then you will be in a position to initiate steps toward the public hearing process.

Looking forward to your movement in this regard.

Very truly yours,

CABE ASSOCIATES, INC.

Lee J. Beetschen

Lee J. Beetschen, P.E., DEE

LJB/cjk
206-063
cc: Mr. John Wren
Mountaire Farms of Delaware, Inc. (W/Attach)
Attachments

PART 3

PROJECT SUMMARY

The resource recovery project will recover unused protein (blood, feathers and offal) from the Mountaire Millsboro and Selbyville poultry processing plants, farms and hatcheries. The unused protein will be loaded in trailers and trucked to the resource recovery plant. The truck trailers have hydraulic systems for dumping the load into receiving bins located within the resource recovery building. The trailers are designed to keep the various types of byproducts segregated. They have tanks for hauling blood and divider gates to separate offal from feathers. The raw materials receiving bins and tanks are constructed of stainless steel and are enclosed vessels. Each bin and tank has a vent connected to a duct system that directs the vented air and the inherent odor from the raw materials to the plant's odor abatement systems. There are two (2) bins dedicated for storing soft tissues, viscera and bones; one (1) bin for storing whole-bird carcasses; and one (1) for storing raw feathers. Each of these bins has hydraulic powered inlet covers. After receiving from the truck is finished the lid is closed. Two (2) tanks are provided for storing raw blood. The blood tanks are filled by pumps connected to the delivery truck hauling tank. The plant will continuously process 3,544 tons of raw materials per week consisting of bones, blood, feathers, viscera and other soft tissues, and the whole-bird carcasses of farm mortality. The raw materials will be sized, conditioned and hydrolyzed. The final products will be hydrolyzed feather and poultry meal and feed grade fat, which are then loaded on trucks for shipping to a variety of points of use.

Mountaire's project will produce approximately 355 pounds per day of Total Nitrogen, a substance regulated by DNREC Permit # LTS 5011-87-04. Mountaire intends to upgrade the existing wastewater treatment plant to decrease the Total Nitrogen being applied to crop land to below the current levels, thereby precluding the need for an offset for land applied nitrogen in the treated wastewater.

With regard to air emissions, Mountaire is voluntarily replacing two (2) of the three (3) complex boilers in August 2010 and will fire the new boilers on natural gas rather than No. 6 fuel oil. This replacement will reduce complex air emissions by approximately 39% (71 tons per year). The emissions increase attributable to the resource recovery project, using natural gas as fuel, is shown in the first column of the

ensuing table, along with the required offset and the actual offset. The overall emissions reduction created by the boiler replacement greatly exceeds the offset required.

	Emissions Increase (TPY)	Required Offset (1.3 x Emissions Increase) (TPY)	Actual Offset (TPY)
SOx	0.12	0.16	0.16
NOx	4.9	6.4	6.4
CO	1.2	1.6	1.6
VOC	1.1	1.4	1.4
PM-10	1.8	2.3	2.3

h. existing water bodies and wetlands and proposed dredge and fill areas, and;

i. existing and proposed drainage ways, gas, electric, sewer, water, roads, and other rights-of-way.

5.4 How many acres of land in total are required for this proposed project?

Existing/ currently utilized/ developed land: 4.18 acres.

New land: _____None_____acres.

5.5 Has the property been involved with a state or federal site cleanup program such as Superfund, Brownfields, HSCA Voluntary Cleanup Program, RCRA Corrective Action, Aboveground or Underground Storage Tank Cleanup Programs? If so please specify which program.

See Attachment F.

5.6 With regards to environmental cleanup actions, has a Uniform Environmental Covenant, Final Plan of Remedial Action, or no further action letter been issued by the Department? NO

If so are the planned construction activities consistent with the requirements or conditions stated in these documents?

PART 6A

ENVIRONMENTAL IMPACTS

Air Quality

6.1 Describe project emissions (new, as well as any increase or decrease over current emissions) by type and amount under maximum operating conditions:

The existing emission sources consist of three (3) boilers, two (2) grain driers, and feed mill operations. The emissions from the boilers are the combustion products of No. 6 fuel oil (one (1) boiler) and natural gas (two (2) boilers). The emissions from the driers are the combustion products of natural gas. The emissions from the feed mill are particulate emissions from feed mill operations. The new emissions are from a natural gas burner that oxidizes collected vapors (the thermal

oxidizer) and provides steam for the resource recovery operation. Two of the existing oil fired boilers will be replaced with natural gas fired boilers.

Pollutant	Existing Emissions		Net Increase/Decrease		New Total Emissions		Percent Change (compare tons/year)
	Lbs/day	*Tons/year*	*Lbs/day*	*Tons/year*	*Lbs/day*	*Tons/year*	
SOx	674	123	(384)	(70)	290	53	(57)
NOx	186	34	(16)	(3)	170	31	(9)
CO	20	3.7	51	9.3	71	13	251
VOC	1.4	0.26	12	2.1	13	2.4	823
PM-10	121	22	0	0	121	22	0

6.2 Describe how the above emissions change in the event of a mechanical malfunction or human error.

There are 4 scrubbers with hoods over equipment serving the building. They have oversized variable frequency drive motors that could be ramped up in the event of thermal oxidizer failure or one scrubber failure. If the latter, the number of room air changes would be reduced.

6.3 Describe any pollution control measures to be utilized to control emissions to the levels cited above in 5.1.

The pollution control equipment will be operated and maintained per the manufacturer's recommendations.

6.4 Show evidence that applicant has, or will have, the ability to maintain and utilize this equipment listed in 5.3 in a consistently proper and efficient manner. (For example, provide college transcripts and/or records of training courses and summary of experience with this pollution control equipment of person(s) responsible for pollution control equipment, and/or provide copies of contracts with pollution control firms to be responsible for maintaining and utilizing this equipment.)

Operators will be trained by the equipment suppliers prior to and during a 30 day startup.

ATTACHMENT I

Mountaire has a Title V air permit that allows the combustion of No. 6 fuel oil in the three (3) facility boilers to provide steam for processing operations. In August 2010, two (2) of the boilers (boilers 5 and 6) are voluntarily being replaced and the replacements will combust natural gas only. The change in fuels results in a significant reduction (71 tons) of total emissions of the fuel combustion products. The current emissions, based on the 2009 emission inventory for the complex, are indicated in the Pre-Reduction column in the table below. The Post-Reduction emissions, including firing two (2) boilers on natural gas and emissions from the resource recovery operation, are also indicated.

Therefore, Mountaire is seeking to offset the proposed increase in emissions from the resource recovery operation with the emissions reduction achieved from the boiler replacement. The pre-reduction emissions from 2009 (pre-boiler replacement and pre-resource recovery plant) compared to the post-reduction (post-boiler replacement and post-resource recovery plant) from the complex are as follows:

	Pre-Reduction (tons)	**Post-Reduction (tons)**	%Reduction
SOx	123	53	57
NOx	34	31	9
CO	3.7	13	(251)
VOC	0.26	2.4	(823)
PM-10	22	22	0
Total	**183**	**121**	**34**

The increase in emissions attributable to the proposed project, required offset and actual offset are as follows:

	Emissions Increase (TPY)	Required Offset (1.3 x Emissions Increase) (TPY)	Actual Offset (TPY)
SOx	0.12	0.16	*0.16
NOx	4.9	6.4	*6.4
CO	1.2	1.6	*1.6
VOC	1.1	1.4	*1.4
PM-10	1.8	2.3	*2.3
TOTAL	9.1	11.9	11.9

* The balance of available offset due to the change of boiler fuel for two (2) of the three (3) complex boilers described above is being held in reserve should additional projects subject to Delaware's Regulations Governing Coastal Zone be necessary. This balance is quantified at approximately 59 tons.