



State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

Jim Doyle, Governor
Scott Hassett, Secretary
Lloyd Eagan, Regional Director

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January 30, 2007

Casetrack ID#2001-SCEE-014

Mr. John Didion
Didion Milling, Inc.
501 South Williams Street
Cambria, WI 53923

Subject: Enforcement Conference Summary

Dear Mr. Didion:

Thank you for attending the conference on Tuesday January 23, 2007. I believe that you now have a better understanding of the Department's concerns regarding the management and operation of your Cambria facilities.

At the conference Didion representatives stated that they:

1. Operated 24 hours a day, 7 days a week for 17 years until October 19, 2006.
2. Didn't realize that the permit provisions went into affect immediately. They were under the assumption that there was a transition period from milling to ethanol.
3. Dale Drachenberg became aware of a problem with the permit on October 24, 2006. The options were to lay off 120 employees and lose contracts or operate the dryer in violation of the permit.
4. Had other issues raised by the Department that needed to be addressed, including modeling, between October 24 and December 19, 2006. This is why there was a gap before the permit modification request was submitted in January 2007.
5. Assumed the permit could be revised without having to go through the modification process.
6. Have not operated the dryer since December 6, 2006 and that approximately 30-37 people have been laid off.
7. Agreed to the permit restrictions because they won't need grain drying for the Ethanol processing. The five hour operating restriction won't be a problem when the Ethanol plant is operating.
8. Have all required permits for construction of the ethanol plant and that the anticipated start up is November 2007.
9. Installed the bag house which addresses the April 2006 Notice of Violation. We were not given a date that the bag house became operational.
10. Are currently in compliance.

Department representatives stated that:

1. We were disappointed to be meeting with Didion in another enforcement conference.
2. Didion was told prior to the permit issuance about the dryer's restricted operating hours.
3. We wanted to know who was responsible for reading the permit and ensuring compliance with its provisions.
4. Didion was told that a revision would be necessary to change the permit.
5. We have not made a decision about our enforcement options.

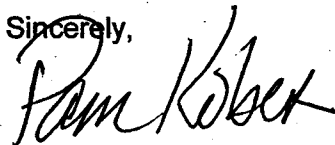
As a follow up to the meeting please submit the dryer records from December 2006 to the present by February 16, 2007.

After the enforcement conference, I was asked about the status of Didion's Water Quality Certification for the railroad spur. Please respond with the certification application or provide an update of your transport plans by February 16, 2007.

If you have questions regarding this letter please contact me at (608) 743-4852.

If you have technical questions pertaining to your air permits, contact Michael Sloat at (608) 768-5693.

Sincerely,



Pamela Kober
Environmental Enforcement Specialist

- cc: Michael Sloat
Martha Makholm – AM/7
Tom Roushar – SCR
Ken Johnson – SCR
Dan Hunt – Horicon
Don Gallo - Reinhart Boerner Van Deuren s.c., P.O. Box 2265, Waukesha, Wi. 53187-2265
Kevin Miller – NRG
Dale Drachenberg – Didion Milling, Inc., 501 South Williams Street, Cambria, WI 53923

Didion
Tuesday Jan 23, 2007

Name	affiliation
Pam Kober	DNR
Tom Roushar	WDNR - SCR - Air Management
Mike Abat	WDNR SCR - Air Management
Don Gallo 262-951-4555	dgallo@reinhardtlaw.com
John Didion	Didion Milling
Dale Drachenburg	Didion Milling
Kevin Miller	Natural Resource Group
Anna Bruderman	Cambria resident
Sarah Lloyd	Town of Cambria resident
John Mueller	Cambria resident
Wade L. Smith	Cambria, WI resident
Bonnie Smith	Cambria, WI resident