

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

Death Farms Finishers)
(Property Identification Number) PCB 015-
14-06-200-007)) (Tax Certification
) Water)

NOTICE

Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite. 11-500
Chicago, Illinois 60601

Michael Deuth
3774 N. IL Route 26
Forreston, Illinois 61030

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
Post Office Box 19033
Springfield, Illinois 62794

PLEASE TAKE NOTICE that I have today filed with the Office of the Clerk of the Pollution Control Board an **APPEARANCE AND THE RECOMMENDATION** of the Illinois Environmental Protection Agency, a copy of which is herewith served upon you.

ILLINOIS ENVIRONMENTAL PROTECTION
AGENCY

By: Vera Herst
Vera Herst
Assistant Counsel
Division of Legal Counsel

DATED: September 8, 2014

Illinois Environmental Protection Agency
1021 North Grand Avenue East
Post Office Box 19276
Springfield, Illinois 62794-9276
(217) 782-5544

THIS FILING IS SUBMITTED ON RECYCLED PAPER

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

Death Farms Finishers)
(Property Identification Number) PCB 015-
14-06-200-007)) (Tax Certification
) Water)

A P P E A R A N C E

The undersigned, as one of its attorneys, hereby enters an **APPEARANCE** on behalf of Respondent, Illinois Environmental Protection Agency.

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

By: *Vera Herst*
 Vera Herst
 Assistant Counsel
 Division of Legal Counsel

DATED: September 8, 2014
 Illinois Environmental Protection Agency
 1021 North Grand Avenue East
 Post Office Box 19276
 Springfield, Illinois 62794-9276
 (217)782-5544

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BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

Deuth Farms Finishers)
(Property Identification Number) **PCB 015-**
14-06-200-007)) **(Tax Certification**
) **Water)**

RECOMMENDATION

The Illinois Environmental Protection Agency (“Illinois EPA”) hereby files its Recommendation pursuant to Section 125.204 of the regulations of the Illinois Pollution Control Board, 35 Ill. Adm. Code 125.204.

1. On August 9, 2013, the Illinois EPA received a request from Michael Deuth (log number TC-16-13, Exhibit A) for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Ill. Adm. Code 125.204.

2. The applicant’s address is: Deuth Farms Finishers
210 N. Summerhill Road
Polo, Illinois 61064

3. The proposed water pollution control facility in this request is located at the NE ¼ of Section 6, T23N, R8E of the 4th PM in Ogle County, at the above street address and consists of the following:

Livestock waste management facilities consisting of one concrete manure pit (approximately 176 ft. x 71 ft. x 8 ft. deep) with 4 concrete manure pump out pits (approximately 6 ft. x 6 ft. x 8 ft. each) and the portion of concrete slotted flooring over the manure pit; one concrete manure pit (approximately 192 ft. x 71 ft. x 8 ft. deep) with 4 concrete manure pump out pits (approximately 6 ft. x 6 ft. x 8 ft. each) and the portion of concrete slotted flooring over the manure pit.

These livestock waste management facilities are used to collect, transport and/or store livestock wastes prior to cropland application, and are further described in Exhibit A.

4. Section 11-10 of the Property Tax Code, 35 ILCS 200/11-10 (2012), defines “pollution control facilities” as:

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“any system, method, construction, device or appliance appurtenant thereto or any portion of any building or equipment, that is designed, constructed, installed or operated for the primary purpose of: (a) eliminating, preventing, or reducing air or water pollution ...or (b) treating, pretreating, modifying or disposing of any potential solid, liquid or gaseous pollutant which if released without treatment, pretreatment modification or disposal might be harmful, detrimental or offensive to human, plant or animal life, or to property.”

5. Pollution control facilities are entitled to preferential tax treatment, 35 ILCS 200/11-5.

6. Based on the information in the application and the purpose of the facilities, it is the Illinois EPA's engineering judgment that the described facilities described in (3) above may be considered “pollution control facilities,” pursuant to 35 Ill. Adm. Code 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in 35 Ill. Adm. Code 125.200, and are eligible for tax certification from the Board.

7. Additional facilities in this request are:

The portions of the buildings above the manure pits.

These are also described in Exhibit A.

8. Based on the information in the application and the purpose of the facilities, it is the Illinois EPA's engineering judgment that the described facilities are not considered “pollution control facilities,” pursuant to 35 Ill. Adm. Code 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in 35 Ill. Adm. Code 125.200, and are therefore not eligible for tax certification from the Board. Specifically, the Illinois EPA finds that the primary purpose of these facilities is to provide an area for feeding animals, keeping animals clean, sheltering animals from outside weather conditions, and reducing bedding needs.

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The *Swine Handbook Housing & Equipment*, Third Edition by Midwest Plan Service (January 1979) (MWPS-8) states that producers raising hogs in confinement have better control of feeding and watering and can more easily moderate and stabilize temperatures and control certain infectious diseases and parasites. This confirms the primary purpose of the buildings above the manure pits is not to eliminate, prevent, or reduce water pollution.

WHEREFORE, the Illinois EPA recommends that the Board grant the requested tax certification to the facilities described in (3) above, and deny the requested tax certification to the facilities described in (7) above. The applicant has 35 days after the date of service to file a petition with the Board to contest this recommendation (35 Ill. Adm. Code 125.204).

ILLINOIS ENVIRONMENTAL
PROTECTION AGENCY

By: Vera Herst
Vera Herst
Assistant Counsel
Division of Legal Counsel

Dated: September 8, 2014
Illinois Environmental Protection Agency
1021 North Grand Ave. E.
P.O. Box 19276
Springfield, Illinois 62794-9276
217/782-5544

)

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ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

1021 NORTH GRAND AVENUE EAST, P.O. BOX 19276, SPRINGFIELD, ILLINOIS 62794-9276 • (217)782-2829

PAT QUINN, GOVERNOR

LISA BONNETT, DIRECTOR

Memorandum

To: Charles Gunnarson, Division of Legal Counsel

From: Al Keller, Manager, Permit Section *AK*

Date: August 29, 2014

Re: Death Farms Finishers - Polo
Recommendation of Tax Certification/Recommendation of Tax Certification Denial
Log # TC-16-13
Property Identification # 14-06-200-007

The Bureau of Water received a request on August 9, 2013 from Michael Deuth for an Illinois EPA recommendation regarding the tax certification of water pollution control facilities pursuant to 35 Il. Adm. Code 125.204. We offer the following recommendation.

The water pollution control facilities in this request include the following:

Death Farms Finishers
210 N. Summerhill Road
Polo, IL 61064

NE¼ Section 6, Township 23N, Range 8E of the 4th PM in Ogle County.

Livestock waste management facilities consisting of one concrete manure pit (approximately 176 ft. x 71 ft. x 8 ft. deep) with 4 concrete manure pump out pits (approximately 6 ft. x 6 ft. x 8 ft. each) and the portion of concrete slotted flooring over the manure pit; one concrete manure pit (approximately 192 ft. x 71 ft. x 8 ft. deep) with 4 concrete manure pump out pits (approximately 6 ft. x 6 ft. x 8 ft. each) and the portion of concrete slotted flooring over the manure pit.

These livestock waste management facilities are used to collect, transport and/or store livestock wastes prior to cropland application.

These facilities are further described in the enclosed applications and supporting documents.

Based on the information included in this submittal, it is our engineering judgment that the above proposed facilities may be considered "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in this section, and therefore eligible for tax certification from the Illinois Pollution Control Board. The Bureau of Water therefore recommends that the Board issue the requested tax certification for these facilities.

Additional facilities in this request include:

- The portions of the buildings above the manure pits.

These facilities are further described in the enclosed applications and supporting documents.

Page No. 2
Log No. TC-16-13

Based on the information included in this submittal, the Bureau of Water has determined that the facilities are not "Pollution Control Facilities" under 35 IAC 125.200(a), with the primary purpose of eliminating, preventing, or reducing water pollution, or as otherwise provided in this section. This determination is based on the following factor(s):

The primary purpose of these facilities is to provide an area for feeding animals, keeping animals clean, sheltering animals from outside weather conditions, reduce bedding needs and is not pollution control. The *Swine Handbook Housing & Equipment*, Third Edition by Midwest Plan Service (January 1979) (MWPS-8) states that producers raising hogs in confinement have better control of feeding and watering and can more easily moderate and stabilize temperatures and control certain infectious diseases and parasites. The above information confirms the primary purpose of the buildings above the manure pits is not pollution control.

The Bureau of Water therefore recommends that the Board deny the requested tax certification for these facilities.

If you have any questions regarding the above, please contact Thaddeus Faught at 217/782-0610.

SAK:TJF:TC-16-13.docx

cc: Tax Cert File

Watershed Unit Tax Certification Review Sheet

Project Name: Death Farms Finishers
Reviewer: Thaddeus Fought
Log No.: TC-16-13

Location: Polo
Date: 3/5/14
Type: Agchem
 Livestock

Applicant: Death Farms Finishers
3774 N. IL Route 26
Forreston, IL 61070

Contact: Michael Deuth
Phone: 815-440-6969

Facility: Death Farms Finishers
210 N. Summochill Pl.
Polo, IL 61064

Property ID: 14-06-200-067

Legal Description: NE 1/4 Section 6, T23N, R8E of the 4th P.M.

County: Ogle

Date Control Devices Installed: 1/1/13

Provided Fair Cash Value: \$350,000

Signature: Michael Deuth

Title: owner

Wastes: Livestock waste is applied to cropland.
 Agrichemical rinsate and spillage is recycled through the facility and/or land applied.
 Other: _____

Physical Description of Pollution Control Devices:
• one concrete manure pit (176 ft x 71 ft x 8 ft deep) w/ concrete slats and 4 concrete pumps (each 6ft x 6ft x 8ft deep)
• one concrete manure pit (192 ft x 71 ft x 8 ft deep) w/ concrete slats and 4 concrete pumps (each 6ft x 6ft x 8ft deep)

Other: _____

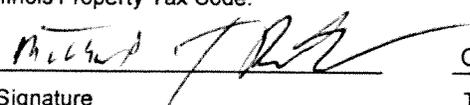
12-19-12

**APPLICATION FOR CERTIFICATION (PROPERTY TAX TREATMENT)
POLLUTION CONTROL FACILITY**
AIR WATER

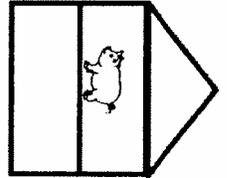
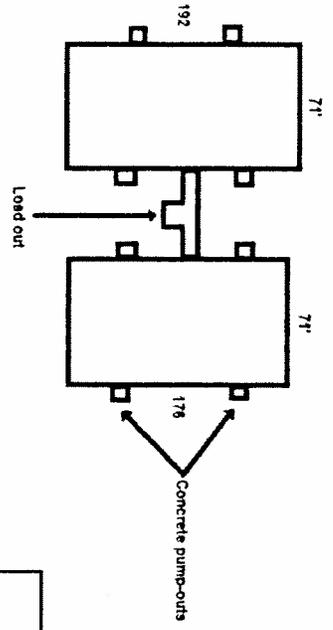
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY
P. O. Box 19276, Springfield, IL 62794-9276

This Agency is authorized to request this information under Illinois Revised Statutes, 1979, Chapter, 120, Section 502a-5. Disclosure of this information is voluntary. However, failure to comply could prevent your application from being processed or could result in denial of your application for certification.

FOR AGENCY USE				
File No.	Date Received	Certification No.	Date	
APPLICANT	Sec. A			
	Company Name DEUTH FARMS FINISHERS			
	Person Authorized to Receive Certification MICHAEL DEUTH		Person to Contact for Additional Details MICHAEL DEUTH	
	Street Address 3774 N IL ROUTE 26		Street Address 3774 N IL ROUTE 26	
	Municipality, State & Zip Code FORRESTON IL, 61030		Municipality, State & Zip Code FORRESTON IL, 61030	
	Telephone Number (815) 440-6969		Telephone Number (815) 440-6969	
	Location of Facility		Municipality	Township
	Quarter Section 6-NE	Township 23-N	Range 8-EAST	POLO 23-N
	Street Address 210 N SUMMERHILL RD.		County OGLE	Book Number
	Property Identification Number		Parcel Number 1406200007	
MANUFACTURING OPERATIONS	Sec. B			
	Nature of Operations Conducted at the Above Location 3200 HD SWINE FINISHING FACILITY IN 2 SEPARATE BUILDINGS			
	Water Pollution Control Construction Permit No.		Date Issued	
	NPDES PERMIT No.		Date Issued	Expiration Date
	Air Pollution Control Construction Permit No.		Date Issued	
Air Pollution Control Operating Permit No.		Date Issued		
MANUFACTURING PROCESS	Sec. C			
	Describe Unit Process Materials Used in Process			
POLLUTION CONTROL FACILITY DESCRIPTION	Sec. D			
Describe Pollution Abatement Control Facility Manure structures that include a 1600 hd swine finishing building, including the concrete slatted floors, the 8' deep manure pit (71' X 176') and four 6'x6'x8' deep concrete pumpouts, 1600hd swine finishing building, including the concrete slatted floors, the 8' deep manure pit (71'x 192') and the four 6'x6'x8' deep concrete pumpouts.				

Sec. E	CONTAMINANTS	(1) Nature of Contaminants or Pollutants Liquid wine waste			
				Material Retained, Captured or Recovered	
		Contaminant or Pollutant	DESCRIPTION	DISPOSAL OR USE	
		Liquid Swine waste	From Finishing pigs	Land applied to adjacent fields	
ACCOUNTING DATA	(2) Point(s) of Waste Water Discharge waste is pumped the pit for land application				
	Plans and Specifications Attached		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
	(3)	Are contaminants (or residues) collected by the control facility?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	
	(4)	Date installation completed <u>01/01/13</u> status of installation on date of application _____			
	(5)	a. FAIR CASH VALUE IF CONSIDERED REAL PROPERTY:	\$ 350,000.00		
		b. NET SALVAGE VALUE IF CONSIDERED REAL PROPERTY:	\$		
		c. PRODUCTIVE GROSS ANNUAL INCOME OF CONTROL FACILITY:	\$		
		d. PRODUCTIVE NET ANNUAL INCOME OF CONTROL FACILITY:	\$		
		e. PERCENTAGE CONTROL FACILITY BEARS TO WHOLE FACILITY VALUE:	% 35		
	SIGNATURE	Sec. F The following information is submitted in accordance with the Illinois Property Tax Code, as amended, and to the best of my knowledge, is true and correct. The facilities claimed herein are "pollution control facilities" as defined in Section 11-10 of the Illinois Property Tax Code.			
 Signature		Owner _____ Title			
INSTRUCTIONS	Sec. G INSTRUCTIONS FOR COMPILING AND FILING APPLICATION				
	General: Separate applications must be completed for each control facility claimed. Do not mix types (water and air). Where both air and water operations are related, file two applications. If attachments are needed, record them consecutively on an index sheet.				
	Sec. A	Information refers to applicant as listed in the tax records and the person to be contacted for further details or for inspection of facilities. Define facility location by street address or legal description. A plat map location is required for facilities located outside of municipal boundaries. The property identification number is required.			
	Sec. B	Self-explanatory. Submit copies of all permits issued by local pollution control agencies. (e.g. MSD Construction Permit)			
	Sec. C	Refers to manufacturing processes or materials on which pollution control facility is used.			
	Sec. D	Narrative description of the pollution control facility, indicating that its primary purpose is to eliminate, prevent or reduce pollution. State the type of control facility. State permit number, date, and agency issuing permit. A narrative description and a process flow diagram describing the <u>pollution control facility</u> . Include a listing of each major piece of equipment included in the claimed fair cash value for real property. Include an <u>average</u> analysis of the influent and effluent of the control facility stating the collection efficiency.			
	Sec. E	List air contaminants, or water pollution substances released as effluents to the manufacturing processes. List also the final disposal of any contaminants removed from the manufacturing processes. Item (1) - Refers to pollutants and contaminants removed from the process by the pollution control facility. Item (2) - Refers to water pollution but can apply to water-carried wastes from air pollution control facilities. Submit drawings, which clearly show (a) Point(s) of discharge to receiving stream, and (b) Sewers and process piping to and from the control facility. Item (3) - If the collected contaminants are disposed of other than as wastes, state the disposition of the materials, and the value in dollars reclaimed by sale or reuse of the collected substances. State the cost of reclamation and related expense. Item (4) - State the date which the pollution control facility was first placed in service and operated. If not, explain. Item (5) - This information is essential to the certification and assessment actions. This accounting data must be completed to activate project review prior to certification by this Agency.			
	Sec. F	Self-explanatory. Signature must be a corporate authorized signature.			
Submit to:		Attention:	Attention:		
Illinois EPA P.O. Box 19276 Springfield, IL 62794-9276		Al Keller Permit Section Division of Water Pollution Control	Donald E. Sutton Permit Section Division of Air Pollution Control		

Death Farms



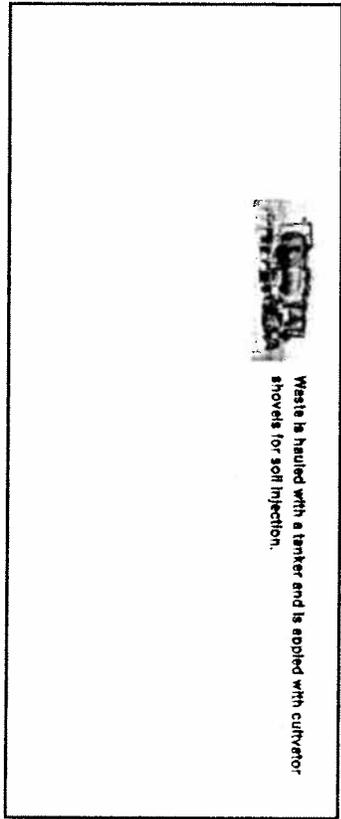
Cross Sectional view of each building (all buildings identical)

Living environment
8' foot pit

Field



Waste is hauled with a tanker and is applied with cultivator/shovels for soil injection.



The swine waste is contained in concrete pits contained under the buildings.
 Swine waste falls through concrete slats into the 5 inch thick concrete pits.
 The waste is pumped from the pit pump out to the tanker. Then the waste is hauled in the tanker to the field.
 It flows out of the tank in a hose to channels created by field cultivator/shovels.
 This process injects the waste directly into the soil, leaving no opportunity for run-off and maximizes the fertilizer value of the waste. All waste is injected to further reduce odor and potential runoff.



Illinois
Environmental
Protection Agency

Bureau of Water
P.O. Box 19276
Springfield, IL 62794-9276

August 2000

Tax Certification Program for Livestock Waste Management Facilities

RECEIVED
AUG - 9 2013

Watershed Management Section
BUREAU OF WATER

As an incentive for livestock producers to construct waste storage structures and other structures which prevent water pollution the Agency administers a tax certification program, which reduces the property tax value for many pollution control improvements. In order to recognize this tax reduction, the producer must have the improvement certified by the Illinois Environmental Protection Agency (Illinois EPA) as a pollution control facility.

Various facilities have been determined to meet the definition of a pollution control facility for livestock waste management. The following are examples of pollution control facilities for livestock waste management.

1. Manure pits under confined animal feed structures.
2. Slatted floors over manure pits.
3. Floors (not in feeding areas) specifically designed to collect and transport livestock wastes to liquid waste storage facilities.
4. Liquid livestock waste storage facilities including, but not limited to: tanks, lagoons, and holding ponds.
5. Dry manure stacking structures.
6. Feedlot runoff sediment capture basins.
7. Vegetative filter systems including, but not necessarily limited to those components designed, constructed and operated pursuant to Title 35 Illinois Administrative Code, Subtitle E, Chapter 11, Part 570 titled Design and Maintenance Criteria Regarding Runoff Field Application Systems adopted August 3, 1982.
8. Structures or other devices used specifically to divert uncontaminated runoff and roof drainage away from animal feeding facilities so as to minimize the production of feedlot runoff.
9. Roof structures specifically intended to prevent precipitation from entering livestock waste storage facilities provided that such a roof shall meet the requirement that animal feeding operations are not and also could not be normally conducted below said roof.
10. Building or structure walls specifically intended to support those roof structures described in item #9 above.
11. Tanks or other similar structures, such as methane digesters, that are specifically designed, constructed and operated for the only purpose of reducing odors from livestock wastes provided that such facilities shall meet the requirement that methane or products other than processed animal manures are not produced or collected for utilization in any purpose other than the normal operation of the facility.
12. Specific appurtenances to those facilities listed above such as pumps, pump pits, manure scrapers, ramps, manure stackers, or other devices provided that such appurtenances are designed, constructed and operated for the primary purpose of the normal operation of the pollution control facility.
13. Other facilities that meet the definition of a pollution control facility.

Once Illinois EPA has certified that the improvements made by the producer qualify as a pollution control facility, the Agency submits a copy of the certification to the producer and the Illinois Department of Revenue (IDOR). The IDOR assumes authority from the county tax assessment office to assess the value of the certified facilities based upon remaining useful lifetime and the salvage value (usually property taxes are based upon fair cash value). This reduces the assessed value of the certified facilities and, therefore, the property tax.

The date upon which the Illinois EPA received an application form from a producer determines the first assessment year that the IDOR assumes assessment jurisdiction from the county.

Pollution control facilities certified by the Illinois EPA will be assessed by the IDOR as of January 1 of the year after Illinois EPA's receipt of the tax certification application. For instance, if an application is received by the Illinois EPA on January 1, 1999, or December 31, 1999, both would come under the IDOR's assessment jurisdiction as of January 1, 2000.

The producer will receive the benefit of the reduced assessment for the first year the IDOR assumes jurisdiction, but it will not be reflected in the producers tax bill until the following year. All tax bills in Illinois are actually issued the year following the assessment date. For example, a tax bill will not be issued until approximately May 2001 for all property assessed as of January 1, 2000.

INSTRUCTIONS

Although the tax certification application form was originally designed for industrial use, the Agency uses it for all pollution control facilities. The following instructions indicate how to complete the application form when tax certification is being sought for livestock waste management facilities.

Section A - Applicant:

Be sure to provide the property tax identification number for the parcel of land where pollution control facilities are located. Also indicate the location of the pollution control facilities by quarter section, township, range and county. This information is available on county plat maps.

Section B - Manufacturing Operations:

Indicate what type of livestock waste the pollution control facilities control. Most livestock facilities in Illinois do not have or need any permits from the Illinois EPA and, therefore, the permits space can usually be left blank.

Section C - Manufacturing Process:

This section does not need to be completed on applications for livestock waste management facilities.

Section D - Pollution Control Facility:

The following information must be provided. Use additional paper when necessary.

Neatly sketch a diagram showing the flow of livestock waste from the animals through the pollution control facilities to final disposal on cropland. Include the locations of components such as pumps, pipes, gutter scrapers, manure pits, tanks, slotted floors, holding ponds for runoff, lagoons, methane digesters, settling basins, vegetative filters, etc.

Briefly describe the major pollution control components on the flow diagram including dimensions (length, width, depth, diameter), construction materials (steel, concrete block, etc.), and size (i.e., 10 H-P centrifugal pump).

Identify local streams, lakes, groundwater, or other waters that the pollution control facilities protect from contamination by livestock wastes. Briefly explain how the pollution control facilities prevent livestock wastes from entering these waters.

Section E - Pollution Control Facility Contaminants and Accounting Data:

Generally identify the pollutants being controlled (i.e., beef feedlot runoff, swine manure, silage leachate, etc.) and points of discharge if there are any. Items 3, 4 and 5 must be completed. Be sure to sign in Section F.

Completed forms may be sent to:

Illinois EPA
BOW/Watershed Management Section/Facility Evaluation Unit
P.O. Box 19276
Springfield, Illinois 62794-9276

STATE OF ILLINOIS)
)
COUNTY OF SANGAMON)
)

PROOF OF SERVICE

I, the undersigned attorney at law, hereby certify that on September 8, 2014, I served true and correct copies of an **APPEARANCE AND THE RECOMMENDATION**, upon the persons and by the methods as follows:

[1st Class U.S. Mail]

Steve Santarelli
Illinois Department of Revenue
101 West Jefferson
Post Office Box 19033
Springfield, Illinois 62794

[1st Class U.S. Mail]

Michael Deuth
3774 N. IL Route 26
Forreston, Illinois 61030

[Electronic Filing]

Clerk
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite. 11-500
Chicago, Illinois 60601

ILLINOIS ENVIRONMENTAL PROTECTION AGENCY

/s/ Vera Herst
Assistant Counsel
Division of Legal Counsel
1021 North Grand Avenue East
P.O. Box 19276-
Springfield, Illinois 62794-9276
217.782.5544
217.782.9143 (TDD)

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