

BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

1  
2  
3 IN THE MATTER OF: )  
4 )  
5 PROPOSED EXTENSION OF ADJUSTED STANDARD ) AS 2007-2  
6 APPLICABLE TO ILLINOIS-AMERICAN ) (Adjusted Standard)  
7 WATER COMPANY'S ALTON PUBLIC WATER )  
8 SUPPLY FACILITY DISCHARGE )  
9 TO THE MISSISSIPPI RIVER )  
10 UNDER 35 ILL. ADM. CODE 304.124 AND 304.106 )  
11  
12

13 **TESTIMONY OF ALLEY RINGHAUSEN**

14 **WITNESS IDENTIFICATION AND BACKGROUND**

15 **Q. Please state your name and business address:**

16 A. My name is Alley Ringhausen. I work at Great Rivers Land Preservation Association,  
17 Inc., also known as Great Rivers Land Trust, located at 2102 McAdams Parkway in  
18 Alton, Illinois, 62002.

19 **Q. What are your job title and your job responsibilities?**

20 A. Since 2000, I have been employed by Great Rivers Land Trust as its Executive Director.  
21 My primary job responsibilities are administering and implementing conservation  
22 projects in the confluence region. My main focus is making sure the Piasa Creek  
23 Watershed Project is administered and implemented successfully. My initial goal was to  
24 help Illinois-American Water Company's water treatment facility in Alton meet the 2 to 1  
25 offset goal required by the adjusted standard that was granted to the facility in 2000, but  
26 we surpassed this goal much earlier than expected. Now, my focus is maximizing the  
27 soil savings and other benefits that can be achieved with Illinois-American Water's  
28 annual contribution

29 **Q. What is your educational background?**

1 A. I earned a master's degree in Environmental Studies from Southern Illinois University  
2 (Edwardsville), specializing in Watershed Management.

3 **Q. What is your business background?**

4 A. I am an environmental planner. Before taking my current position with Great Rivers  
5 Land Trust, I worked as a consultant with the Illinois Association of Resource  
6 Conservation and Development Areas and the American Farmland Trust, as well as  
7 various Soil and Water Conservation Districts, school districts, and various non-profit  
8 organizations. My duties as a consultant for these organizations generally involved  
9 planning and implementing soil conservation projects.

10 **PURPOSE OF TESTIMONY**

11 **Q. What is the purpose of your testimony in this proceeding:**

12 A. The purpose of my testimony is to: (1) verify portions of Illinois-American Water's  
13 answers to the Illinois Pollution Control Board's questions in the Hearing Officer Order  
14 dated August 6, 2007, in particular, those answers to which I contributed; (2) summarize  
15 the achievements of the Piasa Creek Watershed Project; (3) describe some of the  
16 accolades that Great Rivers Land Trust has received as a result of the Project; (4) explain  
17 the maintenance activities that can be implemented to maintain a 2 to 1 offset ratio and a  
18 minimum soil savings of 6,600 tons; and (5) address several technical points raised by the  
19 Board, including uncertainty discounts and retirement.

20 **VERIFYING CERTAIN ANSWERS OF ILLINOIS-AMERICAN WATER TO**

21 **QUESTIONS POSED BY THE BOARD IN THE HEARING OFFICER ORDER**

22 **ENTERED AUGUST 6, 2007**

1 **Q. Did you participate in the preparation of Illinois-American Water's answers to the**  
2 **questions presented in the Hearing Officer Order entered in this proceeding on**  
3 **August 6, 2007?**

4 A. Yes.

5 **Q. What was your role in the preparation of the Company's answers?**

6 A. I read the questions in the Hearing Officer Order and participated in several meetings  
7 with Illinois-American Water's counsel to discuss those questions and answers. I helped  
8 formulate Illinois-American Water's answers to questions 1a, 1b, 1d, 1f, 2b, 2c, 2d, 3a,  
9 3b, 3c, and 3d, posed to the Illinois-American Water, as well as Illinois-American  
10 Water's answer to questions 5a and 5b, posed to the Illinois Environmental Protection  
11 Agency

12 **Q. I will ask you now to verify, Mr. Ringhausen, that the answers attributed to you for**  
13 **questions 1a, 1b, 1d, 1f, 2b, 2c, 2d, 3a, 3b, 3c, and 3d, posed to Illinois-American**  
14 **Water, and to questions 5a and 5b, posed to Illinois EPA, are true and correct to**  
15 **the best of your knowledge, information and belief.**

16 A. Yes they are.

17 **Q. Did you provide any other input to Illinois-American Water for its answers to the**  
18 **Board's questions?**

19 A. Yes. I also supplied an Affidavit which is attached to Illinois-American Water's Petition  
20 for Extension. Also, I prepared a ten-year proposal for maintenance, which is attached to  
21 Illinois-American Water's responses to the Board's questions.

1 Q. I know that your Affidavit was signed under oath, but let me ask you now if the  
2 information contained in that affidavit is true and correct to the best of your  
3 knowledge, information and belief.

4 A. Yes, it is.

5 Q. Also, can you verify that the proposal for maintenance attached to Illinois-American  
6 Water's responses is identical to the proposal you prepared and gave to Illinois-  
7 American Water?

8 A. Yes, it is.

9 **THE PIASA CREEK WATERSHED PROJECT HAS ACHIEVED A DRASTIC**  
10 **REDUCTION IN SEDIMENT LOADING TO THE PIASA CREEK AND OTHER**  
11 **BENEFITS AS WELL**

12 Q. What are some of the Piasa Creek Watershed Project's most significant  
13 achievements?

14 A. The Project's most significant achievement is amount of sediment that it has kept out of  
15 Piasa Creek and, in turn, the Mississippi River. This soil savings has surpassed all  
16 expectations. Everyone hoped that the Project would be able to save 6,600 tons of  
17 sediment by the end of the 10-year period (so, by 2010), but it had already surpassed this  
18 goal by the six-year mark. As of October 12, 2006, the Project had achieved a savings of  
19 approximately 6,691 tons. I'm working now on calculating the additional savings  
20 achieved since that time, and hope to have an updated total by the Board's hearing on  
21 August 28. GRLT will continue to implement new projects over the next few years, and  
22 my conservative estimate is that the Project will reach 10,000 tons of savings by the end

1 of the 10-year period. With the progress of the Project so far, though, I hope to reach a  
2 savings of 12,000 to 15,000 tons.

3 **Q. Aside from the soil savings, what are some of the Project's other significant**  
4 **achievements?**

5 A. The amount of awareness that the Project has brought to local farmers and other  
6 landowners has made a huge impact on the water quality in the Piasa Creek Watershed.  
7 Before this Project was implemented, GRLT was doing some sediment reduction projects  
8 in the area, but we really had to work to get people interested and make them understand  
9 what could be accomplished. Now, given this Project's incredible success, farmers  
10 actually come to us and ask us to help them implement sediment reduction projects on  
11 their land. They receive program funds to cover a portion of the cost for this and GRLT  
12 provides them additional financing, but they have to pay for a portion of these projects  
13 out of pocket, and they're happy to do it. The success of this Project has gotten people  
14 who may not have even been aware that sediment reduction projects were out there to  
15 invest their money and time in improving the environment.

16 **Q. Are there any other benefits?**

17 A. Of course. The sediment reduction projects have other environmental benefits, such as  
18 creating habitat for wildlife, protecting sensitive ecosystems, and reducing flash flooding.  
19 But the Project also adds a lot to the local communities in other ways. For instance,  
20 GRLT has worked with local schools and colleges on various educational programs. In  
21 addition, the money GRLT spends on each project goes back into the local communities.  
22 The Project has created employment opportunities for companies and individuals, and has  
23 created contractual opportunities for engineering firms and heavy equipment suppliers.

1 The Project has also resulted in the purchase of local supplies and materials like rip-rap,  
2 tile, concrete, trees, and seed.

3 **Q. Let's examine the other side of the issue, Mr. Ringhausen. What detriment, if any,**  
4 **would follow if Illinois-American Water's contributions to the Project terminate**  
5 **later this year?**

6 A. We have several projects in the development stages. Our projects involve planning,  
7 engineering studies, negotiations with landowners, and construction. Currently, we have  
8 a waiting list of landowners. They anticipate having an opportunity to participate in  
9 projects over the next three years. Some projects are in various stages of completion. All  
10 projects under development would stop, and construction would stop. In addition, we  
11 would have a lot of disappointed landowners. Enthusiasm for the Project is very high,  
12 but that would be lost. The money we receive from Illinois-American Water also serves  
13 as seed money to attract funding from other sources, like grants from private foundations.  
14 I am not predicting that those other funds will dry up, but they will certainly be more  
15 difficult to obtain without this seed money. In fact, we are negotiating for additional  
16 grants right now; the loss of Illinois-American Water's funds will severely hurt our  
17 chances for these grants.

18 **GREAT RIVERS HAS RECEIVED NUMEROUS ACCOLADES RECOGNIZING THE**  
19 **ACHIEVEMENTS OF THE PIASA CREEK WATERSHED PROJECT**

20 **Q. Mr. Ringhausen, what kind of awards has Great Rivers Land Trust received**  
21 **recognizing the Piasa Creek Watershed Project's achievements?**

22 A. Great Rivers Land Trust has received numerous national, state, and local awards  
23 recognizing the Project's success. These awards are described in my Affidavit, which is

1 attached to Illinois-American Water's Petition for Extension, so I won't describe them all  
2 here. As an example, though, Great Rivers received the Illinois Governor's Pollution  
3 Prevention Award in the "Community Group" category. This award is given to only one  
4 organization to recognize its accomplishments in helping the environment and the  
5 economy of Illinois by successfully reducing waste. It was an honor to receive this  
6 award, because it brought the Piasa Creek Watershed Project into the spotlight and  
7 showed the state what type of benefits can be achieved through sediment reduction  
8 practices. I'm very proud of it.

9 **Q. Aside from awards, what other recognition has the Piasa Creek Watershed Project**  
10 **received?**

11 A. The Piasa Creek Watershed Project has been featured in national forums and mentioned  
12 in numerous presentations and publications as an example of a successful watershed  
13 based trading project. One example of this is the National Forum on Synergies Between  
14 Water Quality Trading and Wetland Mitigation Banking, which was co-sponsored by the  
15 U.S. Environmental Protection Agency and the Environmental Law Institute. This  
16 national forum was designed to bring together experts in wetland mitigation banking with  
17 those in the water quality trading community to facilitate a dialogue on stimulating future  
18 markets in water quality trading.

19 **Q. What results do you think the Piasa Creek Watershed Project has seen as a result of**  
20 **this recognition?**

21 A. Once other individuals, organizations, local governments, and businesses learned about  
22 the Piasa Creek Watershed Project, they became interested in partnering with or  
23 providing financial assistance to Great Rivers Land Trust to help it achieve its goals.

1 These partners and funders include private landowners; educational institutions such as  
2 Principia College, Southern Illinois University (Edwardsville), Lewis & Clark  
3 Community College, the University of Illinois, and the Alton School District; the City of  
4 Alton and the Village of Godfrey; the Jersey County Board; Soil & Water Conservation  
5 Districts in Jersey, Madison, and Macoupin Counties; Tri-County Farm Supply; the  
6 Resource, Conservation and Development; Pride, Inc.; The Nature Institute; the James  
7 and Aune Nelson Foundation; the Olin Foundation; the Monsanto Fund; Trees Forever;  
8 the Illinois Clean Energy Community Foundation; the Illinois Environmental Protection  
9 Agency; the Illinois Department of Natural Resources; the Illinois Board of Education;  
10 the U.S. Department of Agriculture; U.S. Fish & Wildlife; the National Park Service; and  
11 the Boy Scouts of America.

12 **MAINTENANCE ACTIVITIES CAN MAINTAIN A 2 TO 1 OFFSET RATIO AND AT**  
13 **LEAST 6,600 TONS OF SOIL SAVINGS**

14 **Q. Please explain how you plan to use maintenance activities to maintain Illinois-**  
15 **American Water's 2 to 1 offset ratio and achieve a minimum soil savings of 6,600**  
16 **tons.**

17 **A.** I plan to use Illinois-American Water's remaining contributions under the current  
18 contract to both fund new projects and maintain existing projects. If the Board grants the  
19 requested extension to the adjusted standard, Illinois-American Water is committed to  
20 maintaining a 2 to 1 offset and a minimum soil savings of 6,600 tons. I estimate that it  
21 will cost approximately \$136,800 each year for 10 years to maintain the soil savings of  
22 existing projects above that level. I shared this number with Illinois-American Water,  
23 and believe that the company understands what we will be able to accomplish with this



1 amount. GRLT and Illinois-American Water have not started negotiating the specific  
2 terms of a maintenance contract yet, but I expect this contract to require Illinois-  
3 American Water to pay GRLT whatever amount is necessary to maintain the soil savings  
4 at a 2 to 1 offset and above 6,600. This will likely be the amount I estimated, but it could  
5 be more or less depending on the River conditions, the performance of the individual  
6 sediment reduction projects, and the types of new projects implemented from now  
7 through 2010.

8 **Q. What types of activities will Illinois-American Water's annual maintenance**  
9 **contribution allow you complete to maintain the soil savings?**

10 A. Mostly stewardship activities on lands owned or leased by GRLT or under cooperative  
11 agreement with GRLT. The specific maintenance activities that are required will depend  
12 on the specific type of sediment reduction project in place, but could include tree  
13 plantings, mowing, maintenance of tile and drain structures, and use of groundcover.  
14 GRLT will also conduct site visits to work with landowners and inspect existing projects  
15 to make sure they are still in place and effectively trapping sediments.

16 **Q. Will you spend any portion of Illinois-American Water's annual maintenance**  
17 **contribution on anything else?**

18 A. Yes. Some of that amount will be allocated toward legal fees and court costs, just in case  
19 we get into a dispute with a landowner and have to defend an easement or take some sort  
20 of enforcement action to make the landowner implement and maintain sediment  
21 reduction projects as required by a cooperative agreement with that landowner. Also,  
22 \$25,000 per year of Illinois-American Water's contribution will be set aside in an  
23 endowment fund, which I expect will grow large enough over ten years to allow me to

1 continue maintaining the existing sediment reduction projects so that the 2 to 1 offset and  
2 a minimum of 6,600 tons of soil are saved into the future.

3 **Q. How did you come up with these cost estimates and expenditure categories?**

4 A. They are based on information developed by the National Land Trust Alliance, one of the  
5 leading organizations in land preservation and maintenance.

6 **Q. What if the endowment fund isn't large enough?**

7 A. Illinois-American Water will have to contribute more. I understand that the Company is  
8 committed to financially supporting the Piasa Creek Watershed Project to ensure that the  
9 2 to 1 offset and a minimum of 6,600 tons of soil are saved, for as long as the adjusted  
10 standard is in place. If the Board extends the adjusted standard indefinitely, I understand  
11 that Illinois-American Water will ensure that the offset and minimum savings are  
12 maintained indefinitely. But it's impossible to estimate now how much this will cost.

13 Periodic review or reexamination will be necessary to ensure effectiveness.

14 **APPLYING AN UNCERTAINTY DISCOUNT OR RETIRING CREDITS IS NOT**  
15 **NECESSARY TO COMPLY WITH USEPA POLICY**

16 **Q. Let's turn now to some of the principles identified in USEPA policies that are**  
17 **discussed in the Board's questions. Are you familiar with the concept of an "uncertainty**  
18 **discount"?**

19 A. I understand the concept. USEPA recommends using an uncertainty discount to make  
20 sure the tons saved by a project are not overestimated. If soil savings are overestimated,  
21 the environmental benefit of a water quality trading project or offset might not be equal  
22 to or greater than what could be achieved by conventional treatment.

1 **Q. Do you use an “uncertainty discount” in calculating the tons of soil savings achieved**  
2 **by the Project?**

3 A. No, not a fixed uncertainty discount ratio like those described in USEPA’s policies. But  
4 it’s extremely important to me that the soil savings from this and other water quality  
5 trading projects and offsets are accurately reported. By using reliable numbers, we  
6 increase the confidence that governments and local communities have in these types of  
7 projects. Also, we guarantee that these projects are helping, rather than hurting, the  
8 environment. I have always made it a point to use very conservative estimates in  
9 reporting soil savings from the Piasa Creek Watershed Project, and I am confident that,  
10 based on the latest calculation methods, every ton that I report as saved is actually  
11 prevented from entering Piasa Creek.

12 **Q. How do you make sure your numbers are reliable and conservative?**

13 A. We calculate soil savings using only methods that are well-established and widely-  
14 accepted by the U.S. Department of Agriculture. Also, we know there are additional soil  
15 savings that are achieved by the Piasa Creek Watershed Project that are not included in  
16 the reported totals for soil savings. For instance, we don’t count any soil savings from  
17 “sheet and rill” erosion, because farmers address this type of erosion through USDA-  
18 sponsored programs. No sediment reduction project can stop all soil from eroding,  
19 though, so the Piasa Creek Watershed Project traps some of the soil that those projects  
20 can’t. In other words, the Piasa Creek Watershed Project acts as a second line of defense.  
21 But we don’t count these additional soil savings at all, because it is difficult to quantify  
22 exactly how many tons are saved by the USDA-sponsored programs and how many tons  
23 of sheet and rill erosion are saved by the Project, and I didn’t want to take credit for any

1 soil savings that could possibly be attributed to another program. My conservative  
2 estimate is that the Project saves approximately 795 tons each year that is not included in  
3 our total, but I suspect that this number is actually much higher.

4 **Q. Now, are you familiar with the concept of retirement?**

5 A. Only from what I have read in USEPA's water quality trading policies. This is not a  
6 concept that, to my knowledge, anyone discussed when we were first trying to get the  
7 Piasa Creek Watershed Project off the ground. No one described the 2 to 1 offset as a  
8 retirement ratio, but after reviewing USEPA's policies, I think the Project's 2 to 1 offset  
9 ratio is consistent with the concept of retirement described in those policies. This is  
10 because the 2 to 1 offset does result in a greater environmental benefit than what you  
11 would see if Illinois-American Water used conventional treatment technology instead.

12 **Q. Do you agree with the Board's reading of "retirement"? In other words, do you**  
13 **believe there is a point at which a stabilized sediment reduction project with**  
14 **"passive" sediment loading reductions could be "retired" in terms of accounting for**  
15 **sediment reductions?**

16 A. No. Why stop counting a project that is still preventing sediment from entering the  
17 water? When properly maintained, our structures are capable of trapping sediment for  
18 many years. If a project is not longer effective, perhaps through lack of maintenance,  
19 then it should no longer be counted toward the 2 to 1 offset.

20 **Q. Does this conclude your testimony?**

21 A. Yes.

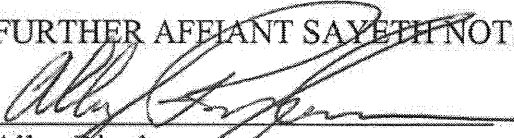
22  
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Alley Ringhausen

STATE OF ILLINOIS     )  
  )  
COUNTY OF MADISON    )

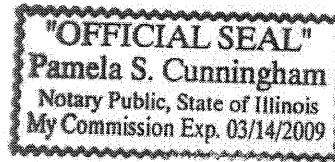
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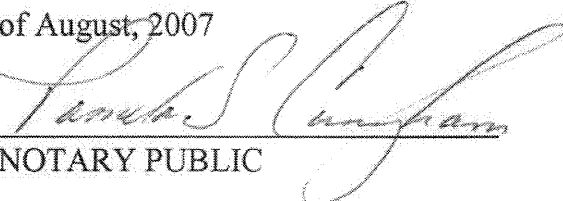
I, Alley Ringhausen, after being duly sworn on oath, state that the foregoing Testimony is true and correct to the best of my knowledge and belief.

FURTHER AFFIANT SAYETH NOT.

  
\_\_\_\_\_  
Alley Ringhausen

SUBSCRIBED AND SWORN to  
before me this 24 day  
of August, 2007



  
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NOTARY PUBLIC