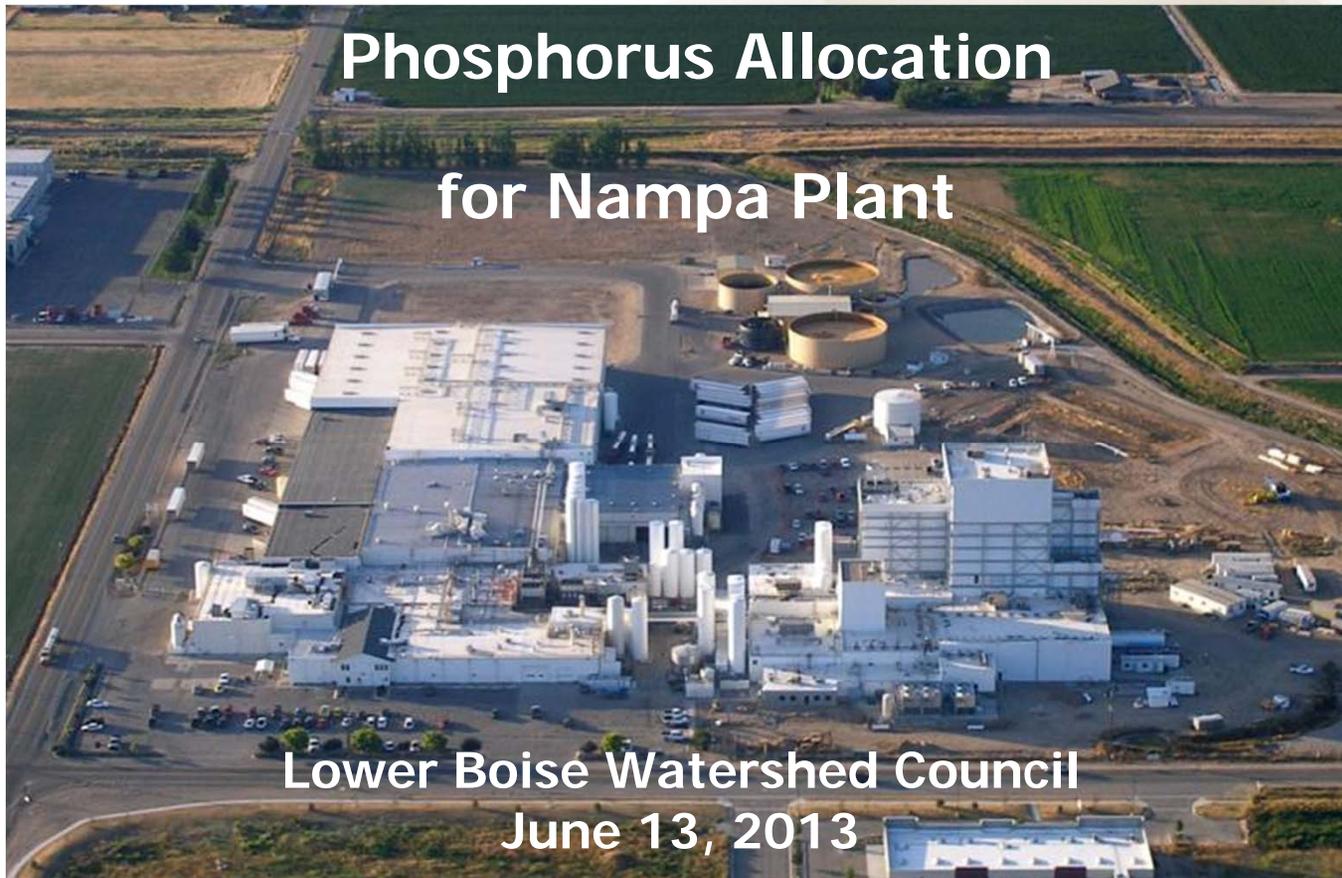




Sorrento Lactalis, Inc.



**Phosphorus Allocation
for Nampa Plant**

**Lower Boise Watershed Council
June 13, 2013**

Lactalis Group



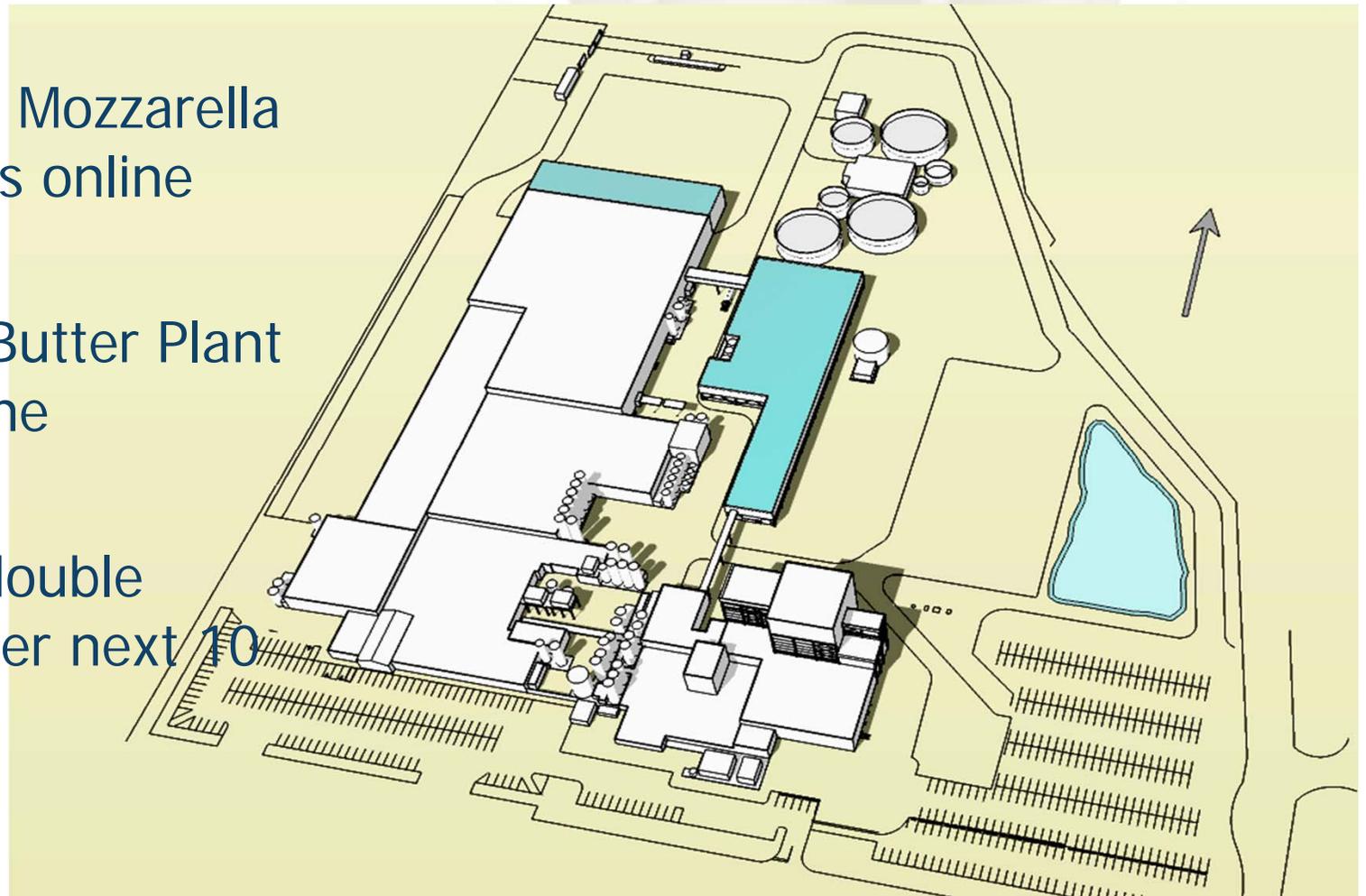
- World leader for dairy products: €15.7 billion in turnover (2012)
- Third largest global milk collector at 15 billion litres
- World leader in the cheeses market
- 15th agri-food Group worldwide and number three in Europe
- Focused on growing N. American operations

The Nampa Plant



Plant Expansions

- 2013 Fresh Mozzarella Plant comes online
- 2017 new Butter Plant comes online
- Goal is to double capacity over next 10 years



Current Operations

The Milk

- Collected in Treasure Valley + Magic Valley
 - 4,200,000 lbs/day today and 5,000,000 lbs/day in the coming months
 - All milk is r-BST free
- 
- A large, artistic splash of white milk is the background for the lower half of the slide. The splash is dynamic, with many droplets and a central column of milk falling into a bowl-like shape at the bottom.

Current Operations

Our Employees

- Total = 700 employees
 - 540 for cheese plant
 - 110 for new fresh mozzarella plant
 - 50 for whey plant
- 1999 = 266 employees

Our Farmers

- 58 farmers, each has up to 6,000 cows herd
- Intensive management, scientific cow diet, feed

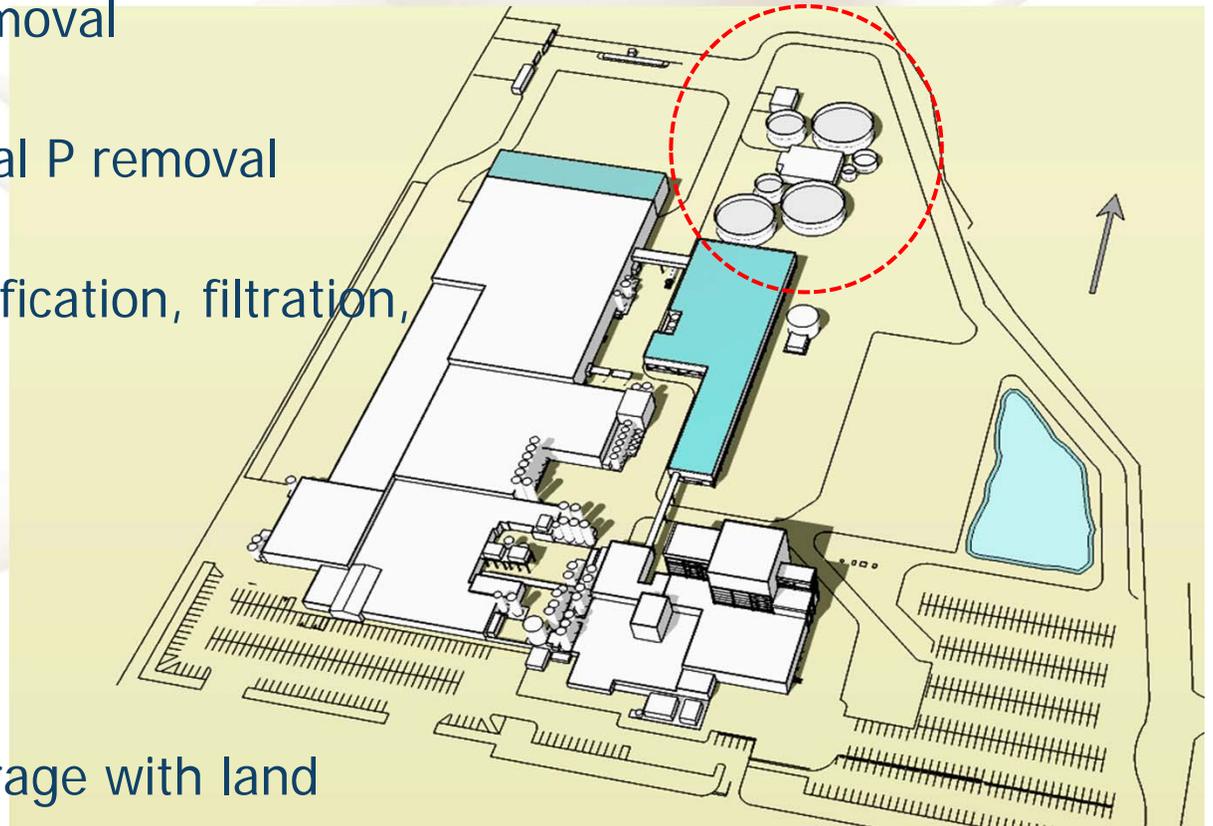
Wastewater Treatment - 1999

- Minimal pre-treatment
- Stored on-site in two unlined lagoons
- Land-applied offsite
- 70 truckloads/day
- Groundwater concerns and odor complaints

Wastewater Treatment Process

- Sequencing batch reactor
 - Flow equalization
 - Screening and grit removal
 - pH control
 - Biological and chemical P removal
 - UV disinfection
 - Activated sludge, clarification, filtration, and aeration

- Sludge handling
 - Aerobic digestion
 - Dewatering
 - Temporary onsite storage with land application



Existing NPDES Permit

- No more stringent permit in SW Idaho
TP = 70 ug/L
- Mass loading limit = 0.29 average monthly lbs/day, based on average flow of 0.5 MGD
- Current flow (YTD) = 0.66 MGD to Purdam Drain & 0.09 MGD to Land Application

Wastewater Management Goals

- NPDES Permit
 - Renewal (expired 10/31/10)
 - Facilitate plant expansion
 - Continue to meet 70 ug/L T-P limit
 - Permit limits that reflect local conditions

- Lower Boise River TMDL inclusion

- Integrate NPDES and Idaho WW Reuse permits

Phosphorus Loading

- Based on 0.5 MGD
- Circumstances
 - 0.3 MGD when applied for permit in 2004
 - Increased demand for products
 - Challenging economic conditions present opportunity to gain market share
 - Believed permit would be reissued within 5 years
- Lactalis underestimated:
 - Increased production
 - Increased wastewater discharge
 - EPA failure to reissue permit in a timely manner
 - Future Flow estimated to be ~ 1.8 MGD (1.05 lbs/day)

Regulatory Front

- Meetings with EPA and DEQ
- EPA permit renewal request
 - Permit renewal application due to EPA in next few days
 - EPA to write permit in DC HQs
 - Anticipated loading = ~1.05 lbs P/day
- EPA asserted man-made waterways must meet aquatic life criteria, regardless of state law
 - Implication is that Purdam Drain must meet swimmable-fishable criterion
 - Likelihood of significant effluent temperature limits
- DEQ Wastewater Land Application Permit renewal
 - Awaiting final permit

DEQ & Mason Creek

- 2010 Integrated Report
 - Mason Creek is impaired
 - Unknown cause
 - "Nutrients suspected"
 - Could be due to sediment
 - Temperature

- Lactalis effluent improves Mason Creek water quality

Watershed Advisory Council

- LBR Implementation Plan
 - 5 kg (11 lbs) P reserved for growth
 - Wilder omitted; retroactively added
 - XL Four Star Beef no longer operating
 - Lactalis omitted

- Lactalis seeking inclusion in Plan retroactively

- Requested ~1.05 lbs P/day allocation from LBRC

Sorrento Lactalis

- Growing and vital part of local economy
- Committed to health of Lower Boise River
- Meeting P concentration limit for > 3 years
- Constrained by P mass limit
- Penalized by EPA's inability to issue timely permit
- Requests Council's support

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