

# New York State Department of Environmental Conservation

## Environmental Permits, Region 8

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Alexander B. Grannis  
Commissioner

October 19, 2009

Gordon Wright, Chairman  
Town of Reading Planning Board  
P O Box 11  
Reading Center NY 14876

Re: Inergy Midstream/Finger Lakes LPG Storage, LLC  
Liquefied Petroleum Gas Storage Facility  
Town of Reading, Schuyler County

Dear Mr. Wright,

I am writing to determine if the Town Planning Board is any closer to a decision regarding SEQR Lead Agency for the LPG storage project. We have until Tuesday the 28th, unless we extend time frames again. This is plenty of time, but I wanted to keep in contact before it becomes the last minute.

Bill Newell called me on the 13th, concerned about the integrity of the proposed brine pond(s). Plan views submitted September 11 show the east side of a single large brine pond contained by a 1000+ foot long embankment between 25 and 40 feet higher than the land at its downhill toe. Other drawings, part of the storm water pollution prevention plan (SWPPP) submitted September 15, show 2 brine ponds "to be designed by others" with no additional detail submitted.

While LPG storage cavern integrity over the projected life of the facility must be evaluated, the integrity of containment structure(s) for 70 to 100 million gallons of brine 400 feet above the lake is also a significant concern.

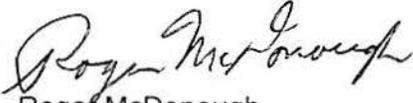
Division of Water staff has indicated additional potential issues, based on an initial review of the materials submitted for the Underground Storage Permit Application. These include:

- 1) The large surface area of the pond(s) will accumulate significant volumes of precipitation on an annual basis. This could require a discharge of wastewater, which requires a SPDES permit unless other processing provisions were made.
- 2) The volume of the storage caverns appears to be over twice the volume of surface (brine pond) storage proposed, raising operational questions. To minimize brine discharges, facilities such as this generally have employed a one to one storage ratio, limiting wastewater generation to mostly the volume of rainfall on the pond area, with smaller amounts due to equipment flushing. It is unclear from the submission how this inequity will be addressed to avoid the necessity of wastewater discharges.
- 3) In a February 19, 2009 conference call, the applicant indicated "*...there will not be a routine discharge; we may discharge thru the US Salt outfall or put (brine) through the US Salt process. This will be described in the application.*" This description was not included. Additional discharges thru the US Salt outfall would require submission of a SPDES permit application describing this waste stream, and may necessitate a permit modification.

Additional concerns may become evident as review of the submitted materials continues.

Please contact me at this office if the Town Planning Board has any questions or requires additional information.

Sincerely,



Roger McDonough  
Environmental Analyst  
Division of Environmental Permits

- cc:
- J. Dahl - Division of Mineral Resources
  - L. Collart - Division of Mineral Resources
  - W. Glynn - Division of Mineral Resources
  - D. Rollins - Division of Water
  - P. Lent - Regional Permit Administrator
  - R. Nemecek - Natural Resources Supervisor
  - W. Moller - Inergy Midstream LLC
  - M. Armstrong - Finger Lakes LPG Storage LLC
  - K. Bernstein - Bond, Schoeneck & King PLLC