

ONE HUNDRED SEVENTH LEGISLATURE

FIRST SESSION

LEGISLATIVE RESOLUTION 159

Introduced by Blood, 3.

WHEREAS, the economy of the State of Nebraska is heavily reliant on agriculture and specifically, the production of ethanol; and

WHEREAS, the AltEn, LLC, (AltEn) ethanol production plant at Mead, Nebraska, has been using pesticide and fungicide treated seed as the raw material for the production of ethanol, leaving behind toxic byproducts which are unfit for animal consumption or soil treatment and which have been shown to cause significant disruptions, including death, in the life cycle of invertebrates, fish, reptiles, amphibians, insects, birds, and mammals; and

WHEREAS, the contaminated byproducts created by this process have been causally linked to the destruction of entire colonies of bees and other pollinators which are vital to the health of the agricultural industry and provide important bioindicators for other species; and

WHEREAS, the AltEn family of companies includes several limited liability companies which makes it difficult to identify exactly which Kansas entity is actually doing business in Nebraska, which is further complicated by the involvement of Mead Cattle Company, LLC, and Green Cycles, LLC, the biochar manufacturing enterprise of AltEn, which have been engaged in either the manufacturing of the ethanol, the dispersal of the wet distiller's grain, or the manufacture of biochar; and

WHEREAS, leaking liners under the retention ponds at the facility which are associated with Mead Cattle Company LLC, have contaminated and continue contaminating the water table surrounding the facility to a depth of 29 feet; and

WHEREAS, it is estimated that over 84,000 tons of pesticide- and fungicide-contaminated material remain on the AltEn site, exposing residents of

Mead and the surrounding rural community to continued exposure to airborne contaminants, with few studies indicating what the long-term ramifications of that exposure could be; and

WHEREAS, in 2018 and 2019, AltEn delivered over 29,000 tons of contaminated distillers grain, referred to as soil conditioner, to area farmers who were unaware of the risk of applying of that product to the land, and such product was applied to land or stockpiled on various sights around Saunders County, including the city of Wahoo and Lake Wanhoo; and

WHEREAS, a late February, 2021, freeze resulted in the draining of over four million gallons of pesticide-contaminated water and manure across lands belonging to the University of Nebraska and spread miles downstream from the AltEn facility; and

WHEREAS, AltEn has not demonstrated a legal plan or procedure to address the leaking lagoons, the stockpiles of contaminated distiller's grain, or any other contamination resulting from byproducts related to its operations; and

WHEREAS, floods which occurred in both 2019 and 2021 have spread these contaminants far beyond the immediate vicinity of AltEn and may have already contaminated, and have the potential to further contaminate, the downstream wellfield locations for the city of Lincoln's drinking water; and

WHEREAS, the University of Nebraska has indicated that studies on the extensive pollution in the region associated with the AltEn family of enterprises will require at least ten years to conduct and may require expenditure of ten million dollars or more; and

WHEREAS, AltEn has an extensive list of violations on file with the Nebraska Department of Environment and Energy. This demonstrates a disrespect for the agency and a lack of appropriate enforcement actions available to force AltEn to correct these violations; and

WHEREAS, livestock at Mead Cattle Company LLC, have been exposed to airborne pesticide and fungicide, which may contaminate the food supply for American citizens who come into contact with meat processed through that feedlot, potentially affecting an extremely large number of individuals; and

WHEREAS, representatives of the AltEn family of companies failed to testify at hearings on Legislative Bill 507 and Legislative Bill 634, both introduced in 2021, to answer questions about the disposal of waste stockpiled at the AltEn site or any of the other actual or potential damages related to AltEn operations; and

WHEREAS, the liabilities associated with AltEn operations are immense, and it appears the company is unable to meet its obligations associated with the appropriate disposal of contaminated waste piles, remediation of leaking lagoons and surrounding land and water contamination, damage to public and private property, or injuries to humans and animals, therefore imposing that financial burden on the taxpayers of the State of Nebraska; and

WHEREAS, seed companies which received a financial benefit from the process AltEn utilizes to create ethanol with discarded treated seed should be engaged in helping develop solutions to the contamination and damage caused by such process; and

WHEREAS, AltEn has failed to pay back taxes on the plant, leaving the residents of Saunders County to pick up the burden through additional taxation; and

WHEREAS, mechanics liens against the properties are a further indication that AltEn is unlikely to be able to financially afford even rudimentary cleanup on the site; and

WHEREAS, negative publicity associated with the AltEn, LLC, ethanol plant could damage the reputation of other ethanol manufacturers, who follow sound science and appropriate safeguards to prevent environmental degradation.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SEVENTH LEGISLATURE OF NEBRASKA, FIRST SESSION:

1. That the Legislature hereby calls for the Executive Board of the Legislative Council to meet forthwith and appoint a special committee of the Legislature to be known as AltEn LLC, Ethanol Plant at Mead Special Investigative and Oversight Committee of the Legislature. The committee shall consist of nine members of the Legislature appointed by the executive board.

Members shall include the chairperson of the Appropriations Committee or the chairperson's designee, the chairperson of the Natural Resources Committee or the chairperson's designee, the chairperson of the Judiciary Committee or the chairperson's designee, the chairperson of the Health and Human Services or the chairperson's designee, the chairperson of the Agriculture Committee or the chairperson's designee, one member representing the city of Omaha, one member representing the city of Lincoln, and one additional member from the Judiciary Committee and the Natural Resources Committee. The committee shall elect a chairperson and a vice-chairperson from the membership of the committee. The Executive Board may provide the committee with a legal counsel, committee clerk, and other staff as required by the committee from existing legislative staff. The executive board may authorize the committee to hire outside legal counsel, consultants, and investigators as required by the committee. The committee may hold hearings and issue subpoenas to compel the attendance of witnesses and the production of any papers, books, accounts, documents, and testimony.

2. The AltEn LLC, Ethanol Plant at Mead Special Investigative and Oversight Committee of the Legislature is hereby authorized to study and investigate the following:

(a) Records associated with the construction and operation of Mead Cattle Company LLC, AltEn LLC, and associated companies;

(b) The regulatory rules and regulations associated with the operation of these entities by the federal government and the State of Nebraska;

(c) Whether AltEn followed the applicable rules and regulations governing their operation;

(d) Whether revisions to statutes or rules and regulations are needed to ensure compliance with applicable standards, including increased penalties and streamlined enforcement mechanisms;

(e) Whether the contaminated bioproducts from this process have led to negative impacts on human health;

(f) Whether entities and individuals who benefited from this process have

any liability to pay for damages resulting from it;

(g) The timelines associated with the production of ethanol from treated seeds and biochar at the site;

(h) Records associated with inspections at the facility by state inspectors and what enforcement actions were taken;

(i) How and why pesticide-contaminated distiller's grain was permitted to be applied to farm fields as a soil conditioner and whether those fields are being used to produce food crops today;

(j) Whether any contamination exists for the drinking water of the cities of Omaha and Lincoln and any scientific studies addressing neonicotinoid poisoning and the beneficial uses of neonicotinoids;

(k) The cost estimates associated with removal of contaminated seed stored in warehouses at the AltEn site and elsewhere, the costs to dispose of the tons of contaminated material remaining on the AltEn site, the costs to treat waters in the extensive lagoon system on the site, the costs of additional testing associated with water wells in the vicinity, whether there are costs from damage to human health, whether there are costs to remediate damage to neighboring properties, and any other costs or expenses which are unanticipated but may be exposed through the course of investigation;

(l) Any existing statutes and rules and regulations related to the disposal of pesticides in any form; and

(m) Any other issues that may be necessary or appropriate to a full and complete examination of this matter.

3. The special committee shall issue a preliminary report with its findings and recommendations to the Legislature no later than December 1, 2021. At that time the estimated costs for remediation should be available to the Legislature and the Appropriations Committee of the Legislature can develop a budget for remediation in the event that state funds are required to clean up the AltEn site. The special committee shall issue a final report of its findings and recommendations by December 1, 2022. The special committee shall terminate on December 31, 2022.