

E85 Town Hall Meeting
Wednesday, January 24, 2007

Officials from E85, Inc. and the City of Corunna met with the public on January 24, 2007 at 7:00 p.m. in the Corunna High School cafeteria to answer questions pertaining to the building of a proposed ethanol plant on Parmenter Road. Mayor Corey welcomed everyone for attending the meeting. The following officials were introduced: State Representative Richard Ball; Patricia Lockwood, Representative from Governor Granholm's Office; Don Pinto, Malcom Pernie; Greg Foote, Malcom Pirnie; Arnie Jessen, Corunna City Council; Charles Spring, Corunna City Council; Don Mehig, Corunna City Council; Joe Shriner, E85; Mark Dassel, E85; Joe Sawyer, Corunna City Manager; Merilee Lawson, City Assessor/Planner; Justin Horvath, Shiawassee Economic Development Partnership; Lindsey Eister, Shiawassee Economic Development Partnership; Dawn Johnson, Corunna City Council; Dan Wagner, Corunna City Council; Nina Hall, Corunna City Council; Tim Crawford, Superintendent of Public Works; Gary Arnold, Capital Consultants; Lonny Latunski, Shiawassee County Road Commission; Steve Corey, Corunna City Mayor; Valde Garcia, State Senator.

Mark Dassel, Senior Vice President and Director of E85, stated he appreciated the opportunity to speak with everyone and advised Corunna has the best public spirit he has ever seen because it was a fantastic turn out. He further advised the intent of the meeting is to be an open book and he recognizes the opportunity to put an ethanol plant in Corunna is a privilege and not a right, which is taken very seriously. He also advised he thought the members of the audience were very creative people and had no doubt they had questions and issues that he had not thought of. Mr. Dassel stated his company values the dignity of each person in the community and the dignity and respect for each person who may work for his company. He further stated his company must work in a way to ensure that each person works in a very safe and occupationally sound environment. His company will and must respect the environment of the community for the safety and health of the people in the community. He explained the intent is to accomplish these objectives by using the best technology, by employing companies that have good safety records to design and build the plants and by employing local people as much as possible to construct, operate and maintain the plant. If people know that a local plant is being maintained and operated by local people then, this will help the plant to operate in a very clean and safe manner that the community will be proud of. The technology that will be used and who will do the actual construction will be discussed by Joe Shriner. Mr. Dassel advised he has 39 years of experience in the chemical industry and two-thirds of that time was with the Dupont Company. The Dupont Company has a safety and environmental culture that is second to none. He further advised he started two companies that were related to chemical industry developments. He invented processors in which he did research and development on them, helped construct the plants and assisted in operating the plants. He also did business administration. He also advised during his time at Dupont, he was responsible for the safety of people that reported to him and there was never a single injury. It is his full intent that his company will be as good at safety and at environmentalism as during the time he worked for Dupont. Mr. Dassel stated he believes everyone has a right to expect and believe that a person will come home safe at the end of the day and has been treated with dignity and respect.

Joe Shriner introduced himself and advised he has degrees in Chemical Engineering, Bio-Chemistry and Chemistry. He grew up on a farm in central Kansas outside of a town that has about 150 people so he has always loved small towns. He was very impressed with the number of people that had shown up to hear about the proposal and to express their concerns. He further advised E85 is a fairly new company and would be building 10 ethanol plants throughout the United States with each of them producing 100 million gallons per year. They will all be built with equivalent technology and around the same time table which is within the next two years. He also advised the acting company president is a member of the Sterling Invotech Group and this is a global organization that has vast interest in telecommunications, the food and beverage industry and research in energy in the renewable fuel field particularly around wind energy and ethanol. He explained his company plans to use a continuous dry mill technology that uses corn as its main raw material. He further explained his company is planning to utilize local qualified vendors and construction personnel as much as possible in the construction of the proposed facility, which equates to about 150 construction jobs. He went over a power point presentation showing what the facility would look like and over the steps on how ethanol is produced. Mr. Shriner stated all of the water that is retrieved and processed during the drying step is condensed and is put back in the system. The difference between the water that goes in and comes out is that water is a little harder. He further stated the proposed location is near the intersection of Parmenter Road and M-71 and is approximately 130 acres. Mr. Shriner explained a plant producing 100 million gallons of ethanol will use about 41 billion bushels of corn, which equates to approximately 30 rail cars per day. The plant will use 2.48 million pounds of enzymes per year, which is used to break the starch down into sugar, 1.7 million gallons of water per day of which more than two-thirds is operating the cooling tower, 7 million pounds of urea per year, 5.9 million pounds of sulfuric acid per year and 3.9 million pounds of ammonia per year. Mr. Shriner advised 100 to 110 million gallons of pure ethanol will be produced. A facility of this size will employ 40 to 50 people and most of them will be electrical, mechanical, instrumentation, analytical and operations personnel. There will be two or three engineers that will help operate the facility on a daily basis. He further advised the national average salary for ethanol facility technicians is between \$18 and \$25 per hour. He also advised a facility of this size is permitted as a minor emissions emitter and any emissions will come from the boiler and dryer while burning natural gas. Mr. Shriner stated he wanted to address odor concerns. Previous ethanol plants have been known to produce a smell of baking bread, fermented alcohol, or a beer factory. Ethanol plants built today eliminate 98.9 percent of organic compounds or odors. City officials who have ethanol plants operating in cities throughout the United States have not reported any noticeable odors at the property line of the plant. The noise level for this type of facility is around 55 decibels at the property line, which is comparable to a central air conditioner running in the summertime. The building will be insulated to reduce noise levels. He further stated his company is currently working with local fire and emergency response officials to understand what his company needs to do to ensure there are plans in place for every type of emergency that could happen over the life of a chemical facility. The company is also contacting the Department of Homeland Security to determine what the security guidelines are for a facility of this type in terms of fencing, security officials, cameras, etc. He also stated using ethanol as a fuel lowers carbon monoxide emissions by 30 percent and reduces carbon dioxide emissions by 27 percent. Every 100 BTUs of energy used in processing ethanol, which includes planting, cultivating, harvesting and processing the corn, yields 167 BTUs of ethanol so you get more energy out than you put in. Mr. Shriner advised one bushel of corn can produce 2.7 gallons

of ethanol and one acre of corn can produce 300 gallons of ethanol. He further advised if everything proceeds well, his company intends to break ground in mid-2007 with completion and start up in 2008. The meeting was then opened up to the audience for questions.

Gene Sanderson asked where E85 would be getting its water from and if it would affect the people who have wells immediately or in the future. Greg Foote, Hydrologist from Malcolm Pirnie, explained his company is looking at water options for the site and they are working to make sure that does not happen. The area near the river is being looked at and should not affect anybody's well. The State of Michigan has regulations that relate to this so if a large capacity user comes into an area and affects a well, the large capacity user is obligated to fix the problem, which will be done if this should occur. His company is working on a design so this will not happen. Mr. Sanderson advised someone stated the water would be pumped from the well site, which is a mile away. Mr. Foote stated his company is looking at a well site along the river and not on the site itself. Water will be pumped about a mile to the site.

A man from Morrice asked if the Corunna fire department and emergency response were adequate to deal with an emergency. Steve Corey advised there have been some preliminary discussions with the fire chief between the city and E85 and this issue will be addressed as soon as everyone finds out what requirements are needed. Discussions will also be held with Mike Tremeer who is the emergency response coordinator. This is a concern for everyone and is something that will be dealt with.

A man from the audience stated he lives on a farm on Parmenter Road, which will be right across the road from the plant. In the 1980's, he was on a jury that proposed drilling wells on that property and the state and Tri-City Well Drilling advised they could not pump enough water out of that area without draining the aquifers to support the trailer park that was proposed back then. He does not know where all that water will come from especially in the summer when the Shiawassee River hardly puts any water down the river because 1.7 million gallons of water is a lot of water. Mr. Corey advised that is going to be one of the requirements that E85 will be looking at. No one is proposing to drill wells on the site. Some test wells will be done to find out if the water is sufficient down by the Shiawassee River.

Alexander Sagady advised he is an environmental consultant from East Lansing and before that he was the director for Environmental Occupational Health of the American Lung Association specializing in air pollution control. The plant will use 620 million gallons of water per year but no one knows where it will come from and there is no permit required at the present time to withdraw water from the groundwater in the State of Michigan. This is a public trust resource which this company will be getting absolutely free except for the cost of drilling wells. He further advised based on his calculations, the plant will discharge about 487,500 tons of carbon dioxide as greenhouse gas. Carbon dioxide is discharged during the fermentation process and from natural gas combustion. Other plants in this industry consume about 34,000 BTUs of natural gas energy to generate a gallon of ethanol with a lower heating value of around 76,000 BTUs so no one gets a whole lot back. This industry is just here because of what he calls corporate welfare, which is the ability to receive government subsidies and push the costs off on other people. Mr. Corey asked Mr. Sagady if he had any specific questions that the engineers could answer. Mr. Sagady asked if the plant would employ union workers to build the plant or

would the company import Mexican workers that have occurred with other ethanol plants. Mr. Dassel advised his company will use union people and the answer to the question if people would be brought up from Mexico is no and that is ridiculous.

A gentleman from Kerby Road stated about six years ago the Michigan Brick plant on Serr Road had a problem about doing mining operations without proper permits. A court order was issued because they were pumping water from the facility into the river. They had a permit to pump about 975,000 gallons of water per day into the river but they exceeded that. They opened up a new mining pit between Serr Road and M-21 and had four shallow wells and four deep wells to monitor the water fluctuation and in less than two years time, they had to shut down the pit because the water table went down. Once the water table went back up, they began using their pit again. He suggested taking some of that water to use at the new ethanol facility. Mr. Corey advised that might be a possibility.

Mr. Childers from M-71 stated the ethanol plant would be in front of his house. In 2000, his wife was rear ended and broke her back with the current traffic that is on that road. There will be 200 diesel trucks running on that road 24 hours a day plus trains and asked what this plant will do to the traffic, his property value and his well. Mr. Corey advised no one knows at this point how many trucks will be on the road per day or what direction they will be coming from and those questions will be answered later. Merilee Lawson stated she has contacted other assessors, township supervisors and realtors in the area of ethanol plants especially Caro, who has had an ethanol plant for six years, to gather data on property values. The Caro plant was built in the middle of the developed strip in the village and there were five to 10 houses that are within 100 feet of the plant. She further stated if someone's property was within 100 feet of a plant, there could be a decline in property values, but that is not what Corunna has here. She used a pool in a back yard as an example where people have stated their property value has depreciated because of a pool but what really happens is there will be 10 people looking at that house and instead of six people wanting to buy the house there will be three people interested in it. She also stated she does not constitute the ethanol plant on Parmenter Road as being within a radius that would have a negative value on Mr. Childers' home on M-71. There could be people who will not be interested in his home but that is not what she is finding in her statistics. Mr. Childers stated he has put money in his house, but he does not see anyone who would be interested in buying his house. Ms. Lawson advised the state is in a very soft home sales market right now and over the last four or five years, people have had the privilege of seeing their home values escalate in record highs. Last year was the first year the soft market really hit but that has nothing to do with an ethanol plant. She further advised she spoke with a gentleman from Woodbury, where an ethanol plant was put up, who saw where the plant in Corunna would be located and his exact words to her were "congratulations on where you will put your plant because it is where it belongs".

Steve Shelski stated he has been a truck driver for 30 years and knows what trucks due to roads. M-71 was just paved three years ago and if that many trucks are going to be run on that road, it will tear the hell out of that road. Mr. Corey stated M-71 is a state highway and that is what that road is made for. Lonny Latunski from the Shiawassee County Road Commission advised M-71 is a state highway that the Michigan Department of Transportation will be responsible for. The Michigan Department of Transportation monitors all of the state trunk lines as they deteriorate

and they will have to keep up that road to a reasonable level of service. He further advised in our region they have demonstrated that they are willing to do that. M-71 has been paved twice in the last 10 years so they are keeping a very close eye on the roads in our area. Mr. Shelski asked where the entrance to the plant would be; M-71 or Parmenter Road. Mr. Corey advised Parmenter Road. Mr. Shelski asked if the corner of M-71 and Parmenter Road would be widened. Mr. Corey advised all of those issues would be addressed. Mr. Shelski asked if there would be a traffic light there. Mr. Corey advised he did not know but those issues would be addressed as everything moves forward.

Dawn Rodriguez stated she lives near the corner of M-71 and State Road and she had a question about the 50 jobs that the plant will bring to the area. The job titles that were included in the power point presentation look pretty technical and asked if they would require a college education, if local people would be trained to do the job and if the jobs would be filled from our community. Mr. Shriner advised his company want to hire as many people as possible locally. At the previous company he worked for, Proctor and Gamble, a number of technicians were brought in without a secondary education because his company found they could train them themselves.

Mrs. Frederick asked if the main entrance would be off of Parmenter Road. Mr. Corey advised that was his understanding. Mrs. Frederick stated her original question was going to be about the railroad tracks and asked if anyone had watched the trains go through lately. If a lot of chemicals will be run to and from that plant, the railroad tracks will have to be addressed. Mr. Corey advised the railroad has been contacted and they will be.

A woman in the audience stated she knows someone who lives in Caro and he cannot sell his property due to the plant. She further stated there is a school located within one mile of the plant and the school teachers have been taught how to seal their classrooms with duct tape and plastic in case there is an accident. She asked how anyone could say there is no depreciation in property. Ms. Lawson stated she has made a fair amount of phone calls trying to get the negative as well as the positive so she can have a true understanding on what will be done from an assessor's prospective. She did not get the results that the audience member stated she got from the gentleman in Caro. She further stated there might be people who would look at the plant and would not want to live there. She has talked to realtors from three different sites that have an ethanol plant and has been told the realtors are not finding that. She also stated she will continue to make more phone calls.

A gentleman in the audience asked what kind of radius would be required as a safety zone in case there is a spill or leak. Mr. Shriner advised all of the liquid processes, storage tanks, etc. are within the plant so any spills will be automatically contained.

Ginny Brooks advised she lives on M-71 and will be living next door to the plant. Several of her concerns have been addressed but she had an objection to the plant running 24/7 and 351 days per year because if she is a neighbor she is going to have to live with that. She was also concerned about the corn needs because if the plant is going to operate that many days and that many hours, corn is going to have to be fed in and asked if there will be storage on site so there will be some relief from trucks and trains. Mr. Shriner advised the plant will have a 1.5 million

bushel storage facility on site. Ms. Brooks advised that is a big concern to her because there are people who enjoy the outdoors and entertaining.

A lady in the audience asked if the Caro plant was one of the plants that E85 has put into operation. Mr. Corey advised no. The lady asked if the Caro plant was a good example of what Corunna would see here. Mr. Corey advised the plant is using older technology and is six or seven years old. She stated if she was to go to Caro to look at that plant, see what the plant did, listen to the sound or smell the air would the plant be what Corunna would be getting here. Mr. Shriner advised he did not know what technology the Caro plant was using or whether it is a dry mill or wet mill process which would make a major difference. Someone in the audience advised the Caro plant was a dry mill. The lady in the audience asked if the Corunna plant would be a dry mill. Mr. Shriner advised yes. Mr. Corey advised the newest ethanol plants are located in Woodbury and Anderson and those plants would have the latest technology, which would probably be more appropriate to look at. The city is looking at doing some organized tours for those facilities.

Bret Ruess advised he lives in Caledonia Township. He asked if there was an exit plan should this company fail. Mr. Dassel advised the company is investing 150 to 200 million dollars on the property and that is a lot of money. The company is also talking about putting in a facility that is very well designed environmentally and will be very well managed. The plant will not contaminate the soil and that is a critical point because there a lot of people have heard about chemical plants that use a host of chemicals and the soil has to be remediated. He further advised his company has no intention of shutting down within 10 to 15 years but since a worst case scenario was posed, when this plant it is shut down it will have very clean soil beneath it. The design of this facility will be very efficient during operation. About 20 years ago when the first ethanol plant came out, twice as much energy was used to make a gallon of ethanol than it takes today. There are technologies on the drawing board that will reduce that by another 40 percent over the next decade so more ethanol will be produced with less natural gas usage and that means his company, which is building 10 plants, will be able to have the financial ability to continue to upgrade its plants to make it more efficient. He also advised if there is a tightening in the ethanol market, his company would be one of the survivors because the plant will have the newest and best technology and will be kept up to date. Mr. Dassel stated a study was conducted by a well known national company on what the salvage value would be and the study showed that the whole facility could be removed along with the foundation without having to pay anyone to remove it because the value of the scrap would be more than what it would cost to remove it. Mr. Ruess read some statistics and reported corn prices in Michigan have skyrocketed from \$1.80 per bushel to \$3.56 per bushel. He advised Mr. Shriner indicated that the company will be building 10 ethanol plants which will produce 100 million gallons per plant. Mr. Ruess further advised Mr. Shriner also stated the company will crank out 3 billion gallons of ethanol but that is three times more than what the plants will produce. Mr. Ruess asked if the company intends to expand the facility. Mr. Dassel advised no, but the company may co-invest in other companies and that is how the company will get the other one or two billion gallons per year. He cannot guarantee that the company might not expand because the community might want the company to expand at some point. The plant is self-limiting and there is only so much that can be put there. A 100 million gallon plant is a nice size plant and he sees no intention to increase it substantially.

Eric Weber advised he was resident of Corunna and spent eight years in a northern Michigan manufacturing plant as an environmental manager and he was impressed with the attention to environmental control and safety, which is really good and he was happy about that. He asked what the projected sales would be per year and what the return on investment would be on a company like this. Mr. Dassel advised the projected sales would be 100 million gallons per year of ethanol and the plant will make about 1,000 tons per day of distilled grains, which would be sold at \$70 per ton. The price of ethanol goes up and down and will be sold at the current price. Mr. Weber asked what the last price per gallon was. Mr. Dassel advised \$3.00 per gallon. Mr. Weber asked if the company was a privately held company. Mr. Dassel advised yes. Mr. Weber stated if the water discharge exceeds the current capacity of the local municipality and the treatment plant has to be enlarged would be expected that the community would have to share the cost of that with an increased millage or would the company be willing to foot the bill for that. Mr. Dassel advised the bulk of the water use will be used as processed water and it will be 100 percent recycled back into the plant so none of that water will be discharged. Salt deposits build up and have to be discharged so it does not make salt deposits on the cooling towers so it is concentrated water that is being discharged. He further advised there will be discussions with the city about using their sewer system and is part of the due diligence process. He is here today to assess whether the city wants his company to be here or not and the company will decide whether or not to come here. It is his job to make sure Corunna is the right place to put the plant and the company has to make sure there is adequate water supply without damaging the aquifer, which is not good for the community or for business. He also advised his company has not asked for any credits from the city at this point but this might be something that will be discussed. In some cities, 100 percent of the discharge goes into the sewer system and since there are no organics in it, it imposes a hydraulic load and not an organic load. Mr. Weber asked what kind of due diligence the city is doing to see what potential effect any discharge will have on the infrastructure. Don Pinto advised any discharge will come from non contact cooling water and it is concentrated minerals such as calcium and magnesium, which are in hard water. No decision or evaluation has been done on where the water will go but some plants have sent 100 percent of it to the local waste water treatment plant. Waste water treatment plants like to take it for the user fee since it only has to pass through because they do not have to treat it. There has been no discussion on whether there is capacity for this. It could be sent to the river, which would require a permit from the Michigan Department of Environmental Quality and it would have limits on the temperature to make sure the discharge is environmentally and ecologically safe so it does not damage the waters of the state. Another option would be to split the discharge between the river and waste water treatment plant and there are ethanol plants in Michigan that are doing this. Someone in the audience asked about the algaecides and toxic substances put in cooling water to control algae formation in the cooling tower. Mr. Pinto stated regardless of where the discharge is sent, it would be under a permit. The waste water treatment plant would issue a pre-treatment permit that would specify what the water quality has to be and what is in it before they accept it and if the discharge is sent to the river, the MDEQ would issue a MBES permit that would do the same thing. A water quality analysis would have to be done on the water before it is discharged. Joe Sawyer stated he has heard that the city is building the plant and taxes are going to double. Some people are spreading incorrect information and they are doing it maliciously because no decisions have been made at this point. As E85 does their due diligence by insuring that adequate gas, water, electricity, rail are available, the city is on a

parallel path by evaluating all of the public infrastructures and needs for the facility. He further stated the city has not sat down with E85 to discuss any kind of incentives. The city knows it is coming so it is doing its homework in trying to estimate the infrastructure costs and needs. The city is working with the Shiawassee County Road Commission and their engineers, Rowe Engineering, when it comes to Parmenter Road and doing upgrades on the intersection as well as the rail crossing. The city is also working with Capital Consultants on providing a water loop to the site and the route it will take as well as getting sanitary sewer out to the site. E85 is exploring a well field and what role the city plays in that, if any, is unknown at this point. The city will try to help E85 on easements from the river to the site. He also stated the cost estimates for potable water, sanitary sewer, and the Parmenter Road intersection upgrade is around two to three million dollar range. The city is currently evaluating that right now and he anticipates that E85 will participate with the city. The city is working with the State of Michigan through CDBG funding to see what is available and a meeting with MDOT officials has been scheduled for next week to see what is available to assist with the road construction funding. The city also has resources available in its industrial development fund to help offset some of the costs involved in this. Mr. Sawyer advised he can assure the residents that taxes will not be raised as the result of E85 coming to Corunna and anybody that would make that kind of statement like that is lying through his or her teeth.

A gentleman in the audience asked if there had been any explosions in any of the ethanol plants throughout the United States. Mr. Dassel advised in 2005 there was a fire in an ethanol plant and during that fire two people were injured while fighting the fire but he did know the extent of their injuries and it did not result in any deaths to his knowledge. In 2006, there was a major ethanol rail incident where a train passing through a community carrying a number of cars including ethanol tankers derailed and fell into some type of ravine. There was a resulting fire from that and the fire department from the community fought the fire. He further advised he is not aware of any explosion that threatened nearby communities. This is his third town meeting and he has concluded that his company needs to do a complete assessment on the history of the ethanol industry over the past six years because he does not want to look at any of the old plants. He also advised some of the older plants were built by farmers and he credits farmers with a great deal of intelligence and entrepreneurship and they were largely responsible for the ethanol industry that we have today. Some of those plants do not have the best technology and may not have been built by companies that are familiar with building large state of the art chemical or ethanol plants so he does not want to compare track records with those plants. Mr. Dassel advised he would have Mr. Shriner provide that information to the city officials because the question deserves a good answer and he did not feel the answer that was given was adequate.

A gentleman in the audience stated officials have explained how efficient the plant was but he is sure there is better technology out there where water usage could be cut down with air coolers. Mr. Dassel advised a lot of the plants being built today are being built with cooling towers. He has looked at the water consumption those plants are using and the technology providers he has talked to respond that a technology is needed that will work during the summer and that may be the problem with air coolers. The alternative for cooling towers is enclosed air cooler systems and he has seen these systems in Louisiana and it works there because very hot vapors are condensed with hot air but ethanol condenses at a reasonably low temperature and is not a real hot vapor so a cool temperature is needed to condense it. He further advised perhaps the best

way to reduce the water usage is not use so much energy. One way to do that is to try and get the energy consumption down in a plant, which now use about one half as much energy as it use to use. Water is the next real thing that this country really needs to start thinking about.

A woman in the audience stated she was concerned with odors and she knew this was addressed earlier but asked if there was going to be an odor from the water that goes into the sewer. Mr. Pinto advised any water that will be in contact with the grain and alcohol will be recycled into the plant and reused.

P.J. from Owosso asked if the Indian gentleman who owns the company will be paying for the whole thing or if the company is using a bank to help finance this. If the company is going to a bank then maybe the company should look at allowing a small percentage of local investors to invest in the company so if his neighbor should lose some of his real estate value he has a way of making some of his money back through dividends. Mr. Dassel stated his company has all of the equity capital that it requires to build this plant in a bank, which is extraordinary because he was always struggling to raise money and it took a lot of time, so this is a blessing. In this company, financing will come from a major bank, which will provide about 60 percent of the funds for the plant and it has requirements that it has the right to put in 100 percent of the funding. The simple answer is that his company will not open up investments from small contributions. He will raise the question to see if there is some possibility for that because it is a nice idea but he does not want to hold out much hope for it.

Renee Marble stated students along with water are the city's most valuable commodities. She asked what the company could do to help the school system that would be a benefit to the community and if the company would be interested in offering scholarships to students who perform in a certain grade level. Mr. Dassel thanked Ms. Marble for asking that question. He advised he was very interested in talking to the mayor and city officials on how his company will be good corporate community members. His company would like to do something to help the school system particularly the students who are interested in technology, engineering, science, and economics. He is sure there are a lot of creative things that the school and his company can do together. He further advised he would love to see his company work with the science department to put on some type of program that combines biotechnology, renewable fuel technology, engineering, science, and economics. It has occurred to him that his company might be able to have an internship program in the summer to help them out. As far as scholarships, it would be great to help and he is very open to the concept and he was glad that question was asked. Mr. Corey stated the city has not had any discussions with E85 yet but in the meetings that have taken place, they have indicated that their company is interested in the environment and in being a good corporate citizen.

A gentleman in the audience stated he had a question regarding due diligence. He asked how far along everyone was, when it is anticipated that this will be completed and if there have been any provisions made to include cellulose in ethanol production within this plant. Mr. Shriner advised 10 to 20 percent of the due diligence has been completed and they have not submitted an air permit application, which is being looked at being done sometime later this week. Rail studies and an initial design layout need to be completed. As discussed earlier, if everything works properly together, they intend to break ground mid 2007. Mr. Dassel advised his company has

looked at several studies involving cellulose and while it is a promising technology, it is three to six years out and the country as a whole has not solved how it can be done in an economical fashion.

Ben Kuchar stated he was a local farmer from Chesaning and he is interested in the ethanol plant because it will benefit him directly. Someone stated earlier that the price of corn has risen dramatically and this has created a lot of excitement in his life. He gave his regards to the people who have to live by the plant and have concerns. The Caro plant was mentioned earlier but that is not a good example because sugar is produced there and sugar is very smelly and stinks so you cannot really distinguish the sugar plant from the ethanol plant so do not go to Caro. Mr. Kuchar asked if E85 could support \$3, \$4, or \$5 corn because he sees great things for his farm but he wonders if this will last. He also asked if E85 will buy directly from a farmer or if a load has to be taken to an elevator where he will get a lower price even though the market is high. If there is any byproduct, he would be interested in buying 50 head of cattle if he can buy feed cheap. Mr. Shriner stated he has heard the same questions from his father. His company will purchase corn locally as much as possible and will contract with local farmers and take as much corn as the farmer is willing to provide them. Mr. Kuchar asked if the price would be based on the Chicago Board of Trade. Mr. Shriner advised yes. He stated a question was asked about whether his company will be able to sustain with all of the proposed ethanol plants currently in the United States and under construction. Corn is the main stay in the industry and this is because corn has the highest starch content per bushel in terms of grains. There is one other grain that is equivalent to corn on a bushel basis and that is wheat but milo is also very high. He further advised the plant is designed so it can very easily switch back and forth between corn, wheat, milo and other grains that have a high starch content. As the industry drives up the price of corn because it is the main stay, the process that his company is designing and building has the capacity to look at other grains, which is also good from a farmer's standpoint because no one wants to grow corn on the same land year after year. He also advised a lot of ethanol plants because of their size and volume will not be able to afford to do that. Mr. Kuchar advised that was his concern. Mr. Shriner stated with his company building 10 of these facilities at the same time, it can leverage the volume across the entire United States. Mr. Kuchar stated with the company selling ethanol and the byproduct for a certain amount of dollars and buying corn, there has to be a magic number and he likes \$3.50 corn. He has heard about conspiracies about how the market will be flooded with corn in order to put the ethanol plants out of business so people have to drill more oil wells. Mr. Dassel advised everything has an economic balance so as the corn price goes up the older plants will become less efficient and will be incapable of purchasing that corn, which will put a damper on the increase in the price of corn. His company will be one of the larger size plants and the plant is being designed to be very energy efficient and a low cost producer. There are companies producing 5 to 30 million gallons per year and he would be worried if he were those people. He further advised he thought it is best for America to have a nice mix and we have to get away from buying all of our petroleum products from the countries that are out to get us.

A woman in the audience asked if more input would be sought from the residents as the process goes along and how the residents would be kept apprised of the process. Mr. Corey advised the city has a website and the city will continue to update it. It is his hope to have another meeting to be able to update everyone on the progress.

Burton Fox from Owosso stated he looked at gas prices this morning and it was \$1.89 or \$1.92 and tonight on his way over the price was \$2.19, which is a pretty good jump and he thought it was time to get ethanol rolling. He further stated a process like this always brings out the fear in an individual and it is rightfully so. Questions need to be asked and they need to be answered. He further stated he has heard the job estimates and it sounds good but he believes other jobs will come from the operation of the plant and those jobs will be far more than the 50 it will take to operate the plant. A multitude of different jobs will come up as the result of the plant. He also stated that is an encouraging sign to look at also. Mr. Corey advised he does not always agree with Mr. Fox but he agreed with him about that.

Bret Ruess stated he did not believe all of the questions were answered correctly or in full and he did not expect them to come across completely on the website. He read an article that went over the results of a community survey that economic, industrial and commercial development were top priorities. He further stated he was not for or against the plant and he congratulated the city for bringing this together. He read some information about referendums and asked if there was going to be a referendum. Mr. Corey advised no. About five years ago, the city council made decisions that the city needed to do something financially for the City of Corunna. The city was on a downward spiral and had budgetary problems. It keeps getting its state revenue sharing cut and Headlee and Proposal A has diminished the city's taxing ability. He further advised the city council has the opportunity to direct what will happen to Corunna or it can sit and let whatever happens happen. The city went out and purchased some property to develop an industrial park. Mr. Ruess congratulated the city for its initiative; however, if the city believes in true representation then a referendum can be done. Mr. Corey advised he just answered that question.

Henry Kuchar stated he lives across the road from the fairgrounds and this voting deal sounds the same when the land was rezoned for the fairgrounds. The city people seemed to want to run everything. This is a farm issue and this is the first time in 50 years that the corn has been this high so let's dig dirt tomorrow and get that damn thing going.

Russ Wahl stated he lives in Caledonia Township and less than a mile away from the proposed site. He worked for a company for over 40 years that moved to Mexico and he personally would like to thank E85 for at least considering our community for this issue.

Mr. Corey thanked everyone for coming. Mr. Dassel thanked the city for inviting his company tonight and he appreciated the comments. He felt this was a good meeting and a lot of sincere questions were thrown out tonight.