

# DAIRY DREAMS LLC



**Dairy Dreams LLC**  
**E3576 Cardinal Road**  
**Casco, Wisconsin 54205**

**Owner(s) / Operator(s): John T. Pagel (Owner), Don Niles (Manager) and one other identified only as “USDA exempted entity from release”**

Federal USDA Subsidies 2002-2012: Dairy Dreams LLC - \$ 259,212

Federal USDA Subsidies 1995-2000: John T. Pagel - \$ 180,915

Federal USDA Rural Development Energy Grant 2003: Dairy Dreams - \$ 99,950

Federal USDA Rural Development Energy Grant 2004: Dairy Dreams - \$ 494,000

State Assistance 1999-2004: Dairy Dreams LLC - \$ 509,000

**Facility Description:** Industrial dairy complex permitted to confine approximately 4,052 animals (2,744 milking and dry cows, 573 heifers, and 735 calves) under Wisconsin Permit WI-0062057 (last issued 4/3/2012). Liquefied manure and dairy wastewater are currently stored in one concrete waste pit, one concrete tank, one earthen and concrete waste pit, and three earthen waste pits, permitted to contain approximately 40 million gallons.

**Sources:** Compliance data is compiled from file excerpts of the Wisconsin Department of Natural Resources (WDNR). Federal subsidy data is from USDA records assembled by the Environmental Working Group. Federal rural development grant data is from USDA. State assistance data is from records assembled by the Wisconsin Democracy Campaign. Aerial image is from Google Earth ©.

On or About	Description Dairy Dreams LLC
08.01.14	<p><b>Correspondence from WDNR Environmental Enforcement Specialist Anne Van Grinsven to John Pagel, Registered Agent for Dairy Dreams LLC, Subject: Notice of Violation:</b> “This Notice of Violation is based on Site inspections on April 10 and April 16, 2014 (Inspections), review of documentation, and several conversations with Dairy Dreams. The Department received a complaint of runoff from the facility. During the April 10th Inspection, the Department determined the feed storage runoff control pump had been frozen and inoperable for several days. A large amount of snow and waste feed was stacked within the feed storage area and actively melting. This resulted in leachate traveling to a clean storm water diversion channel that ultimately discharges to an intermittent stream, a navigable water way [sic]. Observations of waste feed in the storm water diversion and a manure pile located by the calf hutch area further compounded discharge concerns.</p> <p>To ensure discharges stopped, the Department conducted an April 16 Inspection at the Facility. The following is a summary of ongoing areas of concern:</p> <ul style="list-style-type: none"> <li>• <i>The concrete lined manure storage pond located on the north-east side of the Facility did not have a maximum operating level (MOL) marker, as required.</i></li> <li>• <i>Blown feed was observed in the storm water diversion channel, mainly the storm water diversion to the east of the feed storage area. Water in the ditch was stagnate and dark in color.</i></li> <li>• <i>Ongoing deficiencies in the feed storage runoff collection system contribute to runoff channelization paths in the VTA [Vegetated Treatment Area] and runoff discharges to storm water diversions.</i></li> <li>• <i>Potential calf hutch area runoff to clean storm water diversion.”</i></li> </ul>
01.09.14	<p><b>Correspondence from WDNR Agricultural Runoff Management Specialist Danielle Block to Don Niles, Subject: Notice of Noncompliance – Manure runoff from land application site:</b> “On Nov. 15, 2013, the Door County Soil and Conservation [sic] Department responded to an incident in which manure left the field application site of a Dairy Dreams [sic] field. According to the letter, liquid manure left the field application site and entered an adjacent road ditch. The Department was notified of this incident by the Door County Soil and Conservation [sic] Department.</p> <p>The Department finds that you are in noncompliance with the following conditions: <b>General Spreading Restrictions:</b> ‘During dry weather conditions, manure or process wastewater may not run off the application site.’ Noncompliance – 24 Hour Reporting: ‘The permittee shall report any noncompliance which may endanger health or the environment. Any information shall be provided orally within 24 hours from the time the permittee becomes aware of the circumstances...’”</p>
11.26.13	<p><b>Correspondence from Door County Soil &amp; Water Conservationist Nick Peltier to Don Niles:</b> “On Nov. 15, 2013, the Door County Soil &amp; Water Conservation Dept. received a report of liquid manure in the road ditch adjacent to Rabbit Road. Upon investigation, it was determined that manure had flowed from fields owned</p> <p>(continued on the next page)</p>

On or About	<p style="text-align: center;">Description</p> <p style="text-align: center;">Dairy Dreams LLC</p>
	<p>(continued from the previous page)</p> <p>and operated by Dairy Dreams LLC/Pagels [sic] Ponderosa LLC... Upon review of the severity of the violation, it has been determined that Citation No. 2914 (original enclosed) shall be issued.</p> <p>It is the goal of this action that you understand and convey to your employees/manure applicators the severity of any manure leaving the application site. The persons applying the manure need to recognize situations where application method/rate, field conditions/topography, weather conditions, soil moisture, etc are causing manure runoff or potential runoff and adjust or stop the application to prevent runoff from occurring.</p> <p>On Oct. 29, 2009, a cease and desist order was issued to stop manure applications due to similar, wet soil conditions on these fields. There have also been other incidences of runoff/manure application issues on other fields in the past.”</p> <p><i>SRAP comment: Bond deposit for Citation 2914 was set at \$263.50.</i></p>
03.31.13	<p><b>Quarterly Monitoring Report Form for January-March 2013 from Dairy Dreams to WDNR:</b> “Feed pad snow with some feed pad residue was hauled to [field] JJ-5. This was done to prevent excess meltoff [sic] in the leachate collection. A fine was issued by Door Co <b>despite DNR permission to do this hauling.</b>” <i>[SRAP emphasis]</i></p>
03.21.13	<p><b>Correspondence from Door County Soil &amp; Water Conservationist Nick Peltier to Don Niles:</b> “On Friday, March 8, 2013, I noticed that some feed waste/snow had been applied to field JJ-5... I noticed that this material was contaminating the snowmelt on the field and the contaminated melt water was frozen downslope from the application, on the east side of the field. I contacted you, explained my concerns and asked that you take any possible steps to prevent the forecasted rain from causing contaminated runoff to leave the field. On Monday, March 11, I observed contaminated runoff water in the road ditch directly down gradient of the field and the feed waste/snow application. This runoff is prohibited in standards referenced by Section 1.31(4)(c) Chapter 23 of the Door County Code. A citation is enclosed as [an] enforcement penalty for this noncompliance.</p> <p>Based on soils investigations on the adjoining property and soil maps, the application site as well as the adjacent road ditch has approximately 12-20 inches of soil over bedrock. This limited soil depth significantly increases the likelihood that nutrient applications and runoff events will negatively impact groundwater quality.”</p> <p><i>SRAP comment: Bond deposit for Citation 2905 was set at \$263.50.</i></p>

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05.28.12	<b>Email from Dairy Dreams' Don Niles to WDNR Agricultural Runoff Management Specialist Casey Jones, Subject: RE: NON [Notice of Noncompliance] for Dairy Dreams:</b> "After a thorough assessment of the field and discussion with Ryan Debroux [contract manure applicator], we have come to the following conclusion. The manure applied in DD25 turned out to be far more mobile than was anticipated."
05.23.12	<b>Correspondence from WDNR Agricultural Runoff Management Specialist Casey Jones to Don Niles, Dairy Dreams LLC, Subject: Notice of Noncompliance – Manure runoff from land application site:</b> "On May 18, 2012 the Door County Soil and Water Department inspected a surface application of manure from Dairy Dreams LLC running off hayfield [sic]. On May 22, 2012 Department of Natural Resources staff inspected field identified as DD-25 in Dairy Dreams nutrient management plan to confirm violation. The inspection revealed that surface applied manure had run off the intended land application site."
05.19.12	<b>Email from Don Niles to Door County Soil &amp; Water Conservationist Nick Peltier:</b> "...I went into the woods at the point you were concerned about possible escape. I saw the area about 8" wide that ran into the woods and was 'wet'. [sic] I picked up handfuls of the wet dirt at several locations along this line. In all cases it smelled like 'wet dirt', [sic] not manure... Once again, I saw no sign of manure in this material."
05.18.12	<b>Correspondence from Door County Soil &amp; Water Conservationist Nick Peltier to Don Niles:</b> "On Friday, May 18, 2012, I saw that your farm had surface applied manure onto an alfalfa field (DD-25)... Upon further investigation, I found that manure had run off the application site and approx. 300 ft east into the woods on the adjoining property. This is in violation of Section 1.31(4)(c) Chapter 23 of the Door County Code, and enforcement action can be perused [sic] which may include a citation. The appropriate measures should be taken immediately to prevent further runoff problems. Also please note that this area is directly up gradient of Silver Creek so runoff from this site has the potential to cause substantial environmental harm."
05.10.12	<b>Correspondence from WDNR Agricultural Runoff Management Specialist Casey Jones to Don Niles, Subject: Notice of Noncompliance – Discharge of process wastewater from Dairy Dreams LLC to intermittent stream:</b> "On May 1, 2012 the Department received a complaint regarding feed storage area runoff discharging into [a] road ditch from Dairy Dreams LLC. On May 1, 2012 and May 3, 2012 Department staff inspected the area of concern... The inspection revealed that the existing feed storage area runoff controls are unable to adequately collect and treat process wastewater prior to discharging into [an] offsite channelized flow area connected to an intermittent stream."
08.25.11	<b>Correspondence from WDNR Agricultural Runoff Management Specialist Amy Callis to Don Niles, Subject: Notice of Noncompliance – Shallow Bedrock Verification:</b> "On August 19, 2011 the Department received an anonymous  (continued on the next page)

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	<p>(continued from the previous page)</p> <p>complaint regarding land spreading activities on field Bouche-1... After reviewing the soils information, the Department has determined that two soil types in field Bouche-1 have the potential for bedrock to be located within 24 inches from the surface. These soils were not identified in the nutrient management plan as having restrictions to bedrock. In addition, no field verification information was found on file for this field regarding depth to bedrock excluding this area from the spreading restriction requirements. Based on this information, the farm is in noncompliance with Section 4.5.6 Manure Spreading Prohibitions of the WPDES permit. This section states that ‘manure shall not be spread... on fields with soils less than 24 inches thick over fractured bedrock.’”</p>
06.19.11	<p><b>WDNR online BRRTS database record:</b> “Power failer [sic] allowed tank to overflow [sic]. Manure ran into the road ditch.”</p> <p><i>WDNR comment: Spill was estimated at 3,000 gallons.</i></p>
10.05.10	<p><b>Email from WDNR Agricultural Runoff Management Specialist Amy Callis to Don Niles, Subject: Manure Spill – Dairy Dreams:</b> “Hello Don - I understand there is an ongoing clean-up for a manure spill near Euren where a hose broke and manure is in the road ditch very close to Casco Creek. There is a warden on scene to monitor the clean-up. Please ensure you document the spill and clean-up activities and provide me a report of the actions taken. I should also note that this spill was not reported through the Spills Hotline but rather a neighbor called it in to the local sheriff’s office. Please ensure all of your contract haulers are aware of your permit requirements with regard to spill reporting and clean-up.”</p> <p><i>WDNR comment: Spill was estimated at 1,000 gallons.</i></p>
08.13.10	<p><b>Email from WDNR Agricultural Runoff Management Specialist Amy Callis to Don Niles, Angie Ratajczak and Todd Koss, Subject: Manure Spreading Complaint – FYI:</b> “Hello Don (and others) – I received a manure spreading complaint on August 6th while I was on vacation. The complaint was with regard to Field ‘Perelwitz-1’ in section 5, Town of Ahnapee – listed in your nutrient management plan as the Dandy Veal Farm. The complaint involved ponding, possible runoff to the Ahnapee River, potential groundwater concerns, volume of manure spread on the field, tracking mud on the road, and odor. The WPDES permit does not regulate the mud on the road or odor issues.</p> <p>Warden Kuhn investigated the complaint on August 12th and was unable to find any evidence of runoff from the field to the Ahnapee River. There was minor ponding on the field... At this time, I do not see any issues with the application but wanted to make sure you aware [sic] of the complaint as I do not think this is a neighborhood you have historically spread in.”</p>

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02.25.10	<p><b>Correspondence from WDNR Agricultural Runoff Management Specialist Amy Callis to Don Niles, Subject: Notice of Noncompliance – Solid Manure Stacking:</b> “On February 10, 2010, the Department received an anonymous complaint through the Kewaunee County Land and Water Conservation Department regarding runoff to the road ditch from manure being stacked on a concrete barnyard at the ‘Wautlet Farm’ in the Town of Lincoln on CTH C. After investigating the complaint, the Department determined that the manure being stacked at the ‘Wautlet Farm’ was from Dairy Dreams. Based on the investigation and contact with Dairy Dreams, the Department has determined that the manure stacking at the ‘Wautlet Farm’ is not in compliance with the Wisconsin Pollutant Discharge Elimination System (WPDES) permit conditions and Chapter NR 243, Wisconsin Administrative Code. The barnyard at the ‘Wautlet Farm’ is not identified in the current WPDES permit as an acceptable option for solid manure storage.”</p>
11.12.09	<p><b>Correspondence from WDNR Agricultural Runoff Management Specialist Amy Callis to Don Niles, Subject: Manure Applications on Saturated Soils and Ponding:</b> “The Department of Natural Resources (Department) received a complaint from the Door County Soil and Water Conservation Department on October 29, 2009 regarding manure applications conducted by Dairy Dreams LLC. The complaint involved spreading manure on a field with possible saturated soils as well as manure ponding. As a reminder, Chapter NR 243.14 (2)(b)1, Wisconsin Administrative Code, states that ‘manure or process wastewater may not be applied to saturated soils.’ In addition, Chapter NR 243.14 (2)(b)1, Wisconsin Administrative Code, states that ‘manure or process wastewater may not pond on the application site.’ <b>If soils are noted as being saturated, manure should not be applied to those soils.</b>” [WDNR emphasis]</p>



When manure is over-applied to fields it will runoff and pollute the waters of the state.

Photo Credit: SRAP

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11.03.09	<p>Correspondence from Door County Soil &amp; Water Conservationist Shelby Giguere to Don Niles: “This letter is in follow-up to the Cease and Desist Order of October 29, 2009 for Parcel # 0040026262412. As of 1:30 PM on October 29, 2009, the Cease and Desist Order was lifted and manure applications were permitted in writing to the Soil and Water Conservation (SWCD) by Dairy Dreams, LLC: No manure applications on saturated portions of the field... Areas of the field that may be more saturated and therefore not able to absorb the planned application rate (16,000 gallons per acre) will receive manure at half the planned application rate. No ponding of manure, especially around the field edges where the tractor applying manure makes its turns to begin the next row... Once the manure application is complete, surface manure must be incorporated along the field edges.</p> <p>Another area of concern is the manure transfer site on Parcel # 0040026262421 (in the southwest corner of Rabbit and Kohlberg Roads). There is a substantial amount of water ponded around the transfer pad that has mixed with overspill from the manure tankers. As part of the manure hauling plan in order to continue with manure applications, this water must be dammed up in order to prevent it from running off into the road ditch.</p> <p>Please be reminded that subsequent manure applications by Dairy Dreams on this parcel or others that are in violation with any part of Door County Code Chapter 23, Subchapter III may initiate enforcement action including the issuance of a citation and/or referral to the Door County Corporation Counsel for additional action.”</p>
10.29.09	<p><b>Correspondence from Door County Soil &amp; Water Conservationist Shelby Giguere to Don Niles, Re: Parcel # 0040026262412:</b> “You are hereby notified that the manure application on the property cited above is in violation of Subchapter III of Door County Code Chapter 23 Agricultural Performance Standards and Animal Waste Storage Ordinance, Department of Natural Resources, Chapter 243 Animal Feeding Operations and USDA-NRCS Conservation Practice Standard for Nutrient Management (590) due to manure applications on saturated soils, ponding of manure at the surface, compromised soil conditions such as compaction and the creation of ruts and other factors.</p> <p><b>ORDER:</b> Per Chapter 23, Subchapter III, Sec 1.23(2), Door County Code you are to immediately <b>cease and desist</b> [Door County emphasis] any and all manure applications on Parcel # 0040026262412.”</p>
05.28.09	<p><b>Correspondence from WDNR Agricultural Runoff Management Specialist Amy Callis to Don Niles, Subject: Notice of Noncompliance – Chapter NR 243.142, Wisconsin Administrative Code: Improper Distribution of Manure:</b> “On May 13, 2009, the Department of Natural Resources (Department) received a landspreading complaint for Dairy Dreams LLC. The complainant informed the</p> <p>(continued on the next page)</p>

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	<p>(continued from the previous page)</p> <p>Department that the vehicles spreading on fields in Section 5 in the Town of Ahnapee were originating from Dairy Dreams LLC. Upon further investigation, the Department determined that Dairy Dreams LLC was providing manure to Dandy Veal, a non-permitted operation. Therefore, the land application and tracking of manure and landspreading activities remain the responsibility of Dairy Dreams LLC...</p> <p>Dairy Dreams LLC was receiving whey product from Packerland Whey Products in Luxemburg [WI], a WPDES permitted operation under the industrial wastewater program, during the winter months. At this time, Dairy Dreams may no longer accept whey products from Packerland Whey Products. [WDNR emphasis] Under ch. NR 243.17(2), the addition of chemicals, pollutants or other waste requires Department review and approval. Dairy Dreams LLC will need to request a new approval if the farm wishes to accept industrial materials from Packerland Whey Products in the future.”</p>
10.01.08	<p><b>Correspondence from WDNR Agricultural Runoff Management Specialist Amy Callis to Don Niles, Subject: Landspreading Event on Monday, September 29, 2008:</b> “Thank you for contacting the DNR Spills Hotline with respect to the landspreading event on Monday, September 29, 2008. According to the Spill Hotline report, Warden Chris Kratcha and our phone conversation on Tuesday, September 30, 2008, manure was spread on a field owned by [redacted] in Town of Brussels, Door County on Monday, September 29, 2008. Manure was applied within 10 feet of an old well in the field. Upon discovery of this issue, the manure was immediately incorporated and the DNR Spill Hotline was informed.</p> <p>After reviewing the nutrient management plan, it appears that the field in question is not part of the plan the Department has on file for Dairy Dreams LLC.</p> <p>As a reminder, Chapter NR 243.14 (2)(b)9, Wisconsin Administrative Code, prohibits the application of manure or process wastewater within <b>100 feet</b> [WDNR emphasis] of a private well for WPDES permitted operations.”</p>
03.14.08	<p><b>WDNR online BRRTS database record:</b> “On Friday, March 14, 2008, at about 11:53AM Warden Kuhn received a report of a manure release at the Dairy Dreams dairy farm... Warden Kuhn was advised by the Hotline staff that the manure was contained and cleanup was under way. At about 1:30PM Warden Kuhn arrived on scene and met with the RP [Responsible Party] (Don Niles). The release resulted after the pump that pumps the manure from the holding area into the first settling pit failed. ...manure over topped [sic] the holding area onto the ground east of the holding area.”</p> <p><i>WDNR comment: Spill was estimated at 50,000 gallons.</i></p>

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01.14.02	<p><b>Correspondence from WDNR to John T. Pagel, Dairy Dreams LLC, Subject: Conditional Potable High Capacity Well Approval, Lincoln Township, Kewaunee County:</b> “OTHER CONSIDERATIONS The geological conditions at the site are highly susceptible to ground water contaminants. This was confirmed by the existing low capacity well on the property, which was originally cased to a depth of 125 feet, yet the well was designated as unsafe due to the presence of microbes in the pumped water. A liner had to be installed in that well and the well had to be deepened before it could be considered safe. The proposed land use will concentrate a large quantity of potential ground water contaminants on the site, which will result in a significant possibility of ground water contamination. Furthermore, the usage of high capacity wells can create a strong horizontal gradient towards the wells and can cause a much stronger downward vertical gradient which can increase the rate that potential contaminants are drawn towards the high capacity wells from locations where potential contaminants may exist on the site. For these reasons, it is recommended that you consult with a ground water professional and establish a regular schedule of ongoing ground water sampling.”</p>