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**Form 990—2012
43-1943334**

Part III - Statement of Program Service Accomplishments

I. ENERGY AND AIR QUALITY PROGRAM

An important part of our energy and air quality program involves monitoring actions taken by federal, state and local governments that will impact global warming and the quality of the air breathed by the citizens of Missouri and surrounding states. All of our air quality work is also public health work, as air pollution causes asthma and other respiratory problems as well as climate change. Great Rivers is frequently involved in matters that adversely affect air quality and climate change. Measures taken by Great Rivers include commenting on proposed rules, issuing position papers about hazardous air pollutants, drafting legislation, assisting clients with negotiations with governmental agencies, and, as a last resort, handling litigation for clients seeking to protect air quality and public health and to prevent the emission of climate-change causing pollutants.

1. Intervention in AmerenMO's Integrated Resource Plan

On behalf of the **Natural Resources Defense Council, Sierra Club, Mid-Missouri Peaceworks**, and the **Missouri Coalition for the Environment**, Great Rivers intervened in 2011 in the proceedings held before the Missouri Public Service Commission ("PSC") on Ameren Missouri's filing of its twenty-year plan. Ameren's coal-fired power plants emit large amounts of pollutants that cause asthma, other respiratory problems and global warming. Ameren acknowledged that energy efficiency programs are the lowest-cost plan for customers, but it refused to follow its own analysis because the financial rewards weren't generous enough to shareholders even with the new incentive rules from the PSC. After Ameren slashed its efficiency spending in late 2011, Great Rivers filed briefs in early 2012 in support of more robust efficiency programs and against its plan to pursue small modular nuclear reactors. In 2012 our clients paid us \$8,932.50 for work on this case.

**2. Intervention in 2012 Rate Increase Cases filed by both
Ameren Missouri and Kansas City Power and Light**

On behalf of the **Natural Resources Defense Council, Renew Missouri** and **Sierra Club**, Great Rivers intervened in both Ameren Missouri's and Kansas City Power and Light's rate cases filed in the Public Service Commission. In written motions during 2012 and at the

hearings in the fall of 2012, our clients urged the PSC to require the utilities to invest in energy efficiencies and to disallow the utilities to make investments in their aging coal plants because such investments are “imprudent,” since energy efficiency is the lowest-cost, prudent way to provide energy services. In 2012 our clients paid us \$10,924.30 for work on these cases.

3. Defending Proposition C

Proposition C is the voter-passed initiative which requires utilities to obtain increasing percentages of their energy portfolio from renewable resources in ongoing years. The utilities have fought it fiercely since its passage in 2008. In April, 2012, the utilities filed reports in the PSC on their progress in meeting the Renewable Energy Standard (“RES”) compliance. On behalf of the **Sierra Club**, the **Missouri Coalition for the Environment**, **Renew Missouri**, **Missourians for Safe Energy**, and numerous renewable energy companies, Great Rivers filed comments arguing against the loopholes the utilities have shot in Proposition C. In addition, on behalf of **Renew Missouri**, in June 2012, Great Rivers filed an amicus brief in a case in the Missouri Court of Appeals, Western District, in support of the PSC’s rules concerning the rate impacts of Proposition C. In November, 2012, that Court ruled in our favor, upholding the PSC rule. However, the PSC refused to take action on our comments, so in late 2012 we worked with clients on a strategy for stronger action in the PSC and the courts in 2013. In 2012 our clients paid us \$4,831.54 for work on this case.

4. Missouri Energy Efficiency and Investment Act Litigation

In 2009, Missouri utilities persuaded the legislature to pass the Missouri Energy Efficiency Investment Act, a law designed to give utilities financial incentives to pursue efficiency programs. The PSC made rules implementing the law and in 2011 the utilities sued the PSC over the rules. On behalf of **Renew Missouri**, in 2011 Great Rivers intervened in the trial court urging the court to uphold the PSC’s rules. In 2011, the trial court ruled in our favor. The utilities appealed in 2012 and again we intervened on behalf of **Renew Missouri**, filing a brief and arguing the case before the Missouri Court of Appeals, Western District. The court had the case under submission at the end of 2012 and ruled in our favor on Jan. 15, 2013.

In 2012 our clients paid us \$3,705.00 for work on this case.

5. Utility Energy Efficiency Programs

In 2012, Ameren Missouri and Kansas City Power and Light-Greater Missouri Operations (“KCPL-GMO”) requested the PSC to approve energy efficiency programs. On behalf of **Renew Missouri**, the **Sierra Club**, and the **NRDC**, Great Rivers intervened in the PSC, urging the utilities to adopt meaningful energy efficiency programs. Great Rivers participated in many conferences and hearings during the year. At the end of 2012, Ameren Missouri reached a unanimous settlement among the stakeholders, which the PSC approved. The settlement will result in the *largest energy efficiency effort ever in Missouri*, starting in 2013, with Ameren Missouri spending \$147 million over the next three years, which is predicted to result in customer benefits of \$500 million.

KCPL-GMO subsequently reached a comparable, but smaller, settlement that the PSC also approved.

Kansas City Power & Light filed a similar efficiency plan but then withdrew it. Great Rivers therefore intervened on behalf of the same clients in KCPL’s Integrated Resource Plan in

order to review KCPL's efficiency potential study and achieve a settlement that will at least get KCPL efficiency programs into operation in 2014.

In 2012 our clients paid us \$13,485.00 for work on this case.

II. PUBLIC HEALTH PROGRAM

Great Rivers seeks to protect the public health by preventing further deterioration of the region's air and water quality, and by reducing and preventing exposure to toxic substances. Our public health program consists of aiding individuals, citizens' groups and organizations that seek legal assistance in connection with their work to protect the public health. Our work in the Public Health Program overlaps our work in Energy and Air Quality and Water Quality Programs.

1. Fighting a Coal-Fired Iron-Ore Smelter Proposed for Crystal City, Missouri

Concerned Citizens for Crystal City sought assistance from Great Rivers after citizens learned their city government had agreed to lease public land to a developer who plans to construct a new coal-fired pig iron ore smelter on the property. The City did this in meetings that the citizens believe were illegally closed to the public, in violation of the state Open Records laws. The Citizens oppose the plant because it will cause further deterioration of the air quality and contribute to global warming. Crystal City is 35 miles south of St. Louis and shares in the health problems such as asthma and respiratory illnesses caused by the region's poor air quality. The entire region remains out of compliance with EPA limits on certain air pollutants, and is not expected to be in compliance by the time the new plant is built.

In November, 2007, Great Rivers filed a lawsuit in state trial court arguing the City government had failed to comply with Missouri's Open Records law, or Sunshine Law, and other state statutes. The intervenor sought the identities of posters of messages to a forum on the web, some of whose identities were anonymous. After the database administrator refused to release the identities, the trial court dismissed the case against all five plaintiffs in November, 2009. Plaintiffs appealed and, in 2010 the Court of Appeals reversed the trial court's dismissal and remanded the case to the trial court for further proceedings. In 2012, Great Rivers represented the **Concerned Citizens** in pre-trial proceedings in preparation for a March, 2012 trial. The parties negotiated a settlement which the court approved in April, 2012. Pursuant to the settlement, in 2012 our client paid us \$39,131.29 from monies awarded under the Settlement Agreement for work on this case.

2. Cleaning Up Existing Coal Plants

Great Rivers seeks to reduce emissions of pollutants from existing coal-fired power plants. Each year, coal-fired power plants emit thousands of tons of mercury, nitrogen oxides, sulfur dioxide, and carbon into the air. The pollutants cause asthma, respiratory problems, cancer and contribute to climate change.

In Missouri, there are more than 20 existing power plants which are 34-59 years old. In 2012, Great Rivers worked to enforce laws requiring the Missouri Department of Natural Resources ("MDNR") to issue stringent, enforceable permits and to ensure that plant operators have in place the required technologies on their plants, or to shut down the plants and to meet energy demand using efficiencies, solar and wind power instead. No attorney fees were sought and recovered for this work.

In 2012, we worked on the following issues related to coal-fired power plants.

Underground Services Company (“USC”), in North Kansas City. In the spring of 2012 Great Rivers urged the DNR to utilize more stringent controls on a permit issued to Underground Services Company in North Kansas City, Missouri. The company receives coal combustion waste from several Missouri coal-fired power facilities and injects the ash to an underground mine. The mine is located approximately one-half mile north of the Missouri River. Responding to our efforts the DNR tightened the permit, requiring the company to put in place an effective groundwater monitoring program and to monitor for metals which Great Rivers pointed out are pollutants of concern associated with coal combustion waste.

City of Columbia Municipal Power Plant. In February 2012, Great Rivers submitted comments to the DNR on the draft water pollution operating permit for this power plant. That facility has an unlined coal ash impoundment. Great Rivers demanded that the DNR address the likely threat to groundwater in the current permit, and establish limits on pollutants emitted in two of the facility’s outfalls. In response to our comments, DNR issued the permit and placed limits on pollutants the facility may place in its ash pond. The facility owner appealed to the Clean Water Commission. The Commission dismissed the appeal for being untimely.

Kansas City Power and Light’s Sibley Generating Station. In October, 2012, Great Rivers submitted comments to the DNR on the draft air pollution operating permit. We urged the DNR to impose stricter monitoring requirements. In response to our comments, the DNR did strengthen some monitoring requirements.

Veolia Energy—Kansas City Generating Station. In October, 2012, we filed comments to the DNR on the draft air pollution permit, urging the DNR to impose stricter monitoring requirements. The DNR had not responded at the end of 2012.

Lafarge North America, Inc., Sugar Creek facility in Kansas City, Missouri. In the fall of 2012, Great Rivers submitted comments to the DNR requesting more stringent controls be placed on a draft water pollution permit issued to Lafarge North America. Lafarge receives coal combustion waste slurry from the Nearman and Hawthorne power plants. Lafarge injects the ash slurry into an underground mine and places the slurry into subsided surface areas. The DNR had not responded at the end of 2012.

3. Opposition to Ameren Missouri’s Callaway County Nuclear Power Plant

In 2012, Ameren Missouri sought a 20-year extension of the Callaway One Nuclear Power Plant Operating license from the Nuclear Regulatory Commission (“NRC”), even though the current license does not expire until 2024.

On behalf of the **Missouri Coalition for the Environment (“MCE”)**, in the spring of 2012, Great Rivers filed a motion to intervene and request for a hearing. The NRC denied both. In the Fall of 2012, the U.S. Court of Appeals for the D.C. Circuit struck down the NRC’s “waste confidence rule,” which assumes that used nuclear fuel will be properly and permanently disposed of. The NRC must now consider the environmental impacts of nuclear waste, and has not yet granted the extension of the Ameren’s license on the Callaway One plant.

No attorneys fees were sought and recovered for this work.

4. St. Louis Lead Prevention Coalition

Great Rivers routinely provides legal services to the St. Louis Lead Prevention Coalition, an organization seeking to reduce and eliminate lead exposure in the St. Louis metropolitan area. The work of the St. Louis Lead Prevention Coalition affects thousands of people in the St. Louis metropolitan area. No attorney fees were sought and recovered for this work.

III. WETLANDS AND FLOODPLAIN PROTECTION PROGRAM: MISSISSIPPI & MISSOURI RIVERS' BASINS

Our wetlands and floodplain protection program consists of challenging environmentally detrimental floodplain development and the over-engineering of rivers by means of levees and dams which destroy floodplains and aggravate flooding risk. We monitor permit applications to dredge and fill wetlands. Great Rivers issues comments on proposals and assists environmental groups and individuals in their legal challenges to protect wetlands. These activities affect all of the people who inhabit and work in the watersheds of the Missouri and Mississippi Rivers which drain major portions of the central and northwestern United States. Wetlands and floodplains are vital to public health in that they affect our water supply and the quality, recharge and discharge of water; they assist in the cleansing of pollutants from waters; and they provide valuable services for flood and storm hazards, and for the controlling of sediment and erosion. In addition, they are necessary for the maintenance of natural systems, including conservation and long term productivity of existing flora and fauna, species and habitat diversity and stability, hydrologic utility, fish, wildlife, timber, and food and fiber resources.

1. Halt the Rapid Loss of Wetlands Project

In 2012, we continued our project to end the rapid loss of wetlands within the Mississippi River corridor. At one time almost 7 million acres (37%) of the 18.4 million acres in the 100-year flood zone were wetlands. Four million acres of these former wetlands have now been drained, and federal levees isolate approximately 2.3 million acres (13%) of floodplain from their parent rivers. In the Water Resources Development Act of 2007, Congress tried to stem the rapid loss of wetlands by imposing on the U.S. Army Corps of Engineers (the "Corps") very specific and mandatory wetlands mitigation requirements.

In 2012, we continued our investigation into the Corps, showing again that the Corps has responded largely by ignoring Congress. On the regulatory side, the Corps often is not requiring the amount and type of mitigation necessary to halt wetlands losses. When the Corps does require appropriate mitigation, often the Corps does not require the developer to actually create or restore the wetlands. The situation is worse on the civil works side, where the Corps is failing to put in place for its own projects even the most basic of the critical mitigation requirements. In addition to identifying Corps' deficiencies, we advocated for compliance with the law through formal comment, correspondence, position papers, and meetings. No attorney fees were sought and recovered for this work. We investigated the following specific Corps' projects:

a. The Corps' Memphis District New Madrid Floodway Project

The most serious, recurring threat to our region's wetlands and floodplain habitat is the Corps of Engineers' St. Johns Bayou/New Madrid Floodway. If built, the project will close one of the last sections of the Mississippi River which is still connected to the River's wetlands and

floodplains. The project will drain 80,000 acres of regularly inundated floodplain habitat, including 30,000 acres of wetlands. In 2012, we worked to put an end to this disastrous and wasteful Corps project.

b. The Corps' St. Louis District Project in which Mitigation was not completed

Our investigation of several permits issued by the Corps' St. Louis District revealed that mitigation was not carried out in several projects approved by the Corps. For instance, the developer of the Mills Mall in Hazelwood failed to follow through with 130 acres of wetlands mitigation that was promised when the Corps issued the permit. After we brought the matter to the attention of government officials, the developer promised to carry out the plans. We also found deficiencies in a project permitted in Chesterfield Valley, St. Louis County, Missouri, in which the developer promised to create 129 acres of compensatory mitigation but failed to create 97 of them. Again, after we brought this to the attention of government officials, the developer promised to take action.

c. The Corps' Jameson Island Project, Missouri River

Although we often disagree with the Corps, in this case, the Corps is trying to do the right thing. For decades, the Corps has channeled the Missouri River, making it a deep, swift waterway that cannot support habitat for many species. In 2007, as a part of its Missouri River Recovery Program ("MRRP"), the Corps embarked upon a plan to re-introduce sediment to the Missouri, in efforts to restore a portion of the Missouri River to some semblance of its original state. The Corps formulated a "Jameson Island Project," in which it would introduce sediment to the Missouri River at Jameson Island, near Arrow Rock, in efforts to restore 30 acres of shallow water habitat for wildlife and fish. The Missouri Clean Water Commission bowed to the political interests and ordered the Corps to cease work on the project. In 2012, Great Rivers spoke at several hearings of the Clean Water Commission and filed comments on behalf of the **Missouri Coalition for the Environment**, urging the Commission to allow the Corps to carry out this plan. In late 2012, the Commission decided to lift its cease and desist order which paved the way for the project to move forward.

2. Preservation of Confluence Floodplain

Truman Business Center in St. Charles County, MO proposed to raise and develop 99 acres of vacant, formerly agricultural, land within the Confluence floodplain. The City of St. Charles determined the floodplain property to be "blighted" for reasons which include flooding and ponding of water, lack of basic infrastructure, and lack of safe ingress and egress.

On behalf of **Great Rivers Habitat Alliance** and the Adolphus Busch Revocable Living Trust, in 2010 Great Rivers filed suit against the City. Our clients sought a judgment declaring that the property is not "blighted" within the meaning of the Urban Development Corporations Law, and enjoining the City from proceeding further with its abatement of taxes within the development area. After evaluating documents released in pre-trial work, our clients dismissed their claims in Spring, 2012. In 2012 our client paid us \$ 4,883.75 for work on this case.

IV. WATER QUALITY PROGRAM

Great Rivers seeks to protect and preserve the waters of Missouri and surrounding states.

Our water quality program begins with monitoring proposed federal, state and local actions that will adversely affect water quality. Great Rivers is frequently involved in matters that adversely impact water quality. This includes assisting environmental groups, citizens' organizations and individuals in their legal challenges designed to protect the quality of the waters.

V. LAND USE PROGRAM: PRESERVATION OF OPEN SPACE & PARKS

Our land use program consists of assisting environmental groups, citizens' groups and individuals in their efforts to preserve and protect open space, forests and wilderness areas. Great Rivers issues comments on proposed rules that may affect environmentally sensitive areas, and as a last resort, represents environmental groups in litigation to enforce the laws.

1. Protection of the Ozark National Scenic Riverways

Over the past decade, there have been numerous instances of illegal road and building construction within the Ozark National Scenic Riverways (ONSR). Our investigations reveal that federal officials will not enforce the restrictions which prohibit this illegal activity. Great Rivers continued with its factual investigation in preparation for advocacy to protect the ONSR. No attorney fees were sought and recovered for this work.

2. Protection of Two Mile Creek, Des Peres, Missouri

On behalf of two individuals, Great Rivers filed suit against the U.S. Army Corps of Engineers (the "Corps") and the St. Louis Metropolitan Sewer District ("MSD") to prevent MSD from installing concrete blocks along the banks of a beautiful, spring-fed creek in St. Louis County, thereby destroying the vegetation and habitat for animals and fishes. Great Rivers argued for a preliminary injunction in December, 2012, which the trial court denied.

No attorney fees were sought and recovered for this work.

VI. ENVIRONMENTAL JUSTICE PROGRAM

Great Rivers is committed to monitoring permitting actions for sites proposed for development that will unfairly burden minority or low income populations. Great Rivers has evaluated proposed developments to determine whether permitting authorities have unfairly targeted disadvantaged populations. Great Rivers has asserted environmental justice claims against the City of St. Louis and the Missouri Department of Natural Resources.

Bring Environmental Justice to North St. Louis Project

The need for environmental justice in North St. Louis is pressing. This region is rife with toxic industries that impact the health of its community members. More than 90% of this area's population is African-American, and a staggering number of families live below the poverty line. The per capita income in the area we are targeting ranges from \$7,865 and \$10,008 annually. Low-income families and minorities in North St. Louis bear a disproportionate burden of toxicity in their environment as compared to their racial and socioeconomic counterparts. In 2012, we investigated the industries along the Mississippi River in North St. Louis. We reviewed permit applications and monitoring reports and will continue this work in 2013.