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INTERVIEW OF:

ERIC M. THRAEN

TAKEN OCTOBER 30, 1997 AT 2:10 P.M.

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MILO BALLINGRUD  
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INTERVIEW OF ERIC THRAEN, taken pursuant to agreement of and between parties at, Koch Industries, Inc., P.O. Box 64596, St. Paul, Minnesota, at approximately 2:10 p.m. on Thursday, October 30, 1997 before Milo Ballingrud, Notary Public, County of Hennepin, State of Minnesota.

APPEARANCES:

Present from the Minnesota Pollution Control Agency:

DON L. KRIENS, P.E.

MARY L. HAYES

GREGORY BERGER

BYRON A. ADAMS

Present from Koch Industries:

JAMES K. VOYLES, Attorney at Law

Present from the law firm Green Espel:

ANDREW LUGER, Attorney at Law

JODEEN A. KOZLAK, Attorney at Law

SUSAN K. WIENS, Attorney at Law

## I N D E X

## EXAMINATIONS:

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1                   MR. BERGER:     Eric, today we are  
 2                   conducting a civil investigation that is  
 3                   focusing on Koch Refining operations and a  
 4                   variety of pollutions slash environmental  
 5                   related situations regarding these operations.  
 6                   We are seeking your cooperation in obtaining  
 7                   some information through some questions. We  
 8                   want you to know that you do not have to  
 9                   answer these questions if you do not want to,  
 10                  you're not obligated to do it, you are here  
 11                  voluntarily. This information obtained in  
 12                  this investigation may be used in an  
 13                  administrative, civil or criminal action. The  
 14                  MPCA is free to choose one of these actions,  
 15                  and if we do choose one it does not preclude  
 16                  choosing another one. Do you have any  
 17                  questions regarding that?

18                  THE WITNESS:     No.

19                  MR. BERGER:     Thank you.

20                  BY MR. KRIENS:

21                  Q.     Eric, my name is Don Kriens and I'm with the  
 22                  MPCA. We would like you to state your name,  
 23                  how long you've been at Koch, what your  
 24                  position here is and the kind of work that you  
 25                  do.

- 1       A.       I apologize, I have a little bit of a cold.  
2               Eric Thraen, T-h-r-a-e-n. I've been with Koch  
3               for 17 years and I'm presently an assistant  
4               operations manager here at the refinery and  
5               presently responsible for optimization of some  
6               of our product systems such as gasoline and  
7               fuel oils.
- 8       Q.       Okay. You are in the operations group?
- 9       A.       That's correct.
- 10      Q.       I have the organizational chart, and I'm  
11               trying to find out where you fit. Would that  
12               be in this case where the Jim Jacobson is the  
13               manager of the operations, is that the same  
14               group?
- 15      A.       That's correct, yes.
- 16      Q.       So are you an assistant manager under him or  
17               where do you fit on here?
- 18      A.       Jim Jacobson has relocated to Corpus Christi,  
19               and so I presently report to Steve Sanders.  
20               That's a recent move, within the last couple  
21               months.
- 22      Q.       Steve Sanders, was he the person in here  
23               earlier?
- 24                               MR. VOYLES:       Yes.
- 25      BY MR. KRIENS:

- 1 Q. And he's the operations manager that you  
2 report to now and previously you reported to  
3 Jim Jacobson?
- 4 A. Yes. And the titles are changing, of course.  
5 They're a little bit different, but that's  
6 effectively the case.
- 7 Q. So that would be you right there (indicating)?
- 8 A. Yes.
- 9 Q. So in that capacity, I'm just looking down,  
10 and under your name it is process owner and a  
11 few other things and then environmental. What  
12 would you do with respect to the environmental  
13 area?
- 14 A. Some of the work I've been doing the last two  
15 years has to do with some projects that we  
16 were evaluating, and these were potential  
17 capital projects. You're probably familiar  
18 with the COGEN project we had looked at one  
19 time, and I was involved in that. And  
20 although there was an environmental rep also  
21 assigned to that project, I was the primary  
22 operations rep, so I would work with that  
23 environmental rep and help them to an  
24 understanding how the operational and  
25 environmental issues might fit together.

- 1 Q. Sure. Are you involved with the -- let's say  
2 the day-to-day operations of the environmental  
3 system in terms of treatment, waste water  
4 treatment, air emissions or --
- 5 A. Not at this time, not at this time. However,  
6 from the period roughly October 1, 1992  
7 through October 1, 1995 I was the assistant  
8 operations manager for an area that included  
9 the waste water treatment area.
- 10 Q. Okay. So it would include supervision of the  
11 waste water treatment system?
- 12 A. I was not the direct supervisor, there was a  
13 direct supervisor, but that supervisor  
14 reported to me.
- 15 Q. Okay. From the period October of '92 through  
16 October 1st, '95?
- 17 A. Yes.
- 18 Q. Okay. I just want to understand where you fit  
19 in the organization. We're going to go  
20 through a couple different categories of  
21 documents that we've reviewed where your name  
22 has come up in connection with some areas that  
23 we're interested in. The first one has to do  
24 with a hydrant discharge in October of 1994.  
25 And we discovered this through review

1 primarily of operating logs from the waste  
2 water plant. Earlier I reviewed the operating  
3 logs -- well, let me do it again real briefly.  
4 This will be the easiest way.

5 Beginning in about the first part of  
6 October the plant water system was found to be  
7 green throughout the plant, and it's  
8 characterized whole plant green in one log,  
9 notified the shift foreman. Then it goes on,  
10 October 9 they state again operating log plant  
11 flow is green, shifties set game plan for  
12 green water, shifties talked to Steve David  
13 about color. And then it goes on to talk  
14 about the problem and how to get rid of --  
15 rather how to break down the color.

16 October 11 the operating log states high  
17 chromium, hexavalent chromium at the S7 sump,  
18 green water in channel at the coker pond,  
19 October 11 through October 12 coker pond  
20 channel still green, October 12 log, green dye  
21 may be contributing to high hexachrome  
22 readings per Craig. That's Craig Daniels.  
23 And October 12 through 13 an operating log  
24 states -- it first states there's no  
25 hexachrome reading from the lab, and at 1920



1 hours, which is what?

2 A. 7:20 p.m.

3 Q. 7:20 p.m., okay. Safety has orders to spray  
4 fire hydrants to get rid of green water. Told  
5 them to pull from south pond B5 at normal  
6 level and so on. So the question I have, in  
7 your capacity at that time were you aware of  
8 this problem in the plant and --

9 A. I recall an incident with green water. My  
10 recollection is that it had to do with an  
11 approved food grade dye that was used for --  
12 it was some kind of hydro treating application  
13 and they wanted to be able to spot the water  
14 readily. I recall that we did discuss it with  
15 Steve David, and I believe he discussed that  
16 with the P&A, though I was not in that  
17 conversation myself. My recollection of the  
18 green dye was that it was an approved dye, and  
19 although green water might be startling, I  
20 don't recall that it was any significant  
21 incident.

22 Q. Do you know why it would have caused elevated  
23 hexavalent chrome readings?

24 A. I don't -- I don't believe that the two were  
25 linked.

- 1 Q. So you think it was just a coincidence that  
2 the hexachrome reading was high at the same  
3 time?
- 4 A. I don't recall that the two were linked. My  
5 recollection is that it was due to some  
6 approved dye that was used for another  
7 application.
- 8 Q. Is the dye -- is that commonly used in the  
9 plant for testing?
- 10 A. No, it's not.
- 11 Q. So would it have been an unusual situation to  
12 use the dye?
- 13 A. Yes.
- 14 Q. Do you recall what it might have been used  
15 for?
- 16 A. I believe there was some hydro test wash done  
17 somewhere, and they wanted to be able to spot  
18 the water quickly.
- 19 Q. Another log, October 17 waste water treatment  
20 plant operating log, and when I state  
21 operating log, I mean waste water treatment  
22 plant operating log. Kevin Erickson, it notes  
23 in here Kevin Erickson called about dumping  
24 green water from Cottage Grove, two trucks  
25 three loads for three days, 15 to 18 total

- 1 loads.
- 2 A. Yeah. See, the Cottage Grove was a terminal,  
3 it is a terminal, and there was some hydro  
4 testing done of some piping in that area I  
5 believe, and so they had green water in the  
6 tanks. Cottage Grove transfers product here  
7 to the refinery, and I believe that it's in  
8 that connection that we received the green  
9 water. But the green water was related to  
10 some hydro testing done on some pipelines.
- 11 Q. Although this was after the green water was  
12 already in the plant.
- 13 A. But what he's referring to there is hauling  
14 loads of green water from Cottage Grove to our  
15 facility here.
- 16 Q. Yeah, I understand. That was dated  
17 October 17.
- 18 A. Yes.
- 19 Q. So you're saying that there maybe was another  
20 incident? I'm not following.
- 21 A. No, I'm saying that it was all part of one  
22 incident.
- 23 Q. So would they have hauled previous loads from  
24 there also?
- 25 A. No -- well, they may have, I don't know that.

- 1           However, they may have been pumping some water  
2           here and then --
- 3       Q.     Prior to October 17 you mean?
- 4       A.     Yes. And then I don't know whether it was  
5           continued pumping or whether they hauled it  
6           here by truck in parallel or in place thereof,  
7           but I believe it was all part of one incident.
- 8       Q.     So water pumped from there routinely to treat  
9           here?
- 10      A.     Crude oil sometimes contains water.
- 11      Q.     But when you say -- you're pumping crude or  
12           you're pumping water? I'm not following you.
- 13      A.     Typically the Cottage Grove facility pumps  
14           crude oil here. Now, if they were doing some  
15           hydre test work the water would have been  
16           transferred here also.
- 17      Q.     And then that is transferred where?
- 18      A.     That would go to the waste water treatment  
19           plant.
- 20      Q.     Why would it go there, into the treatment  
21           plant?
- 22      A.     If it was picked up here via the crude oil  
23           pipeline system it would go into our crude  
24           tanks, and from there it can be transferred to  
25           the waste water treatment plant.

- 1 Q. But I mean let's say you're transferring  
2 water, and would that go --
- 3 A. That would have gone into a crude tank, and  
4 then from the crude tank water can be pumped  
5 to the waste water treatment plant.
- 6 Q. Where would it be pumped to this plant? Would  
7 it be to the waster water plant, the API  
8 separator, via that, or would it --
- 9 A. My recollection of that incident is that there  
10 was some hydro testing work being done and  
11 that it was planned and scheduled, and the  
12 volumes of water involved when hydro testing  
13 pipelines are large, and so I believe that a  
14 crude tank was set aside for the specific  
15 purpose of receiving the water, which was  
16 green because they had dyed it so that they  
17 could spot -- you know, if the hydro test  
18 should show any leaks the green test, the  
19 green water, would be reedy visible. So the  
20 water was being pumped from Cottage Grove to a  
21 crude tank, and from there the water was being  
22 transferred to waste water treatment.
- 23 Q. Is tank number two a crude tank?
- 24 A. It's one of our crude tanks, yes. I don't  
25 know whether it was the crude tank involved or

- 1 not.
- 2 Q. So you're saying they were hydro testing it,  
3 that would have been water, not crude?
- 4 A. Yes. A hydro test had taken place.
- 5 Q. And even though this states October 17, you  
6 think that maybe it's still related to the  
7 earlier one?
- 8 A. The volume of water involved were large and  
9 would not have been run up over a short period  
10 of time, it would have taken an extended  
11 period of time to process the water.
- 12 Q. I'm not trying to belabor this, but the memo  
13 on this one, hauling from Cottage Grove, is  
14 five days or more after the event was  
15 occurring, so I'm trying to understand.
- 16 A. It could well have taken us several weeks or a  
17 month or more to process the water given the  
18 volume involved.
- 19 Q. Okay. On October 12, 13 safety has orders  
20 to -- it's written in the log safety has  
21 orders to spray fire hydrants to get rid of  
22 green water. What does that actually mean?
- 23 A. I don't recall that.
- 24 Q. Who did safety report to in the organizational  
25 chart?

- 1 A. Right now they report to later Larry Barnett.
- 2 Q. And he reports to who?
- 3 A. He reports to Tim Rush I believe. Well, what  
4 was the date?
- 5 Q. This is October of '94.
- 6 A. Larry's been here a couple years, but I don't  
7 recall if it was '95 or '94 or prior or after.
- 8 Q. We show he reports to --
- 9 MR. ADAMS: Would it help to show  
10 him the number five log on that?
- 11 MR. KRIENS: Sure. It states the  
12 shifties have orders to do that in the  
13 highlighted section there. Do you know who  
14 would have ordered the shifties to dispose of  
15 the water or why it was ordered?
- 16 THE WITNESS: (Views document.)
- 17 MS. WIENS: Does that have a  
18 document number?
- 19 MR. KRIENS: It should have one on  
20 the bottom.
- 21 THE WITNESS: Again, I don't recall.  
22 Larry has been here for a couple of years. I  
23 don't recall the exact time.
- 24 BY MR. KRIENS:
- 25 Q. I was just wondering if you understand what

1           that means when they say safety called, has  
2           orders to spray fire hydrants, who would be in  
3           the position to order that and why they would  
4           order that done.

5           A.       There's several people in the safety  
6           department and several shift supervisors.  
7           There's roughly eight or a dozen shift  
8           supervisors and the safety department is a  
9           comparable sized group, so I don't know who  
10          specifically would have been involved.

11          Q.       In the chain of command, if they say order,  
12          safety reports to Larry or whoever the manager  
13          was then, and --

14          A.       Again, if that was ordered I don't know who  
15          would have made that order.

16          Q.       Okay. Do you know why this would have been  
17          disposed of it that way was opposed to just  
18          discharging it through the normal waste water  
19          system?

20          A.       It's not clear to me from that note exactly  
21          what they're doing. I can't tell specifically  
22          what they were doing with the water based on  
23          that description.

24                   MR. ADAMS:       Because it was an  
25          approved food grade dye, people at the plant



1           may have thought, well, it's approved food  
2           grade, it's not going to have any  
3           environmental harm. Might the thinking be one  
4           of it's probably better not to let it go out  
5           to the river and be seen and cause a problem  
6           versus --

7                    **THE WITNESS:**     Yeah, I remember our  
8           concern over the green water, but I also  
9           recall that it was related to some dye that  
10          was used and which was approved. You know,  
11          green water is unsightly, you know. If it  
12          came out of your tap it would be alarming I'm  
13          sure.

14                   **MR. KRIENS:**     You don't really want  
15          to drink it.

16                   **THE WITNESS:**     Probably make  
17          laundry -- turn your whites green.

18                   **MR. ADAMS:**     Well, you don't want  
19          helicopters flying over the river and --

20                   **THE WITNESS:**     That I -- that I don't  
21          know. Again, it's not clear to me from that  
22          note what was being done. The safety  
23          department is sometimes involved in water  
24          transfers because the fire water system is  
25          sometimes used to transfer water, for example,

1 from our storm pond to the S7 basin, which  
2 would then ultimately be transferred and  
3 processed. So that is done, that's a transfer  
4 from one basin to another, but I don't recall  
5 any event where water was sprayed per se.

6 MR. ADAMS: I have a log I'm looking  
7 at from October 11, '94, Don, and you read  
8 this, and it appears Seventh Street sump is  
9 spilling over the coker pond, green water in  
10 channel. That channel refers to the channel  
11 that goes to the west coker pond, in that  
12 area.

13 MS. WIENS: Is that a document he  
14 wrote or that he knows something about?

15 MR. ADAMS: I'm just reciting what's  
16 written on an operation log of October 11,  
17 '94.

18 MS. WIENS: Give him log numbers  
19 then so he can actually see the log.

20 MR. KRIENS: Here it is.

21 THE WITNESS: (Views document.)

22 BY MR. ADAMS:

23 Q. There's something on the back side, too.

24 A. Okay. What about this?

25 Q. What I'm trying to do is tie in what I've read

1           in the memos and what we're telling us.  
2           You're saying the pipeline from Cottage Grove  
3           would have come into tank two, a crude tank?  
4       A.    I don't know which crude tank, but it was one  
5           of them.  
6       Q.    Okay. That's not so important.  
7       A.    And the way that the crude tank water is  
8           transferred is it's pumped from the crude tank  
9           via trivacs to the Eighth Street sump, which  
10          then goes to the Seventh Street sump, which  
11          then from there goes direct to the waste water  
12          treatment plant.  
13       Q.    Okay.  
14       A.    And there is an overflow. Should the pump at  
15          the Seventh Street sump fail and overflow, you  
16          know, if the pump were to fail the Seventh  
17          Street sump would overflow to the coker pond.  
18       Q.    That's what I wanted to hear from you, and  
19          that makes sense and matches with what I would  
20          expect based on what's in the memo. It said  
21          that the green water was spilling over in the  
22          west coker pond. That indicates to me that  
23          the source of the dye is upgrade of the  
24          Seventh Street sump, and that was one of our  
25          concerns, what the source is, if it was in a

- 1           crude tank.
- 2       A.     That's my recollection, it was from a crude  
3           tank being pumped to waste water, and in order  
4           to get there it would go via the Eighth and  
5           Seventh Street pumps.
- 6       Q.     And that would make the whole plant green?
- 7       A.     Yes.
- 8       Q.     Then that makes sense with some of the other  
9           memos from that time period.
- 10      BY MR. KRIENS:
- 11      Q.     Do you know where they would have flushed the  
12           green water out of, where to or where it came  
13           from when they did that, and how much?
- 14      A.     Flushed it out of? Well, it was being  
15           transferred to waste water treatment and then  
16           being processed through there, and then  
17           ultimately the affluent would go to the river.
- 18      Q.     That's not what I'm talking about. In the  
19           statement it says safety was ordered to flush  
20           hydrants to get rid of green water, and do you  
21           know where that went?
- 22      A.     I'm not familiar with that. I don't recall  
23           that so -- if that was done I don't know what  
24           was done.
- 25      Q.     Okay.

- 1       A.       My recollection is that we were processing it  
2               through the waste water treatment plant.
- 3       Q.       Do you know of any other episodes besides this  
4               one where they would get rid of green water by  
5               flushing it out somewhere?
- 6       A.       This is the only episode of green water that I  
7               recall.
- 8       Q.       Do you know of any other episodes where they  
9               would discharge waste water or any other water  
10              via the hydrant system as opposed to letting  
11              it just go through the normal procedure  
12              through the waste water system?
- 13      A.       No. Again, we sometime use the fire water  
14              system for transferring water, which would  
15              mean from one basin to another, but I don't  
16              recall any episode of any other use of the  
17              fire water system other than a transfer from  
18              one basin to another.
- 19      Q.       The people that are responsible to do that  
20              transfer are the safety department, is that  
21              correct?
- 22      A.       Yes.
- 23      Q.       Okay, thank you. When this is noted in the  
24              operator log, that safety is ordered to do  
25              this or that or anything that's going on, it

1           seems like the waste water treatment plant  
2           operators are quite aware of what's going in  
3           the production area because it does impact  
4           their operation. And they should be I suppose  
5           to an extent.

6           A.     Uh-huh.

7           Q.     So when they make statements like that, I  
8           presume when they make statements like safety  
9           is ordered to flush the hydrants to get rid of  
10          green water, that they are getting that  
11          information from somewhere. Are these logs --  
12          did you review those at any time since they  
13          reported to you or --

14          A.     Well, again, the unit supervisor reported to  
15          me and the waste water treatment plant  
16          operators reported to the unit supervisor.  
17          The unit supervisor at the time, I believe it  
18          was -- it was either Larry Klemetson or Rick  
19          Legvold, I don't recall the exact date that  
20          one replaced the other, but Larry preceded  
21          Rick. The waste water treatment operators  
22          would report directly to the unit supervisor  
23          and the unit supervisor reported to myself.  
24          The unit supervisor had the responsibility for  
25          direct supervision of those employees.

1 Q. Okay.

2 A. And I would work with that supervisor on some  
3 coordination issues and other issues.

4 Q. All right. We're interested in the  
5 environmental impact here primarily and not  
6 necessarily who all does what and who is  
7 responsible for this and that, it's not our  
8 focus necessarily, but it does help for us to  
9 understand how things work so we can assess,  
10 you know, what the extent of these practices  
11 were and if they're a problem or not. That's  
12 basically why we're here.

13 I don't have anything further on the  
14 green water. Is there anything else?

15 BY MR. BERGER:

16 Q. You said when you first began this was a food  
17 grade dye approved. What do you mean by a  
18 approved and how did you know that was true?

19 A. That is my recollection. I was not involved  
20 in the hydro treating -- the hydro testing  
21 work, so I never saw a data sheet.

22 Q. MSDS?

23 A. No.

24 Q. You were just told this by somebody else?

25 A. Yes.

1 Q. Just a general belief?

2 A. Uh-huh.

3 Q. Okay.

4 A. I recall that, you know, again, we had  
5 discussions with Steve David and -- but I  
6 don't recall exactly who I heard that from.  
7 You know, again, I didn't actually see the  
8 data sheet.

9 MR. BERGER: Thank you.

10 BY MS. HAYES:

11 Q. I just have one question. You said you were  
12 in operations, and your capacity from '92 to  
13 '95 again was what?

14 A. Assistant operations manager.

15 Q. Okay. Are you then working with spill  
16 response generally?

17 A. No.

18 Q. You haven't had any connection with that  
19 whatsoever?

20 A. No. That's coordinated through the safety  
21 department.

22 MS. HAYES: Thank you. That's all I  
23 have.

24 (Whereupon, the interview concluded at  
25 2:40 p.m.)



