

US EPA ARCHIVE DOCUMENT



## INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

*We Protect Hoosiers and Our Environment.*

*Mitchell E. Daniels Jr.*  
**Governor**

*Thomas W. Easterly*  
**Commissioner**

100 North Senate Avenue  
Indianapolis, Indiana 46204  
(317) 232-8603  
Toll Free (800) 451-6027  
[www.idem.IN.gov](http://www.idem.IN.gov)

March 13, 2009  
Via E-Mail

Ms. Jodi Swanson-Wilson  
EPA Project Officer  
77 West Jackson Boulevard E-13J  
US EPA, Region 5  
Chicago, IL 60604-3507

Dear Ms. Swanson:

Re: 2006 State Innovations Grant Program

Attached is the Indiana Department of Environmental Management's State Innovations Grant Program progress report for the Environmental Stewardship Program (ESP) as stipulated in our agreement. This quarterly progress report contains a summary of activities for the tenth three months of the three-year grant (tenth quarterly report).

Please contact me at (317) 233-5554 if you have questions about the information provided.

Sincerely,

Stacey Martindale  
ESP Program Manager  
Office of Pollution Prevention & Technical Assistance

Attachment: Grant Track form

CC: Fred Saylor  
Jennifer Schick  
Michael Mendyk  
Laura Seifert

US EPA ARCHIVE DOCUMENT

**Grant Track System****General Information**

Grant Name	State Innovation Grant – Environmental Stewardship Program
Cooperative Agreement No.	PI-00E00101-0
Year Awarded	2006
Number of Amendments	0
Grant Type	66.611 Environmental Policy and Innovation Grants
Region	5

**Summary Description**

To develop and implement a voluntary program designed to encourage positive environmental actions that potentially will include reduced air, land, and water emissions and discharges by Indiana businesses and industry. The goal of the Environmental Stewardship Program (ESP) program is to encourage beyond compliance activities to decrease industry's negative impact on the environment. This program will create new partnerships between the State, local industry, and business, and will require implementation of an Environmental Management System (EMS) to promote beyond compliance environmental initiatives.

Under this Cooperative Agreement, IDEM will develop and implement ESP. Upon acceptance to ESP, each facility will begin to implement one of three pre-determined environmental improvement initiatives as defined in their application. IDEM will publicly recognize those facilities that are accepted into ESP. In addition, IDEM will track the environmental benefits achieved by participating municipalities and provide regulatory incentives where practicable.

**Contact Information****State Project Contact****EPA Project Officer**

Name	Stacey Martindale	Name	Jodi Swanson-Wilson
State	Indiana	Region	5
Phone	(317) 233-5554	Phone	(312) 886-0879
Fax	(317) 233-5627	Fax	
Email Address	smartind@idem.in.gov	Email Address	Swanson-Wilson.Jodi@epamail.epa.gov

**EPA Grant Specialist**

EPA Grant Specialist Name	Karen Sykes
EPA Grant Specialist Phone	(312) 886-7571

**Project Status Information**

Date Awarded	August 15, 2006
Original Planned Completion Date	August 14, 2009
Scheduled Planned Completion Date	August 14, 2009
Project Actual Completion Date	To be determined
Last Progress Report Received on	December 14, 2008
Progress Report through	February 15, 2009
Project Status	Ongoing

**Project Funding**

Original Grant Budget Request	\$ 225,000
Matching Funds	\$ 306,426
Original Grant Amount	\$ 225,000
Total Grant Funding	\$ 225,000

**Target Dates and Milestones**

IDEM continues to make progress and achieve the milestones identified in the 2006 State Innovations Grant Program project narrative.

Summer/Fall 2006

Milestone: *Promotion: Web site complete; application developed; brochures and booth drafted; press event held to announce program; contractor RFP issued; requests for quote issued and contract drafts begun for EMS website/software; innovations grant received.*

Status: COMPLETE

Summer/Fall 2006

Milestone: *Implementation: Responding to requests for assistance; amount and type of assistance provided; providing on-site assistance to facilities, offering EMS training programs to facilities; accepting applications to join the program; brochures printed and distributed; booth available for use; advertising the program at various conferences and workshops; EMS/P2OA Assistance contractor selected. Conduct site visits at applicants with approved EMS's and conduct site visit and EMS assessment at other applicants.*

Status: ON-GOING

IDEM completed the EMS workshop training programs, which were solely funded by IDEM and were not a part of this grant. The intent of the workshop series was to increase the number of Indiana facilities implementing EMSs and, as a result, increase the number of ESP

applications. From April 18, 2007, through December 18, 2008, EMS development assistance comprised of four individual workshops and one onsite gap analysis in each of four geographic locations. Workshops were conducted in Elkhart, Fort Wayne, Evansville, and Indianapolis. The first workshop in each location covered the basics of an EMS and ISO 14001:2004; the second workshop covered environmental aspects and impacts; the third discussed EMS implementation; and the fourth workshop in each series reviewed internal EMS auditing. A total of thirty-three facilities or organizations attended at least one workshop. The Indianapolis and Evansville workshop attendees also participated in a fifth workshop for internal EMS auditor training. Additionally, the contractor hired to facilitate these workshops completed six EMS independent assessments during this quarter to prepare these facilities for applying to ESP in spring 2009.

IDEM continues moving forward with the EMS onsite assistance contract funded by this grant. The goal of the contract is to provide onsite EMS assistance to at least twenty Indiana entities by July 2009. During this quarter, IDEM received thirty-three applications for EMS assistance and approved twenty-three of the applicants. IDEM evaluated each application using the EPA's Enforcement and Compliance History Online database and IDEM's Multimedia Enforcement Tracking System database. According to the quarterly report submitted by the contractor, three Indiana facilities have completed the EMS development assistance program and plan to apply to ESP during 2009. An IDEM representative is scheduled to attend several of the onsite meetings conducted by the contractor.

#### Winter 2007 – Summer 2009

Milestone: *Implementation and Modifications: Reviewing applications and announcing facilities meeting the program requirements; continue assisting potential applicants and promoting the program; speaking at meetings, workshops, and conferences to promote the program; begin offering incentives to successful applicants and tracking outcomes; modify the program as necessary; continue identifying potential incentives; quantify success stories through monetary and environmental benefits; continue working with EPA NCEI to identify and implement additional incentives to state and federal environmental leadership programs.*

Status: ON-GOING

IDEM received ten applications during the fall application round; however, one of the applicants dropped out due to resignation of their environmental manager. During the tenth quarter, IDEM reviewed and processed these nine applications, which included conducting compliance checks, reviewing the applicant's EMS materials, and completing site visits. Eight of the nine remaining applicants received membership in ESP. IDEM issued a state-wide press release on February 11, 2009, announcing the eight newest members. Unfortunately, one of the charter ESP members voluntarily withdrew from ESP this quarter because the facility is scheduled to close in 2009, bringing the total number of ESP members to 45.

Since Indiana is hosting the 2010 PT / State Conference, the ESP program manager has been contacting Indianapolis area hotels for conference reservation rates and accommodations. The ESP program manager will provide this information to the entire conference planning committee during summer 2009.

During this quarter, IDEM continued marketing ESP and responding to phone and email inquiries requesting assistance with the ESP application and identifying pollution prevention opportunities. The ESP program manager spent 17 hours marketing ESP in November, 43 hours in December, and 27 hours in January. The most significant marketing activity that occurred this quarter was a segment featured February 13, 2009, on Inside Indiana Business with Gerry Dick. Inside Indiana Business is headquartered in Indianapolis and provides television, radio, Internet, permission-based email, and on-demand business news products. Daily business news can be watched, heard, and read in Indiana, Michigan, Illinois (including Chicagoland), Ohio, and Kentucky. Watch Gerry Dick as he speaks with Jean-Francois Brossoit, Plant Manager, Carrier Corporation; Tom Easterday, Senior Vice President, Subaru of Indiana Automotive; and Sam George, Vice President of Environmental Compliance, American Commercial Lines, about being members of ESP at <http://www.insideindianabusiness.com/video-player.asp?id=9354>. IDEM also ordered and received 1,500 flash drives with the ESP logo for marketing and advertising purposes.

The rules affording ESP members with regulatory incentives became effective during the fourth quarter. IDEM completed the incentives requests from fall 2007 and spring 2008 members. Incentive implementation is difficult and time consuming so the ESP program manager scheduled a lean / continuous improvement event with each IDEM program office to map the incentive implementation and tracking process. The ESP program manager anticipates using the results of each mapping event to create Standard Operating Procedures for each program area office regarding ESP incentive processing and implementation.

During this quarter, the IDEM Office of Air Quality devised a new incentive for members of ESP that incorporates tiered compliance monitoring in certain situations. The ESP program manager is working with the IDEM Office of Air Quality and several ESP members to gather feedback and applicability on the draft incentive, and anticipates offering the final version of the incentive to all eligible ESP members during summer 2009.

During this quarter, the ESP program manager continued discussions with EPA R5 Performance Track staff and tracked comments received concerning the membership incentives. Dan Murray, Assistant Commissioner of the Office of Air Quality, continues to hold discussions with EPA R5 on the ESP member incentive for "monthly compliance methods for VOCs" as well as the "pollution prevention projects" incentive.

IDEM decided to drop the Memorandum of Agreement with EPA since EPA R5 and IDEM can not come to an agreement about several of the program's membership incentives. Discussions continue between IDEM management and EPA R5.

During the tenth quarter, IDEM Commissioner Thomas Easterly and Assistant Commissioner Rick Bossingham conducted three ESP recognition ceremonies (November 18 and 24, and December 2) and issued three press releases. The award ceremonies for the eight newest members will be scheduled following the legislative session.

#### Summer/Fall 2009

Milestone: *Implementation and Documentation: Continue program as described above; measure results and outcomes of program and begin development of final report; begin consideration of future of program. Complete and submit final report to EPA; Innovations Grant completed; determine future of program including funding and office responsible for management.*

Status: NOT YET IN TIMEFRAME

#### **Project Timetable**

The project timetable and activities to be completed throughout the remaining life of the grant are listed in the following table:

On-going	<ul style="list-style-type: none"> <li>• Continue working with IDEM program offices to limit barriers to pollution prevention opportunities to members of the program and identify or expand regulatory flexibility incentives.</li> <li>• Assist members of program with incentives including modifications to permits to allow them to benefit from incentives</li> <li>• Speak at meetings, conferences, and workshops promoting the program</li> <li>• Provide EMS assistance to facilities wishing to pursue ESP membership</li> </ul>
Annually	In cooperation with NEPT, modify state program where needed.
Spring 2009	Receive ESP and PT annual performance reports and post achievements on the ESP website
Summer 2009	Submit quarterly report to EPA on various measures.
Summer/Fall 2009	Provide final report to EPA on the effectiveness of focusing on high priority entities and on what was found and accomplished related to promoting the use of EMSs and removing barriers to pollution prevention.

#### **Project Funding**

The project funding status can be found in the attached Federal Financial Report (Federal Financial Report tab). The report provides the project expenses year to date. According to the report, IDEM has incurred \$406,181.99 through February 24, 2009. Further, the report shows that IDEM has approximately \$125,244.01 grant funding remaining (approximately \$72,215.70 state and \$53,028.31 federal), which is sufficient to perform the expected program duties throughout the life of the grant. IDEM anticipates fully utilizing the entire grant award for ESP implementation and delivering technical assistance regarding environmental management systems to Indiana regulated entities.