

US EPA ARCHIVE DOCUMENT



INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

We Protect Hoosiers and Our Environment.

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Governor

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Commissioner

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June 15, 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 eleventh three months of the three-year grant (eleventh 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

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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
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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	March 13, 2009
Progress Report through	May 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 accepted applications to the Environmental Stewardship Program during the spring round, which is April 1 through May 31. As of May 15, IDEM had received three applications.

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 one application for EMS assistance, which was denied due to the facility's poor compliance history. IDEM evaluated the application using the EPA's Enforcement and Compliance History Online database and IDEM's Multimedia Enforcement Tracking System database. According to the invoices submitted by the contractor, twenty-four Indiana organizations are scheduled to participate in the EMS assistance program, including two municipalities.

The other milestone activities for this timeframe have been accomplished.

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

The most significant activity that took place during this quarter was the cancellation of the U.S. Performance Track program. As a result of eliminating the Performance Track program, the program manager worked with IDEM's offices of air, land, and water to determine the best way to repeal all federally incorporated regulatory incentives. IDEM issued a letter to all Indiana Performance Track members informing each facility to return to normal compliance standards. The program manager also worked with IDEM rule writers to determine how to repeal these federally incorporated rules. Additionally, the program manager answered questions from Performance Track members as well as non-Performance Track members clarifying how the program's cancellation impacted the Environmental Stewardship Program. The program manager worked closely with U.S. EPA headquarters staff to gather information needed from PTrack online before the database is closed. The program manager also revised the Environmental Stewardship Program application and annual performance report to reflect the cancellation of the Performance Track program and continues to update other program documents and the website.

IDEM continues to respond to requests for assistance from members of the Environmental Stewardship Program as well as facilities that are not yet members, but are interested in applying. IDEM provided environmental regulatory or performance reporting assistance to twenty-six Environmental Stewardship Program members during this quarter.

Additionally, IDEM spent over 39 hours advertising and marketing the program to potential members. An IDEM representative attended the Air and Waste Management Association meeting (April 13, 2009), Indiana Water and Environment Association Pretreatment Conference (April 14-15, 2009), MS4 conference (April 21, 2009), and WNIT Green Expo (April 30, 2009) in order to make contact with potential new members. IDEM also submitted articles and newsletters advertising the program to the Great Lakes Regional Pollution Prevention Roundtable blog, Indiana Chamber of Commerce newsletter, BizVoice magazine, and issued a state-wide press release announcing the spring application round.

IDEM management realized the agency was no longer able to replace worn-out membership flags at no cost as a result of budget constraints. The program manager worked with IDEM's Media & Communication Services branch to develop a method for Environmental Stewardship Program members to reorder membership flags using their own vendor.

During the eleventh quarter, the program manager worked with the IDEM offices of air, land, and water to approve and implement the regulatory incentives requested by the newest program members.

During last 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 worked with the IDEM Office of Air Quality and several ESP members to gather feedback and applicability on the draft incentive. The IDEM Office of Air Quality realized this tiered compliance monitoring in certain situations was already available through a current program incentive. Program members were notified of this "new" incentive.

The program manager awaits the response of the U.S. EPA Region 5 to IDEM's State Implementation Plan, which was submitted during this quarter. The State Implementation Plan outlines several regulatory incentives that IDEM has incorporated by rule to provide to program members, but has been unable to implement due to differences of opinion between IDEM and U.S. EPA Region 5 management.

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: ON-GOING

During this quarter, the program manager began compiling the data received from member's regarding environmental improvement initiatives and achievements. The program manager will post the data to the IDEM

website by the end of the grant period. The program manager will begin development of the final report at the conclusion of the grant period. The program manager is working with IDEM management to determine the future of the program, including funding and the office responsible for management.

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">• Work with IDEM program offices to limit barriers to pollution prevention opportunities to members of the program and identify or expand regulatory flexibility incentives• Assist members of program with incentives including modifications to permits to allow them to benefit from incentives• Speak at meetings, conferences, and workshops promoting the program
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 \$438,750.22 through April 30, 2009. Further, the report shows that IDEM has approximately \$92,675.78 grant funding remaining (approximately \$53,436.85 state and \$39,238.93 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.