

US EPA ARCHIVE DOCUMENT



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
401 Church Street  
Nashville, Tennessee 37243-0446

Dear Ms. Walker:

Tennessee, like many other areas of the country, is experiencing a boom in construction related to residential and commercial growth. The current General NPDES Permit for Discharges of Storm Water Associated with Construction Activities (which became effective in 2005) expanded the requirement for coverage to sites with one (1) acre or more of disturbance. Although a welcome boost to the economy, increased construction has resulted in an increase in the construction storm water permitting and enforcement burden upon already maximized state resources. It is imperative, and part of our department's mission, that we do our part to protect and improve the quality of our streams, lakes and rivers. The construction boom, combined with TDEC's already overtaxed resources, has made our mission a daunting goal at times. We have recognized that it is necessary for us to utilize more innovative strategies to address this challenge.

The most promising model to address this burden is to help MS4s establish an integrated approach to water resources management – integrating education, low impact development, construction and post-construction storm water management activities. This State Innovation Grant will give us the opportunity to establish the initial phase of that approach, encouraging MS4s to utilize the “qualifying local program” provision in their permits through the development of criteria, incentives and a formal “excellence” recognition and awards program. This project will benefit TDEC and state programs across the nation that are struggling with the same challenges.

We appreciate your consideration of our attached pre-proposal.

Sincerely,

Paul Sloan  
Deputy Commissioner

## PROJECT SUMMARY

**Project Title: Construction Storm Water Excellence Initiative**

**Project Category:** Implementation of a performance-based program, particularly including the development and implementation of incentives. Exploration of ways to better integrate Performance Track and similar State programs into State agency operations to strengthen program effectiveness and reduce transaction costs.

**State Agency Applicant:**

Tennessee Department of Environment and Conservation (TDEC) Nashville, Tennessee  
D & B number: 878355437

**State Project Manager:**

Robert Karesh, Tennessee Department of Environment and Conservation  
Division of Water Pollution Control, Statewide Storm water Coordinator  
401 Church Street, L & C Annex, 6<sup>th</sup> floor  
Nashville, TN 37243-1534  
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Email: [Robert.Karesh@state.tn.us](mailto:Robert.Karesh@state.tn.us)

**Total Project Cost:**

*[Budgetary Information Withheld by U.S. EPA]*

**Project Period:** October 1, 2007 to September 30, 2011

**Summary Statement:**

In Tennessee, the storm water runoff from clearing, grading and excavating at construction sites is estimated to be the pollutant source for approximately 1,000 impaired river miles. In an effort to eliminate siltation and improve water quality, we intend to develop criteria and incentives for Municipal Separate Storm Sewer System programs (MS4s) to become “qualifying local programs”, as well as a formal “excellence” recognition and awards program.

**Funded with or by other programs:** None identified at this time.

**Required Federal regulatory flexibility:** None identified at this time.

**Statement of Deputy Commissioner’s endorsement:** Deputy Commissioner Paul Sloan has been briefed on this proposal. He fully endorses the proposed project.

## PRE-PROPOSAL NARRATIVE

## Project Description:

### *Need for the project:*

Tennessee has an abundance of water resources with over 60,000 miles of rivers and streams. About 36 percent, or 10,000 miles, of assessed rivers and streams are impaired. In Tennessee, the storm water runoff from clearing, grading and excavating at construction sites is estimated to be the pollutant source for approximately 1,000 impaired river miles. In an effort to eliminate siltation and improve water quality Tennessee issued the Construction General Permit (CGP) in 1992. The CGP requires the implementation, inspection and maintenance of erosion prevention and sedimentation controls during construction activities such as clearing, grading and excavation. TDEC also has issued over 86 Municipal Separate Storm Sewer System (MS4) permits to local jurisdictions. The MS4 permit requires, in part, the implementation of a storm water program that eliminates siltation and improves water quality from construction activities. Optional "Qualifying Local Program" provisions offer a MS4 the opportunity to go one step further and become formally recognized as a local storm water program that has met the provisions in the Tennessee CGP and MS4 permits.

To date we have issued over 14,000 coverages under the CGP and currently carry 6,500 active coverage's. TDEC has approximately 25 employees to regulate and manage the construction storm water program and the MS4 program. With the increase in the volume of the storm water coverage's and the limited personnel an innovative approach is necessary.

Our innovation is to encourage MS4s to utilize the qualifying provision through the development of criteria, incentives and a formal "excellence" recognition and awards program. The utilization of this option would further several important goals, but most importantly would ensure the improvement of water quality through an efficient implementation of the CGP. It would also assist the construction community to comply with the CGP and encourage strong MS4 erosion prevention and sediment control programs.

The activities in this project would include: (1) establishment of a diverse stakeholder committee including representatives such as TDEC, MS4s, the Home Builder Association, Landscape Architectural Association, Professional Engineering Associations, General Contractor Association, State Planners Association, non-profit water quality groups, local universities and others involved in the construction community, (2) facilitation of the committee in the development of the criteria for "qualified" MS4s in construction storm water runoff control, (3) development and promotion of incentives for programs to become qualified through a process established by the committee, (4) development of a formal "excellence" recognition and awards program, (5) piloting the qualification of an MS4 through the process, (6) development and delivery of workshops to train other TN MS4s on the process, (7) the delivery of a replicable solution to construction storm water management made available to other states, ECOS, EPA and stakeholder committee representatives.

***Specific problem:***

As stated earlier TDEC has approximately 25 employees with the responsibility of managing 6,500 currently active CGP coverages and 86 MS4s. One of the most effective and efficient ways to address the expansive water quality impairment related to construction is through the establishment of criteria to “qualify” MS4s and to creatively determine incentives for MS4s to seek qualification. This project would result in a more efficient process by eliminating duplication of the effort between the MS4s and TDEC. We are not aware of any currently established incentives for “qualified” MS4s for construction storm water runoff. Funding this proposal will yield a process that could be duplicated across the region and the nation.

***Strategic goals:***

Relates directly to EPA Strategic Plan Goal 2, Objective 2.2

Goal 2: Clean and Safe Water; Objective 2.2: Protect Water Quality

***Specific changes in management and regulatory processes:***

- Qualified programs may gain less regulatory oversight, reduced permit fees, faster turnaround times or other incentives or receive positive recognition under an “Excellence” program as a model or mentor

***How the project demonstrates innovation:***

This innovative project will apply to more than 80 MS4s statewide, with the goal of statewide water quality protection and improvement by all MS4s becoming “qualified” in the area of construction storm water runoff. It would serve as a regional and national model.

**Environmental Outputs:**

Our proposed outputs include the establishment and facilitation of a “qualified program” committee, development of the criteria for “qualified” MS4s, development and promotion of incentives for programs to become “qualified”, formal “excellence” recognition and awards program, workshops on the established process for MS4s across the state, the delivery of a replicable solution to construction storm water management made available to other states, ECOS, EPA and stakeholder committee representatives.

**Environmental Outcomes:**

- *Short term outcomes* – Improve CGP compliance from the construction community. And though not directly measurable the encouragement of stronger MS4 erosion prevention and sediment control programs.
- *Long-term outcomes* – Accomplish the reduction of sediment waste load allocations as identified in the sediment Total Maximum Daily Load (TMDL) documents through an efficient implementation of the Construction General Permit.

**Collaboration or Partnerships:**

This project is centered on the establishment of a diverse stakeholder committee including representatives from TDEC, MS4s, the Home Builder Association, Landscape

Architectural Association, Professional Engineering Associations, General Contractor Association, State Planners Association, non-profit water quality groups, local universities and others involved in the development community.

**Project Schedule and Timeline:**

*Grant period: October 1, 2007 through September 30, 2011 (Most projects run 4 years.)*

<b>Activity</b>	<b>Projected date</b>
Establish committee	1 <sup>st</sup> Quarter FY'08
Facilitate meetings to establish criteria	1 <sup>st</sup> Quarter FY'08
Develop and promote guidelines and incentives	1 <sup>st</sup> Quarter FY'09
Develop excellence recognition program	1 <sup>st</sup> Quarter FY'10
Pilot the qualification of a MS4	3 <sup>rd</sup> Quarter FY'10
Develop and deliver workshops across the state	3 <sup>rd</sup> Quarter FY'11
Deliver a replicable solution to other states	4 <sup>th</sup> Quarter FY'11

**Budget Summary:**

*[Budgetary Information Withheld by U.S. EPA]*

**Threshold Criteria #1:**

- We are not aware of any currently established incentives for a “qualified” MS4 program for construction storm water runoff. Implementation of this proposal will yield a process that could be duplicated across the region and the nation.
- Part of the output will be the development of workshops on the established process for MS4s across the state, the delivery of a replicable solution to construction storm water management made available to other states, ECOS, EPA and stakeholder committee representatives.

**Threshold Criteria #2:**

This project’s general focus is the elimination of siltation and the improvement of water quality through the development of an incentive program for MS4s in Tennessee. It relates directly to Goal 2, Objective 2.2 of EPA’s Strategic Plan. (Goal 2: Clean and Safe Water; Objective 2.2: Protect Water Quality.)

**Quantitative Evaluation by Headquarter Panels:**

### ***Targeting National Priority on Environmental Issues***

- **State Innovations Grant Program Theme – Innovation in Permitting**

This project offers a creative approach to achieving, and possibly exceeding, mandatory Federal and State storm water standards by developing criteria, incentives and a formal “excellence” recognition and awards program for MS4s that will result in increased efficiencies in construction storm water management and therefore, improved water quality.

- **EPA’s Innovation Strategy**

This project demonstrates several of the Innovation strategies including:

- ‘Partnership and Stakeholder collaboration’ through the use of the diverse stakeholder committee to develop the criteria for qualification and establish the incentives.
- ‘Restore and Maintain Water Quality’ by creating an innovative means of addressing construction storm water runoff.
- ‘Increase Use of Incentives’ through the development of incentives for MS4s who achieve the “qualified” or excellence status.

- **EPA’s Strategic Plan**

This project’s general focus is the elimination of siltation and improvement of water quality through the development of an incentive program for MS4s in Tennessee. It relates directly to Goal 2, Objective 2.2 of EPA’s Strategic Plan. (Goal 2: Clean and Safe Water; Objective 2.2: Protect Water Quality).

### ***Building on Our Existing Knowledge***

Through this project, we will develop criteria and incentives for MS4s to become “qualifying local programs”, as well as an “excellence” recognition and awards program, reflecting the strategic area of performance based environmental programs.

### ***Producing Environmental Results***

#### **Environmental Outputs**

Our proposed outputs include the establishment and facilitation of a “qualified program” committee, development of the criteria for “qualified” MS4s, development and promotion of incentives for programs to become “qualified”, formal “excellence” recognition and awards program, workshops on the established process for MS4s across the state, the delivery of a replicable solution to construction storm water management made available to other states, ECOS, EPA and stakeholder committee representatives.

#### **Environmental Outcomes**

- *Short term outcomes* – Improve CGP compliance from the construction community. And though not directly measurable the encouragement of stronger MS4 erosion prevention and sediment control programs.
- *Long-term outcomes* – Accomplish the reduction of sediment waste load allocations as identified in the sediment Total Maximum Daily Load (TMDL) documents through an efficient implementation of the Construction General Permit.

### ***Transferring Innovation***

We are not aware of any currently established incentives for “qualified” MS4s for construction storm water runoff. Funding this proposal will yield a process that could be duplicated across the region and the nation.

- A workshop would be developed to introduce MS4s across the state to the qualification process and the incentives for participation,
- Development and delivery of workshops to train other TN MS4s on the process and,
- The delivery of a replicable solution to construction storm water management made available to other states, ECOS, EPA and stakeholder committee representatives.

### ***Budget Reasonableness***

Requested EPA funding will be [Budgetary Information Withheld by U.S. EPA] and the state will supply funding of [Budgetary Information Withheld by U.S. EPA]

The grant will be for four years with funding equally utilized each year. The state will contract with a University to be determined for services the state does not have the ability to perform with Robert Karesh being lead program manager. Travel funds will be primarily used to share lessons learned with other states.

### ***Project Technical Feasibility***

This pre-proposal will be based on the use of existing technology to further innovative regulatory and management approaches.

### ***Public Involvement Process***

The public will be directly involved in the establishment of “Qualifying Local Program” criteria and incentives, as well as the review of applicants and awarding “excellence” recognition of MS4 programs while serving as committee members. The committee may include representatives from the Home Builder Association, Landscape Architectural Association, Professional Engineering Associations, General Contractor Association, State Planners Association, non-profit water quality groups, local universities and others involved in the development community.

### **Quantitative Evaluation by Regional Panels:**

#### ***Addressing EPA Regional-State Properties***

This project is initiated from one of the objectives of TDEC’s internal Water Resources 3-year plan related to construction storm water management. It supports the Region 4 priority areas of improving water quality, promoting environmental excellence and enhancing collaboration with partners.

#### ***Programmatic Capabilities***

TDEC successfully managed 14 EPA cooperative agreements annually with funding of more than eight million dollars for over five years. For example the Division of Water Pollution Control received the EPA Leadership Award for their national leadership in establishing 384 high quality Total Maximum Daily Load measures for Tennessee’s streams and rivers. TDEC will incorporate the success lessons learned and, personnel to make this grant successful. TDEC



consistently produces high quality quarterly and annual reports on time. Tennessee and EPA have had over 20 years of productive and positive working relationship. The *[Budgetary Information Withheld by U.S. EPA]* program will be easily folded into the current 8 million dollars of EPA grants TDEC manages.

### ***Regulatory & Statutory Environment for Project Implementation***

At this time no statutory or regulatory flexibility is needed for the implementation of the proposal. The committee established under this proposal will determine whether or not regulatory flexibility is needed for the incentives recommended for the excellence program.

### ***Budget Reasonableness***

Requested EPA funding will be *[Budgetary Information Withheld by U.S. EPA]* and the state will supply funding of *[Budgetary Information Withheld by U.S. EPA]*. The grant will be for four years with funding equally utilized each year. The state will contract with a University to be determined for services the state does not have the ability to perform with Robert Karesh being lead program manager. Travel funds will be primarily used to share lessons learned with other states.

### ***Environmental Results of Past Performances***

TDEC has successfully managed 14 EPA cooperative agreements with funding in excess of eight million for over five years. The Division of Water Pollution Control received the EPA Leadership Award for their national leadership in establishing 384 high quality Total Maximum Daily Load measures for Tennessee's streams and rivers.

### ***Collaboration/Partnerships***

This project is centered on the establishment of a diverse stakeholder committee including representatives from TDEC, MS4s, the Home Builder Association, Landscape Architectural Association, Professional Engineering Associations, General Contractor Association, State Planners Association, non-profit water quality groups, local universities and others involved in the development community.

### ***Leveraged Resources***

The project manager, Robert Karesh's, salary of *[Budgetary Information Withheld by U.S. EPA]* a year will be leveraged over four years. These funds will come from state allocations. The state will also leverage volunteer committee participation as part of the program development.

### **Qualitative Selection Factors:**

Tennessee has not been awarded a State Innovation Grant previously. To date, no project relating to the development of an excellence program for MS4s has been awarded a State Innovation Grant.

## SUMMARY BUDGET INFORMATION

### **State Contact Information:**

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Division of Water Pollution Control, Statewide Storm Water Coordinator  
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Phone (615) 253-5402 / Fax (615) 532-0686  
Email: [Robert.Karesh@state.tn.us](mailto:Robert.Karesh@state.tn.us)

### **Project Title: Construction Storm Water Excellence Initiative**

*[Budgetary Information Withheld by U.S. EPA]*

### **Describe how state funds will be spent:**

A portion of the project manager Robert Karesh's salary will be leveraged over four years, approximately *[Budgetary Information Withheld by U.S. EPA]* a year. These funds will come from state allocations.

## RESULTS PAST PERFORMANCE

### **List of last agreements the state has implemented in the past 3 years (3-5 agreements)**

TDEC has successfully manages 14 EPA cooperative agreements with funding in excess of eight million in excess of five years.

The following programs are recognized by EPA :

- 1) Water Pollution Control: The Division of Water Pollution Control received the EPA Leadership Award for their national leadership in establishing 384 high quality Total Maximum Daily Load measures for Tennessee's streams and rivers. EPA noted that TDEC's TMDL development process serves as a national model regarding the quality of science as well as its public participation process,
- 2) State Employee Recycling Program: The State Employee Recycling Program received a Waste Wise State Partner of the Year Award from EPA for the fourth year in a row,
- 3) Air Pollution Control: The Division of Air pollution Control received EPA Region 4 Commendation for promoting EPA's Indoor Air Quality *Tools for Schools* program,

- 4) Safe Chemical Cleanout Campaign: The 2004-06 EPA Region 4 Recourse Conservation Challenge grant for \$[*Budgetary Information Withheld by U.S. EPA*] facilitated many successes, including the inventory of 106 public and private school labs; disposal of 29,415 pounds of hazardous waste from 89 schools; removal and recycling of 602 pounds of mercury and mercury-containing chemicals and devices. Classes of chemicals removed from schools included flammable solids and liquids, oxidizing liquids, corrosive acids, alkalis, mercury compounds, and p-listed waste; many of these chemicals were found in degraded containers. The disposal aspect of the project made outstanding contributions to the RCC goals of preventing pollution in schools and communities, recycling the mercury, while also reducing priority chemicals.

#### **Documentation of the process**

The Department reports to EPA quarterly and annually and is up to date on all reports.

### **PROGRAMMATIC CAPABILITY**

TDEC successfully managed 14 EPA cooperative agreements annually with funding of more than eight million dollars for over five years. For example the Division of Water Pollution Control received the EPA Leadership Award for their national leadership in establishing 384 high quality Total Maximum Daily Load measures for Tennessee's streams and rivers. TDEC will incorporate the success lessons learned and, personnel to make this grant successful. TDEC consistently produces high quality quarterly and annual reports on time. Tennessee and EPA have had over 20 years of productive and positive working relationship. [*Budgetary Information Withheld by U.S. EPA*].