

US EPA ARCHIVE DOCUMENT



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

MAR 08 1999

REPLY TO THE ATTENTION OF

R-19J

Dennis Sershen, Chairperson
Steele County Community XL Project
Truth Hardware
700 West Bridge Street
Owatonna, Minnesota 55060

Dear Mr. Sershen:

Thank you for your continuing participation in our effort to reinvent environmental regulation through Project XL for Communities (XLC). The purpose of this letter is to inform you that the Steele County XL Community Pilot Proposal has been selected by the United States Environmental Protection Agency (U.S. EPA) for development of a Final Project Agreement (FPA) and to invite you to begin negotiations on the FPA. In response to comments made by U.S. EPA during the review process, you have made a number of changes to your original proposal. For example, a decision was made to proceed only with Phase 1 at this time. U.S. EPA's selection of the project is based on the modified Phase 1 proposal. Should you decide you want to proceed with Phase 2 at a later date, U.S. EPA will need to conduct a technical review and make a selection decision on Phase 2.

The following elements of your modified proposal are critical to its success and must be addressed, along with other items, in an appropriate manner in the FPA:

1. The project must result in less pollution entering the environment from the current group of direct participants. The baseline discharge rate for each pollutant will be the annual discharge rate for all direct participants averaged over the most recent five year period for which data is available (1993 through 1997). Reductions in actual discharges (as reflected in future annual discharge levels) of each relevant pollutant will be compared to the baseline to determine if less pollution is entering the environment. For each relevant pollutant discharged, a reduction of 20% will be achieved by the end of the first year. An additional 20% reduction will be achieved by the end of the second year. The details concerning how the reductions will be achieved will be discussed during the negotiation of the FPA.
2. Local stakeholder involvement in your project, beyond that which already has taken place, is strongly encouraged. The proposal includes many innovative activities for the stakeholders to participate in, such as site specific facility auditing, and would appear to require an expansive pool of interested community residents. Stakeholder involvement will also be needed to implement the enforcement response plan and to help identify the solutions to problems that occur at the participating companies.

3. There must be support and active participation on the part of the City of Owatonna Wastewater Treatment Facility (OWTF).
4. The City of Owatonna must retain its role as the primary government agency responsible for insuring compliance with pretreatment standards and associated regulatory requirements. The stakeholders group may make non-binding recommendations regarding the actions that should be taken should compliance problems occur.

Although we view those four items as being critical, there are other items that will need to be addressed in the FPA. EPA's acceptance is for negotiation of an FPA for your Phase I proposal. U.S. EPA will contact you to initiate negotiations or you may initiate negotiations by contacting my representative, Jeffrey Bratko of U.S. EPA, at (312) 886-6816 (or via e-mail at bratko.jeffrey@epa.gov) as soon as possible. A useful first step might be to develop an expeditious schedule for completion of the FPA.

The success of this project will also depend on the continuing participation of the Minnesota Pollution Control Agency (MPCA). U.S. EPA will work with you, MPCA and the other stakeholders to develop an FPA that meets all of our needs.

Sincerely yours,



David A. Ullrich
Acting Regional Administrator

cc: Andy Ronchak
Minnesota Pollution Control Agency