

US EPA ARCHIVE DOCUMENT

Project XL Final Project Agreement

FOR THE COMMUNITY PROJECT XL PILOT WITH THE

Steele County Community

Steele County, Minnesota

This Final Project Agreement (FPA) is entered into between the Steele County Community, the Minnesota Pollution Control Agency (MPCA), and the United States Environmental Protection Agency (EPA), herein referred to as the parties. This FPA sets forth commitments, goals and measurements for the success of this pilot project that are necessary to the successful implementation and evaluation of this project. This FPA provides additional information on the Steele County Community Project XL pilot including: a description of the project; how the project meets the criteria for Project XL; and the legal mechanisms intended to provide regulatory flexibility. Each signatory represents that he is fully authorized to enter into this FPA.

Industry Reps	City WWTF
Karen A. Studders Commissioner Minnesota Pollution Control Agency	Francis X. Lyons Regional Administrator United States Environmental Protection Agency, Region V

Table Of Contents

Section	Description	Page
	Glossary of Terms	
I	Executive Summary	
II	Project Description	
III	Project XL Acceptance Criteria	
IV	Implementation	
V	Amendments and Re-issuance	
VI	Duration	
VII	Termination	
VIII	Dispute Resolution	
IX	Right to Other Legal Remedies Retained	
X	Transfer of Project Benefits and Responsibilities	
XI	FPA Contacts	
	ATTACHMENTS	
A	Sponsor Baseline Data	
B	Methodology for reducing or eliminating monitoring requirements for pollutants not present.	

Glossary of Terms

Steele County Community Project XL Proposal

Terms and descriptions of the terms contained in this glossary are solely to assist the public in understanding this FPA. Therefore, the terms contained in this glossary do not supersede, modify, or otherwise affect any term or definition in state or federal law and regulations.

Commentors -- People or organizations with an interest in a XL project, but not the need to participate intensively in its development. The project development process should inform and be informed by commentors on a periodic basis. The views of informed commentors are a strong indicator of the broad potential for wider applicability of the innovation being tested in a project.

Community Advisory Committee (CAC) -- The body formed to assist in development of the Steele County Community XL proposal. The CAC is made up of direct participants: individuals representing a variety of stakeholders including local residents, employees, business, environmental groups, and government.

Direct Participants -- People or organizations representing a variety of stakeholders who work intensively with project sponsors to build a project from the ground up. For example, the CAC is made up of direct participants.

Environmental Management System (EMS) -- A comprehensive, documented program implemented by a company to promote compliance with environmental laws and promote positive environmental performance.

Environmental Protection Agency (EPA) -- The federal government agency charged with implementing U. S. environmental laws, the sponsoring agency for XL projects.

Final Project Agreement (FPA) -- The negotiated agreement describing a Project XL pilot.

General Public -- The broad category of people and organizations who are not direct participants in the Project XL development process, but who have an interest in, and wish to be informed about, progress on the project.

Minnesota Pollution Control Agency (MPCA) -- The regulatory agency charged with implementing environmental laws in the State of Minnesota.

Minnesota XL Permit -- A permit issued under Minn. Stat. 114C authorizing a Project XL pilot in Minnesota and within which the parties agree.

Multi-media Agreement -- In the context of Project XL, an agreement that encompasses air, water, waste and, potentially, other issues.

Project XL -- A Federal program to conduct pilot projects that promote eXcellence and Leadership through negotiated agreements with regulated parties.

Regulatory Innovation -- Efforts to seek more flexible or cost-effective means of attaining results beyond standard compliance.

Regulatory Flexibility -- The ability of a facility to make certain changes or undertake certain activities that may otherwise be subject to specific regulatory approval.

Sponsors -- Industry members in Steele County that agree to participate and implement Phase I of the Steele County Community Project XL pilot. [Owatonna Sponsors refers to industry members located in Owatonna, Minnesota. Note: One sponsor, Alf Atochem, is located in Blooming Prairie, Minnesota.](#)

Stakeholders -- People and organizations with varying degrees of interest and involvement in an XL project. Stakeholders are categorized into Direct Participants, Commentors, and the General Public in XL projects.

Stakeholder Involvement Plan -- The process for informing and involving a variety of people and organizations in the development of a Project XL initiative.

Superior Environmental Performance (SEP) -- An important requirement for Project XL. Generally, using current actual loading to the environment, and assuming continued operation of any voluntary controls, a facility must demonstrate it will attain performance superior to what otherwise would have happened outside of Project XL.

I. EXECUTIVE SUMMARY

The Steele County Community pilot will be conducted under EPA's Project Community XL program. The community wide project will consist of a Two Phase approach to attain Environmental Excellence and Leadership.

Phase I will specifically address industrial regulated wastewater effluent reductions, and at the same time concentrate on significant water use reduction controls. Phase II will expand to a multi-media approach to environmental permitting. It will be based on overall community performance, rather than individual member performance, in the areas of air emissions, solid waste, hazardous waste, chemical storage, and community sustainability.

In Phase I, direct participants from the Steele County community of Owatonna have agreed jointly to the following four Superior Environmental Performance (SEP) approaches:

- 1) reduce the discharge of four priority metals;
- 2) reduce water usage;
- 3) develop and implement a storm water and sewer water separation and education plan in an effort to minimize the impact of storm water on the Owatonna wastewater treatment facility; and
- 4) develop and participate in a training and assessment program to better understand potential benefits of an ISO 14000 Environmental Management System (EMS).

Phase I of this agreement will also provide regulatory flexibility to the sponsors in the following areas:

- 1) an incentive-based monitoring approach will be implemented, such that as metal discharge goals are met, the frequency of monitoring will be reduced;
- 2) a mass-based compliance standard will replace the concentration-based standard currently in place;
- 3) the elimination of pollutant monitoring where pollutant is not discharged;
- 4) the development of an alternative Significant Non-Compliance (SNC) approach, such that a sponsor has the opportunity to self-correct certain non-compliance issues before being published in the local newspaper; and
- 5) the replacement of state storm water permits with the community-wide storm water impact plan.

For Phase I current regulatory limits for participating facilities will remain in effect. The regulatory limit will be changed from a concentration-based limit to a mass-based limit. An exceedance of a mass-based limit could result in the use of traditional enforcement tools.

II. PROJECT DESCRIPTION

A. Purpose

This Final Project Agreement (FPA) states the intentions of the U.S. Environmental Protection Agency (EPA), the Minnesota Pollution Control Agency (MPCA), and the Steele County Community to carry out a pilot project as part of EPA's Project XL program to develop innovative approaches to environmental protection.

This FPA is intended to be a joint statement of the plans, intentions, and commitments of the parties with regard to the project approved for implementation. This FPA is not intended to create legal rights or obligations and is not an enforceable contract or a regulatory action such as a permit or a rule. This applies to both the substantive and procedural provisions of this FPA. Thus, for example, this FPA establishes procedures that the parties intend to follow with respect to termination under the FPA. However, while the

parties fully intend to follow these procedures, they are not legally obligated to do so. The parties intend to implement the enforceable commitments, federal and state regulatory flexibility, monitoring, record keeping, and reporting provisions of this FPA through rulemaking and/or the Minnesota XL Permit. The terms and conditions of these legal mechanisms will be legally enforceable, though this FPA itself is not legally enforceable. Because it is not legally enforceable, this FPA is not an agency "action" that could be reviewed; in addition, no action or omission by any party to this FPA could give rise to any claim against the party for penalties, damages or other compensation based solely on the claim that the action was at variance with a provision or provisions of this FPA. All parties to this FPA will strive for a high level of cooperation, communication, and coordination to assure successful, effective, and efficient administration of the project.

B. Superior Environmental Performance Commitments

The following describes the 4 key areas of commitment to Superior Environmental Performance by direct participants.

1) Discharge Reduction Goals

a. Owatonna-Sponsors 20% Reduction Goal for Nickel, Chromium, Copper, and Zinc

Sponsors located in Owatonna commit to a 20% reduction goal of the amount Nickel, Chromium, Copper, and Zinc (by mass) that flows to the Owatonna Waste Water Treatment Facility (QWWTF) in the first five years of the project. The reduction goal will be set based on a 20% reduction of each individual metal. When the first 20% reduction goal is met, a second 20% reduction goal will be set for the remaining project term.

Based on Attachment A, the baseline discharge levels and the initial 20% reduction goals are:

Metal	Baseline (lbs./day)	20% Reduction Goal (lbs./day)	Loading after 20% Reduction (lbs/day)
Chromium	0.86	0.17	<u>0.63</u>
Copper	0.35	0.07	<u>0.28</u>
Nickel	1.47	0.29	<u>1.18</u>
Zinc	1.39	0.28	<u>1.11</u>

b. Elf Atochem of Blooming Prairie, Minnesota 20% Reduction Goal for BOD, TSS, and TKN

Elf Atochem located Blooming Prairie commits to a 20% reduction goal of the amount BOD, TSS, and TKN that flows to the Blooming Prairie Waste Water Treatment Facility (BPWWTF) in the first five years of the project. The reduction goal will be set based on a 20% reduction of each individual metal. When the first 20% reduction goal is met, a second 20% reduction goal will be set for the remaining project term.

Pollutant	Baseline (lbs./day)	20% Reduction Goal (lbs./day)	Loading after 20% Reduction (lbs/day)
<u>BOD</u>	<u>40 lbs./day</u>	<u>8 lbs./day</u>	<u>32 lbs./day</u>
<u>TSS</u>	<u>177 lbs./day</u>	<u>35 lbs./day</u>	<u>142 lbs./day</u>
<u>TKN</u>	<u>20 mg/l</u>	<u>4 mg/l</u>	<u>16 mg/l</u>

2) Water Use Reduction Goal

a. The total water flow to the OWWTF from the Owatonna sponsors is 477,000 gallons/day. Owatonna Sponsors commit to a goal ~~to of~~ reducing 10% of [EPA suggestion] the total amount of water flowing from the sponsor facilities to the OWWTF.

b. The total water flow of Elf Atochem to the BPWWTF is 16,900 gallons/day. Alf Atochem commits to a goal of reducing 10% of [EPA suggestion] the total amount of water flowing from the sponsor facilities to the BPWWTF.

3) Storm Water Plan and Education

In the first two years, the Owatonna Ssponsors will develop a plan to minimize storm water run-off at each participating facility. Owatonna Ssponsors will work with the OWWTF to develop educational materials for employees of their facilities and Owatonna City Residents to minimize storm water infiltration into the sewer system.

4) Environmental Management System (EMS) Training

In the first year of the project, Ssponsors commit to arrange and participate in training for the development of an ISO 14000 based EMS. Within 18 months of the effective date of the project, sponsors commit to have an EMS and/or a pollution prevention assessment conducted at their facilities, and will then subsequently summarize and make available reports outlining the results of the assessment and any plans to incorporate assessor recommendations.

C. Regulatory Flexibility

The following describes the 5 key areas of regulatory flexibility for the Steele County Community pilot.

1) Monitoring Frequency Reduction

a. The OWWTF will evaluate the recent performance of Owatonna sponsors, and will reduce monitoring requirements to twice/ year for facilities with satisfactory compliance records. The monitoring frequency required for the sponsors will be reduced to two times per year. After the first metal reduction goal of 20% is met, the OWWTF will be authorized, at its discretion, to reduce the monitoring frequency ~~will be to~~ once per year. After the second metal reduction goal is met the monitoring frequency will be once per year. Flexibility required to change to the monitoring frequency will be implemented through an EPA rulemaking action and a change to the City of Owatonna Ordinance.

b. The BPWWTF will evaluate the recent performance of Alf Atochem, and will reduce monitoring requirments to twice/month for a satisfactory compliance record. After the 20% reduction goal is met, the BPWWTF will, at its discretion, to reduce the monitoring frequency to once per month.

2) Mass Based Limits

Mass based limits for the Owatonna sponsors subject to concentration-based categorical standards will be implemented. Flexibility required to change from concentration to mass based limits will be implemented through an EPA rulemaking action.

3) Elimination of Monitoring for Pollutants Not Discharged

Monitoring shall be eliminated for pollutants not discharged by the sponsors within the past two years. It is anticipated that the flexibility to eliminate monitoring for pollutants not discharged will be implemented through an EPA rulemaking action. The procedure to eliminate monitoring for a pollutant no longer discharged is included in Attachment B.

4) Alternative Significant Non-Compliance (SNC) Approach

Under this pilot an alternative procedure for publishing SNC will be used. Qualifying violations under this alternative approach are available for a Owatonna sponsor that is responsive, and for violations that did not cause a flow-through violation of at the OWWTF. For purposes of this provision being responsive means an Owatonna sponsor that has taken action to self-correct a violation within 30 working days. Secondly, for purposes of this agreement a flow-through violation means a violation by a sponsor that causes a violation at the OWWTF.

The intent of this alternative procedure is to provide prompt and appropriate assistance and notice, and to reserve newspaper publication for cases where this format is needed for its potentially greater effect. For a non compliance event qualifying under this provision, a description of the event and the corrective action taken will be published on the MPCA web site. All non compliance will be investigated by the (peer review committee) and recommendations and assistance provide to expedite the return to compliance. All SNC will be reported to MPCA and EPA. Newspaper publication of SNC will be used at the discretion of the OWWTF, upon considering peer review committee recommendations. Peer review committee recommendations are not binding to the OWWTF. The peer review committee will include two to three Owatonna sponsors not connected to the non-compliance event being reviewed.

Under this pilot, a self-corrective step available to sponsors will be added to the SNC process. A SNC violation by a sponsor will first be evaluated by a peer review team of direct participants, and representatives from the WWTF, state, and EPA. The peer review team will recommend a self-corrective action or evaluate the adequacy of a self-correction measure already implemented. If an adequate self-corrective action has already taken place, the team shall make recommendations to prevent future non-compliance. If a self-corrective action has not taken place within ___ working days, the standard policy for SNC will be followed. It is anticipated that the flexibility to practice an alternative SNC approach will be implemented through an amendment to the WWTF permit.

5) Storm Water Permits

Storm water permits at sponsor facilities will be replaced by the storm water plan and education requirement contained in Part II.B.4 above. The storm water permits will be replaced by a best practices plan developed by the direct participants. It is anticipated that the flexibility to ~~eliminate~~ replace storm water permits will be implemented through a variance of State of Minnesota requirements.

D. Compliance Verification: Monitoring, Reporting and Record Keeping

1) 20% Reduction Goal for Nickel, Chromium, Copper, and Zinc

Monitoring Frequency – as required under II.C.1 above.

Reporting – report metal discharge and summarize metal discharge reduction projects annually

Record keeping – keep monitoring records and records of metal discharge reduction projects

2) Water Use Reduction Goal

~~Monitoring Frequency—~~

Reporting – report water usage and summarize water usage reduction projects annually

Record keeping – keep records as appropriate to verify water usage, and keep record of water usage reduction projects annually

3) Storm Water Plan and Education

Report progress in annual report.

4) Environmental Management System (EMS) Training

Report progress in annual report.

III. PROJECT XL ACCEPTANCE CRITERIA

A. Environmental Results

Existing limits for industrial discharges from the sponsor facilities will remain in place and be enforceable; therefore, there is no risk to the environment under this project. However, the discharge reduction goals for nickel, chromium, copper, and zinc will result in beneficial environmental results at the OWWTF. Additionally, discharge reduction goals by Alf Atochem for BOD, TSS, and TKN will result in better environmental results at the BPWWTF.

Sponsors commit to reducing water usage.

Finally, a key problem identified by the OWWTF is the infiltration of storm water into the sewer system during storm events. Owatonna Ssponsors have committed to work with the OWWTF to develop educational materials to help correct this problem. Education would start with the employees of the Owatonna sponsor facilities. Owatonna Ssponsors would also work with the OWWTF in educating the community at large concerning the storm water infiltration problem.

B. Cost Savings/Paperwork Reductions

It is anticipated that the monitoring streamlining will result in cost savings for the participants/sponsors. In addition, for sponsors with a state storm water permit, elimination-replacement of the permit with a best management practices plan will result in a burden reduction.

C. Stakeholder Support

The sponsors have made attempts to develop diverse stakeholder representation in the community. Efforts to date have not been successful. Very few community members have participated in the meetings set up to inform the community. This is not uncommon in a rural setting like Steele County. Representation at meetings has consisted almost exclusively of sponsor and government representatives. However, outreach continues to happen using local news and a website maintained by the MPCA. In addition, it is anticipated that Phase II of the project will impact larger sections of the community and therefore may have a higher level of interest among community stakeholders.

D. Innovation/Multi-Media

Phase I is a single media effort. However, the innovation from this project tests the building of a proactive community-based approach. If After successful implementation under of Phase I, Phase II will expand the scope of the pilot to a multiple-media and sustainable development approach will include a broader section of the Steele County Community.

E. Transferability

This project offers many opportunities for transferability to other programs or industries. The specific components that are transferable are as follows:

- Converting a concentration based standard to a mass based standard
- Reducing monitoring frequency as project goals are reached
- Testing a peer group approach to correcting non-compliance
- Consolidating reporting and record keeping
- Testing a community-based regulatory approach
- Testing a proactive plan to reduce the impact of community storm water

F. Feasibility

The regulatory flexibility requested and the environmental benefits promised are feasible, and the project sponsors have the financial capability to implement the project. MPCA and EPA have assigned staff to work on implementing and evaluating this project. An additional incentive to implement this pilot is the belief that over the life of this project, administrative costs and permit actions will be reduced while superior environmental performance is achieved.

G. Monitoring, Record Keeping, and Reporting

Sponsors will follow the monitoring, record keeping and reporting requirements outlined in Section II.D., above, ~~to insure public accountability of results.~~

H. Shifting the Risk Burden

The environmental impacts resulting from this agreement will only be positive, ~~and~~ Therefore, the project ~~should will~~ not result in an impact shift on any community group.

IV. IMPLEMENTATION

Implementation of this agreement will require the MPCA to issue the sponsors a Project XL permit, which will detail limits and compliance requirements with the limits. In addition, the City of Owatonna will revise its ordinance to accommodate the approach outlined in this agreement.

V. AMENDMENTS AND REISSUANCE

A. Amendments

This FPA may be amended by mutual agreement of all parties at any time during the duration of the project.

B. Permit Re-issuance

[Do we need to issue a permit, or will the existing one simply remain in place and be amended to change to mass limits?]

VI. DURATION

This FPA will have a duration of ~~10-5 years, with an option to renew for another 5 years.~~

VII. TERMINATION

This FPA may be terminated by mutual consent of the parties. Participation of direct participant(s) can also be terminated for serious non-compliance with regulatory limits.

The following procedure shall be used in the event of early termination:

1. Any party desiring to terminate prior to completion of the project term is expected to provide written notice of intent to terminate to the other parties at least sixty (60) days prior to termination.
2. If requested by any party during the sixty (60) day period noted above, the dispute resolution proceedings provided in Section VIII may be initiated to resolve any dispute relating to the intent to terminate. If, following any dispute resolution or informal discussion, the party still desires to terminate, the terminating party will provide written notice of final termination to all other parties to the FPA.
3. If any agency terminates its participation in the FPA, the remaining agencies will consult with the Sponsors to determine whether the FPA should remain in effect in a modified form or terminated.

VIII. DISPUTE RESOLUTION

Any dispute that arises with respect to the meaning, application, implementation, interpretation, amendment, termination, or modification of the FPA will in the first instance be the subject of informal discussions. To initiate informal discussions, any party that believes it has a dispute with any other party will simultaneously notify all of the parties in writing, of the matter(s) in dispute.

If the dispute cannot be resolved by the parties within thirty-five (35) days of receipt of such notice (or such longer time as agreed to by the parties to the dispute), then one or both of the parties may invoke non-binding mediation by setting forth the nature of the dispute with a proposal for its resolution in a letter to the EPA Region 5 Administrator, with a copy to all parties. The EPA Regional Administrator or the disputants may request an informal mediation meeting. The disputants may request an opinion from the Regional Administrator in lieu of or in addition to the mediation meeting. Any opinion expressed by the Regional Administrator will be non-binding. Any party may request a written opinion from the Regional Administrator.

Nothing in this Section alters the parties' expectations regarding the ability to terminate or withdraw from the FPA set forth in Section VII above.

This dispute resolution process does not apply to disagreements arising from enforcement actions.

IX. RIGHT TO OTHER LEGAL REMEDIES RETAINED

Except as expressly provided in the legal implementation mechanisms described in Section II.B., nothing in the FPA shall be construed to affect or limit sponsor legal rights or MPCA, EPA, or the County's rights to seek legal, equitable, civil, criminal, or administrative relief regarding the enforcement of present or future applicable federal and state codes, rules, or regulations with respect to the facilities.

Although sponsors do not intend to challenge agency actions implementing the project (including any rule amendments or adoptions, permit actions, or other action) that are consistent with this FPA, sponsors nonetheless reserve the right to appeal or otherwise challenge any and all agency actions implementing the

project. Nothing in this FPA is intended to limit the right of a sponsor to administrative or judicial appeal or review of any modification or termination of those legal mechanisms in accordance with the applicable procedures for such review.

X. TRANSFER OF PROJECT BENEFITS AND RESPONSIBILITIES

This FPA allows for the transfer of sponsor rights and obligations under the project to any future owner or operator upon request of a sponsor and such owner/operator, provided that the following conditions are met:

A. A sponsor requesting a transfer will provide written notice of any such proposed transfer to the EPA, MPCA, and the WWTF at least forty-five (45) days prior to the effective date of the transfer. The notice is expected to include identification of the proposed transferee, a description of the proposed transferee's financial and technical capability to assume the obligations associated with the project, and a statement of the transferee's intention to sign the FPA as an additional party.

B. Within thirty (30) days of receipt of the written notice, the EPA, MPCA, and the WWTF expect to determine whether the transferee has demonstrated adequate financial and technical capability to carry out the project and a willingness to sign the FPA. The implementation mechanisms are expected to allow the proposed transferee to assume the rights and obligations of the direct participant. So long as the demonstration has been made to the satisfaction of the EPA, the WWTF, and MPCA, and upon consideration of other relevant factors, including the transfer's record of compliance with Federal, State, and local environmental requirements.

C. Upon approval of transfer under this section, EPA, MPCA and the WWTF will amend the rule, permit and other implementing mechanism(s) (subject to public notice and comment) to legally transfer the rights and obligations of sponsor under this project to the proposed transferee. The rights and obligations of this project remain with the sponsor prior to their final, legal transfer to the proposed transferee.

XI. FPA CONTACTS

<p>1. For Sponsors:</p> <p>Dennis Sershen Truth Hardware 700 West Bridge St. Owatonna, MN 55060 Ph: (507)444-4481 / fax: (507)444-5380 e-mail: dsershen@truth.com</p>	<p>3. For MPCA:</p> <p>Andrew Ronchak Minnesota Pollution Control Agency 520 Lafayette Road St. Paul, MN 55155-4194 ph: (651)296-3107 fax: (651)297-8676 email: andrew.ronchak@pca.state.mn.us</p>
<p>2. For EPA:</p> <p>Matthew Gluckman EPA Region 5 77 West Jackson Boulevard Chicago, IL 60604-3590 Ph: (312)886-6089 fax: (312)886-0957 email: GLUCKMAN.MATTHEW@epamail.epa.gov</p>	<p>4. For the City of Owatonna:</p> <p>Dean Nelson Owatonna Wastewater Treatment Plant 540 West Hills Circle Owatonna, MN -55060 Ph: (507)444-2452 / fax: (507) ??? e-mail: wwtf@mnic.net</p>

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**ATTACHMENT A
SPONSOR BASELINE DATA**

BASELINE MONITORING REPORT
FOR
SIGNIFICANT INDUSTRIAL USERS
OWATONNA MN

	Flow Gallons / Day	Chromium		Copper		Nickel		Zinc	
		mg/l	lbs / day	mg/l	lbs / day	mg/l	lbs / day	mg/l	lbs / day
Truth Hardware	95000	0.15	0.12	0.07	0.06	0.11	0.09	0.89	0.71
Service Solutions. SPx Corp	134000	0.52	0.58	0.04	0.04	1.20	1.34	0.09	0.10
Power Team Div. SPx Corp	27000	0.03	0.01	0.09	0.02	0.03	0.01	0.36	0.08
Jostens	14000	0.03	0.004	0.66	0.08	0.08	0.01	0.99	0.12
Uber Tanning	5000	1.87	0.08						
Gandy Co	30000	0.03	0.01	0.05	0.01	0.01	0.00	0.17	0.04
Technical Coatings	62000	0.06	0.03	0.04	0.02	0.03	0.02	0.46	0.24
Mustang Mftg	5000	0.02	0.001	0.11	0.00	0.01	0.00	0.33	0.01
Cybex	19000	0.02	0.003	0.13	0.02	0.02	0.00	0.22	0.03
Crown Cork & Seal	86000	0.04	0.03	0.13	0.09		0.00	0.09	0.06
TOTALS	477000		0.86		0.35		1.47		1.39

Numbers are based on quarterly monitoring reports. Adjustments may be needed to calculate net reductions based on production and/or employee hours at the time of the annual assessment.

ATTACHMENT B

Methodology for reducing or eliminating monitoring requirements for pollutants not present.

Existing requirements: 403.12(e) requires each sponsor subject to categorical standards to sample and report to their Control Authority at least twice per year regarding all regulated pollutants. The Control Authority must sample each sponsor facility for all regulated pollutants at least once per year.

Proposed regulatory flexibility: For purposes of this project, the WWTF would be authorized to allow an IU subject to categorical standards to reduce the required sampling to less than twice per year, or to not sample for a pollutant if it is not expected to be present in the waste stream at levels greater than background in its water supply, with no increase in the pollutant due to the regulated process (can this sentence be reworded or made into two?). For such pollutants, the POTW would only be required to conduct sampling and analysis once during the term of each sponsor's permit. The sponsor would still be subject to the categorical standards for pollutants determined not to be present, and would be in violation of the limit and would need to resume sampling if results indicates the user has violated the limit.

Information needed to make determination that a pollutant is not expected to be present: For purposes of this project, determinations by the Owatonna POTW to either waive or reduce sponsor sampling to less than twice per year would be based on both sampling and other technical data, such as raw material usage, industrial processes, and potential by-products. Existing data on pollutant concentrations of the local public water supply will be used to characterize background concentrations. Where a sponsor uses an alternative water supply, representative influent sampling would need to be provided. At least three years of sponsor effluent data would then be compared to the background data in making the determination that a given pollutant is not expected to be present. In addition, the POTW would need to make its determination based on its knowledge of the raw materials used, and the facility's processes and potential by-products, but will not consider capability and efficiency of the user's pretreatment system. Where it believes it is necessary to make a determination, the POTW may require a sponsor to provide representative data on its untreated effluent.

Implementation of the determination: Once the POTW determines that one or more pollutants are not expected to be present at a sponsor facility, it will modify the sponsor's permit to reduce or eliminate the monitoring requirements for the pollutant(s). The sponsor's permit would also require the user to submit, as part of regular semi-annual monitoring reports, certification that there has been no increase of the pollutant in wastewater due to activities. The POTW would sample the sponsor for all pollutants in the applicable categorical standard at least once during the term of the sponsor's permit.