

US EPA ARCHIVE DOCUMENT

September 29, 1998

Marilou Martin
Regional Reinvention Coordinator
US EPA
Region 5
Chicago, IL

Dear Ms. Martin:

Thank you for your most timely response regarding clarification of "gray areas" that were the topics of discussion from our meeting on August 20, 1998, and the conference call on September 10, 1998. We truly appreciate your willingness to better understand the goal of the Steele County CommunityXL Pilot Proposal and the specific project details so that you will be able to explain it to the panel of national program offices and Region 5 as part of the selection process.

I have attempted to further clarify points that you have outlined in your September 11 correspondence in an attempt to get this moving ahead in a timely manner. Our responses are under the sub-heading "SC CXL Reply". If you need any additional information, please let me know.

Discussion of flexibility requested

Federal Statutory issues

EPA

The proposal does not appear to involve elements that are required by federal environmental statute. However, we are requesting written clarification on the issue raised during the September 10, 1998 conference call. The issue is that the composite totals would not conflict with the responsibility of all categorical industrial users (IU) to comply with categorical pretreatment standards, which are mandated by the Clean Water Act. Project XL does not have the authority or ability to flexed statutes.

SC CXL Reply

It is not the intent of our proposal to request variance from existing statutory requirements under the Clean Water Act.

Regulatory issues

EPA

-IU permits. It is our understanding that IU permits issued by the City of Owatonna would continue to be in effect during the life of the Steele County XL-C project. These IUs would continue to be responsible for meeting their individual discharge limits. However, they would also enter into some type

of cooperative agreement that included, among other things, composite "limits" based on long term average discharge data from these IUs, which would be used as one of the bases for determining the need for "intervention" from the direct participants, as envisioned under modified enforcement response procedures for the City (see below).

Please let us know if this is an accurate summary of this aspect of the proposal, or provide any needed clarifications.

SC CXL Reply

Yes, we are in agreement.

EPA

-Enforcement response plan (ERP). With respect to this proposal, we support an approach that involves modifying the City's ERP to recognize a process whereby the direct participants work together to resolve certain types of noncompliance by any of the participants, as long as the City retains the ability to take actions beyond those recommended by the group, where it deems necessary in its role as the Pretreatment Control Authority primarily responsible for ensuring compliance by IUs with pretreatment standards and requirements. It is our understanding that stakeholder recommendations would be just that, recommendations, and that the City would be able to take alternative actions it deems necessary.

SC CXL Reply

Yes, that is correct.

EPA

- Development of alternative mass-based limits for IUs subject to concentration-based categorical pretreatment standards. This appears to be primarily a regulatory matter that EPA may be able to consider in a project proposal, as it is currently being pursued as a regulatory revision in the pretreatment streamlining package expected to be proposed shortly. The streamlining proposal could be used as guidance to address technical issues involving this matter.

SC CXL Reply

Sounds like a great idea.

SC CXL

- Other regulatory flexibility. During the development of the FPA, direct participants will attempt to identify other areas of regulatory flexibility. Direct participants anticipate having some additional flexibility triggered as loading reduction goals of the project are achieved. For example, tying achievement of goals with streamlined monitoring, recordkeeping and reporting requirements.

Environmental benefits that will result from the proposed project

EPA

A critical requirement of all XLC pilot projects is that they demonstrate qualitative and/or quantitative environmental results that are superior to what would be achieved under existing or reasonably foreseeable future national regulations. Currently, most of our discussions concerning the benefits from your proposal have focused on qualitative benefits. It would be most useful if we could come up with an estimate of quantitative benefits. During our September 10, 1998, conference call, MPCA agreed to call Dean Nelson of the POTW to see if it would be possible to come up with an approximate calculation of the reduction in actual discharges that would occur if the goals of your project were met. Such information is needed to help us review your proposal. We understood the baseline for the calculation would be the combined actual discharges for all direct participants over the most recent 5 year period. Previously, you indicated that the baseline would be based on a pollutant by pollutant calculation. We presume that the calculation of the 5 year average actual discharges will be performed on a pollutant by pollutant basis. The quantitative environmental benefit would be the 20% and, eventually 40%, reductions in the combined actual discharge for each pollutant on a mass basis. If we have misunderstood this aspect of your proposal, please let us know.

SC CXL Reply

The following figures will give you an idea of the direction we intend to go towards the development of a quantitative measurement of discharge reduction control.

Steele County CommunityXL Effluent Baseline Figures

Chrome	1997	1996	1995	1994	1993	Average	
Crown Cork & Seal	0.0069	0.0110	0.0109	-	-	0.0096	2.8%
Cybex	0.0014	0.0002	0.0002	0.0002	0.0006	0.0005	0.2%
Gandy Co.	0.0042	0.0000	0.0005	0.0008	0.0009	0.0013	0.4%
Mustang Manufacturing	0.0002	0.0001	0.0001	0.0001	0.0001	0.0001	0.0%
OTC Div. SPx Corp.	0.1626	0.3508	0.1500	0.3745	0.2555	0.2587	76.3%
Power Team SPx Corp.	0.0013	0.0007	0.0017	0.0049	0.0031	0.0023	0.7%
Truth Paint	0.0121	0.0099	0.0077	0.0085	0.0138	0.0104	3.1%
Truth Hardware	0.0164	0.0279	0.0368	0.0582	0.0245	0.0328	9.7%
Josten's	0.0003	0.0013	0.0008	0.0017	0.0018	0.0012	0.3%
Uber Tanning	0.0170	0.0113	0.0180	0.0400	0.0437	0.0260	7.7%
Total	0.2224	0.4132	0.2267	0.4889	0.3440	0.3390	

average mass of total chrome discharged, kg/day

ordinance allocation 3.62

Copper	1997	1996	1995	1994	1993	Average	
Crown Cork & Seal	0.0192	0.0123	0.0125	-	-	0.0147	7.9%
Cybex	0.0056	0.0027	0.0033	0.0039	0.0068	0.0045	2.4%
Gandy Co.	0.0250	0.0033	0.0103	0.0012	0.0110	0.0102	5.5%
Mustang Manufacturing	0.0038	0.0008	0.0005	0.0007	0.0006	0.0013	0.7%
OTC Div. SPx Corp.	0.0124	0.0100	0.1116	0.0109	0.0518	0.0393	21.3%
Power Team SPx Corp.	0.0055	0.0020	0.0054	0.0153	0.0110	0.0078	4.2%
Truth Paint	0.0286	0.0843	0.1313	0.0318	0.0486	0.0649	35.2%
Truth Hardware	0.0080	0.0072	0.0085	0.0152	0.0045	0.0087	4.7%
Josten's	0.0187	0.0400	0.0268	0.0291	0.0809	0.0391	21.2%
Uber Tanning	-	-	-	-	-		
total	0.1268	0.1626	0.3102	0.1081	0.2152	0.1846	

average mass of total copper discharged, kg/day

ordinance allocation 0.48

Zinc	1997	1996	1995	1994	1993	Average	
Crown Cork & Seal	0.0824	0.0102	0.0127	-	-	0.0351	3.7%
Cybex	0.0090	0.0050	0.0072	0.0071	0.0065	0.0070	0.7%
Gandy Co.	0.0491	0.0169	0.0092	0.0195	0.0172	0.0224	2.4%
Mustang Manufacturing	0.0058	0.0045	0.0025	0.0033	0.0030	0.0038	0.4%
OTC Div. SPx Corp.	0.0518	0.0468	0.0300	0.0482	0.0445	0.0443	4.7%
Power Team SPx Corp.	0.0233	0.0110	0.0285	0.0205	0.0189	0.0204	2.2%
Truth Paint	0.1039	0.0961	0.1159	0.1398	0.1507	0.1213	12.9%
Truth Hardware	0.0877	0.8272	0.1609	0.4509	0.4864	0.4026	42.9%
Josten's	0.0309	0.1356	0.0457	0.0945	1.1664	0.2946	31.4%
Uber Tanning	-	-	-	-	-		
total	0.4439	1.1533	0.4126	0.7838	1.8936	0.9374	

average mass of total zinc discharged, kg/day

ordinance allocation 1.66

Nickel	1997	1996	1995	1994	1993	Average	
Crown Cork & Seal	-	-	-	-	-		
Cybex	0.0005	0.0002	0.0004	0.0001	0.0008	0.0004	0.1%
Gandy Co.	0.0005	0.0000	0.0002	0.0000	0.0008	0.0003	0.1%
Mustang Manufacturing	0.0001	0.0000	0.0001	0.0000	0.0001	0.0001	0.0%
OTC Div. SPx Corp.	0.3486	0.6048	0.2455	0.6518	0.4427	0.4587	84.9%
Power Team SPx Corp.	0.0004	0.0003	0.0010	0.0006	0.0000	0.0005	0.1%
Truth Paint	0.0025	0.0036	0.0080	0.0005	0.0143	0.0058	1.1%
Truth Hardware	0.0291	0.0234	0.0539	0.0011	0.0000	0.0215	4.0%
Josten's	0.0012	0.0022	0.0017	0.0140	0.2473	0.0533	9.9%
Uber Tanning	-	-	-	-	-		
total	0.3829	0.6345	0.3108	0.6682	0.7060	0.5405	

average mass of total nickel discharged, kg/day

ordinance allocation 3.3182

EPA

At this point there has been no description any new process, design, or equipment changes that any of the direct participants will make to reduce the quantity of each pollutant they discharge to the environment. We do understand that a properly designed and implemented environmental management system (EMS) at each direct discharger has the potential to contribute to some reduction in actual discharges. It is not clear if you intend to rely solely on the EMS as the source of the quantitative reductions in each pollutant. It would be helpful if you could also give us some information concerning the other ways in which the direct participants will achieve the reductions of 20% and 40% in discharges.

SC CXL Reply

It is anticipated that as the program develops, the group as a whole will become more aggressive in searching out reduction opportunities. EPA would be a good source for some positive suggestions in this area. Utilization of existing State resources would also help. Process and product technology are areas where more careful review could result in a process or product change that would have a significant positive economic impact on a facility. Other options will be more clearly define as progress is made towards a FPA.

We would also like to note that the relief you are requesting is not only from the Federal regulations, but also from state and local regulations or requirements. For example, some of the relief you are requesting will require agreement, and possibly regulatory changes, by the State and/or local levels of government to provide for implementation of a modified Pretreatment Program. Their agreement will be a necessary element to advancing this proposal. The involvement of the State and local levels of government can be accomplished in a number of ways which we would be happy to share with you.

SC CXL Reply

We are open to any suggestions to make this program a success. The Steele County CommunityXL Executive Committee hopes that these responses will give EPA enough direction to move this project forward for proposal acceptance and begin the FPA process.

Once again, thank you for your willingness to help us proceed in a positive direction. I know that by working together, in a true partnership, we can make this work! Talk to you soon.

Sincerely yours,

Dennis J. Sershen, CHMM

cc: Andy Ronchak, MPCA
Randy Dunnette, MPCA
Dean Nelson, Owatonna WWTP
Jeff Bratko, B-19J
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