

US EPA ARCHIVE DOCUMENT

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RE: Project XLC Proposal - September 24, 1999
Agricultural Community Environmental Management Systems

Dear Ms. Schenck and Mr. Hartford:

Thank you very much for submitting your proposal on the Agricultural Community Environmental Management Systems project. The United States Environmental Protection Agency (EPA) and the Missouri Department of Natural Resources (MDNR) have carefully reviewed and considered your proposal. We are pleased to inform you that your proposal has been selected to enter the project development phase of the XL process. Project XL was established to test innovative strategies and, through this process, foster "eXcellence and Leadership" in environmental protection. We believe that your project shows the potential to accomplish these goals. We are looking forward to working with you in a partnership that will allow us to test innovative approaches to environmental protection.

As you know, the next step in the XL process is to develop a Final Project Agreement (FPA), that outlines the details of the project and the expectations of each of the parties to the Agreement (EPA, the States in Region VII, Project Sponsors and any interested stakeholders). EPA will assist you with writing this document, but please refer to the enclosed document, *A Guide To Writing FPAs under Project XL*, so you know what to expect. It is the EPA's and the State's intention to negotiate FPAs in six months and we are committed to providing the staff to do that. Once the FPA negotiations are complete, the signed FPA will set forth the Parties' agreement and a detailed description of all components of this XL project.

Throughout the proposal development phase of the XL process, the components of this Agricultural Community EMS XLC Project have been refined and clarified. There have been numerous discussions among our respective staffs since the September 24, 1999 proposal was submitted. This letter will clarify EPA's and the States' expectations regarding this XL project to ensure a complete

understanding of its components.

It is both EPA's and the States' understanding that the project selection is based on the following conditions:

1. The Sponsors will design, build, and operate meat processing plants that not only meet, but exceed current environmental performance standards for the meat processing industry (e.g., the establishment of an Environmental Management System (EMS) and Community EMS in conjunction with each facility permitted through the XLC project).
2. The Agricultural Community Environmental Management Systems XLC project will not include the first facility which is planned to be located in Shelbina, Missouri. The XL project will proceed focusing on the development of a community-based environmental management system linked to the permitting, building and operation of community-based livestock processing plants to be identified in the future.
3. The number of facilities permitted through this XLC project would be limited, EPA suggests that initially five facilities be piloted through the expedited permitting process established by this XLC project. EPA has a preference for locating at least one of these facilities in Missouri given the fact that from the Agency's perspective the Missouri Department of Natural Resources has shown great interest in exploring and promoting the use of Environmental Management Systems.
4. The sponsors, EPA, the States, and other appropriate stakeholders, agree to negotiate during the FPA development phase, a facility siting process as part of their community selection criteria that includes outreach to representatives of the broad community to ensure the recipient community is supportive and not averse to the siting of a facility within their community.
5. If the sponsors choose to incorporate a community's existing wastewater treatment infrastructure, EPA will require that the sponsors include as part of their community selection criteria, POTWs that have sufficient organic and hydraulic capacity, i.e., facilities that are capable of effectively treating the increased loading from the meat-packing facility, protecting water quality standards, and achieving NPDES permit limits. Or alternately, the sponsors agree to provide upgrade plans for individual facilities that will meet these treatment requirements.
6. If the sponsors choose to design plants with direct discharge, the EPA will work jointly with the States to promptly provide information on applicable requirements and paperwork for chosen sites. The sponsors will then be able to produce designs for appropriate treatment which will allow the States to process construction and NPDES permits that meet all existing requirements without unnecessary delays.

In addition to the conditions identified above EPA plans to include in discussions with our state partners in Region VII the possibility of incorporating the implementation of the facility EMS into state-issued NPDES and/or pretreatment permits.

EPA has assembled a team to work with you and other stakeholders on development of the Final Project Agreement. That team will be led by Jody Hudson of EPA Region VII (913-551-7179), and Kristina Heinemann of the Office of Policy, Economics, and Innovation, EPA Headquarters (202-260-5355). In order to officially launch FPA development we require that IERE and HMM jointly provide a written response informing EPA of your decision regarding FPA negotiation. Should you have any questions or concerns prior to a formal response please feel free to contact myself, Jody Hudson or Kristina Heinemann.

Again, we are looking forward to working with you.

Sincerely,

William Rice
Deputy Regional Administrator