STEELE COUNTY COMMUNITY XL PROJECT

Annual Report for year 2003

"Steele County Companies and Communities pursuing eXcellence and Leadership"

2004 NOTE: In this Steele County Community Project XL pilot, after completion of the third year (of the 5-year pilot) **ALL** Owatonna Sponsor project goals have been met and exceeded. After the hard work in the development of this pilot project and the great performance a congratulations is due to the sponsors and the waste water treatment facility in Owatonna.

May 2004

A. Summary of Commitments

Participants from the Steele County community committed to the following four Superior Environmental Performance (SEP) approaches:

A. Owatonna Sponsors (Jostens, SPX Service Solutions, Cybex, Wenger Corporation, Uber Tanning, Crown Cork and Seal, Viracon, Truth Hardware):

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).

B. Blooming Prairie Sponsor (ATOFINA):

1) reduce the discharge of three priority effluents; and
2) reduce water usage.

B. Sponsor Performance under the Agreement

The following describes the four key areas of commitment to Superior Environmental Performance by direct participants. Refer to Attachment A for raw data.

1) OWATONNA SPONSORS RESULTS

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

The baseline discharge levels and the initial 20% reduction goals are:

Metal	Baseline (lbs./day)	Loading after 20% Reduction (lbs/day)
Chromium	0.85	0.68
Copper	0.31	0.25
Nickel	1.46	1.17
Zinc	1.26	1.01

Comparing the Baseline and year 2001results, the metal loading and percent change for calendar year 2003 were as follows:

Metal	Baseline (lbs./day)	2003 loadings (lbs./day)	% Loading Change (lbs/day)
Chromium (table 1)	0.85	.23	-73%
Copper (table 2)	0.31	.13	-58%
Nickel (table 3)	1.46	.50	-66%
Zinc (table 4)	1.26	.87	-31%

TABLE 1

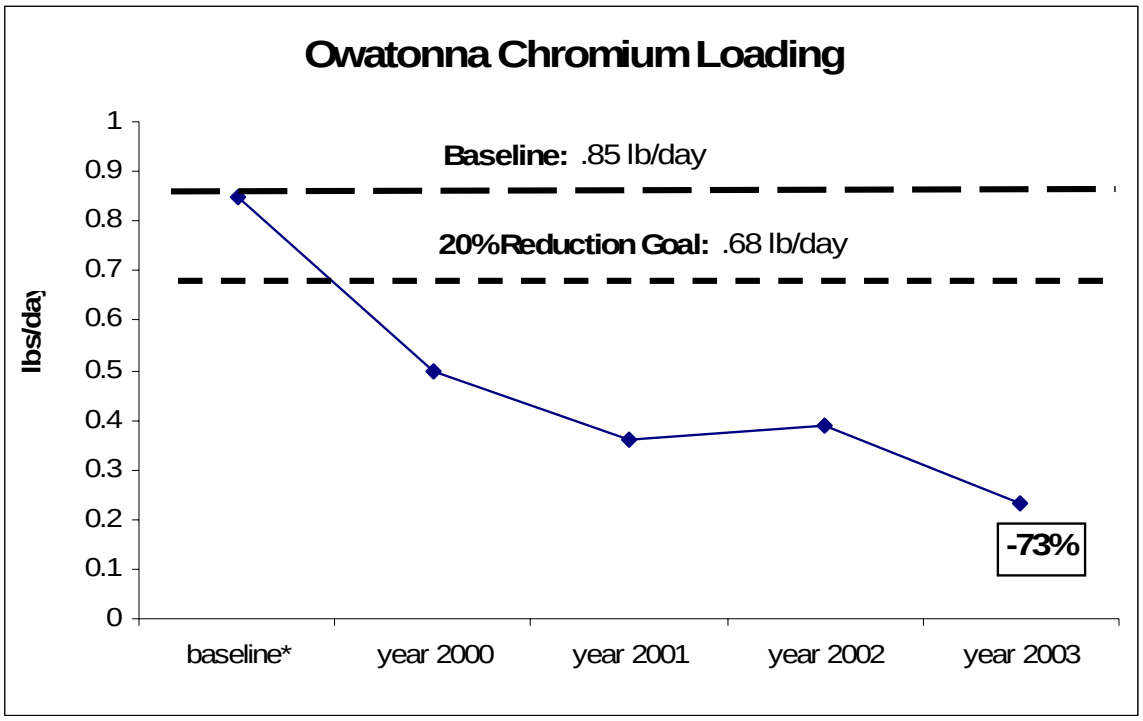
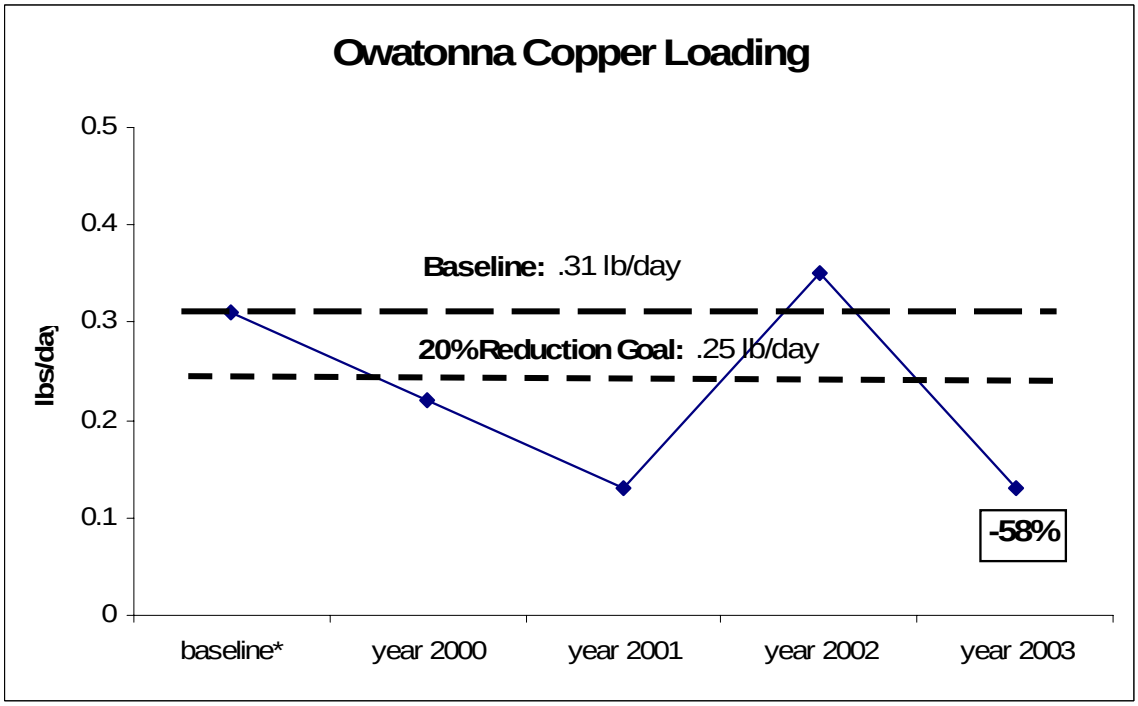


TABLE 2



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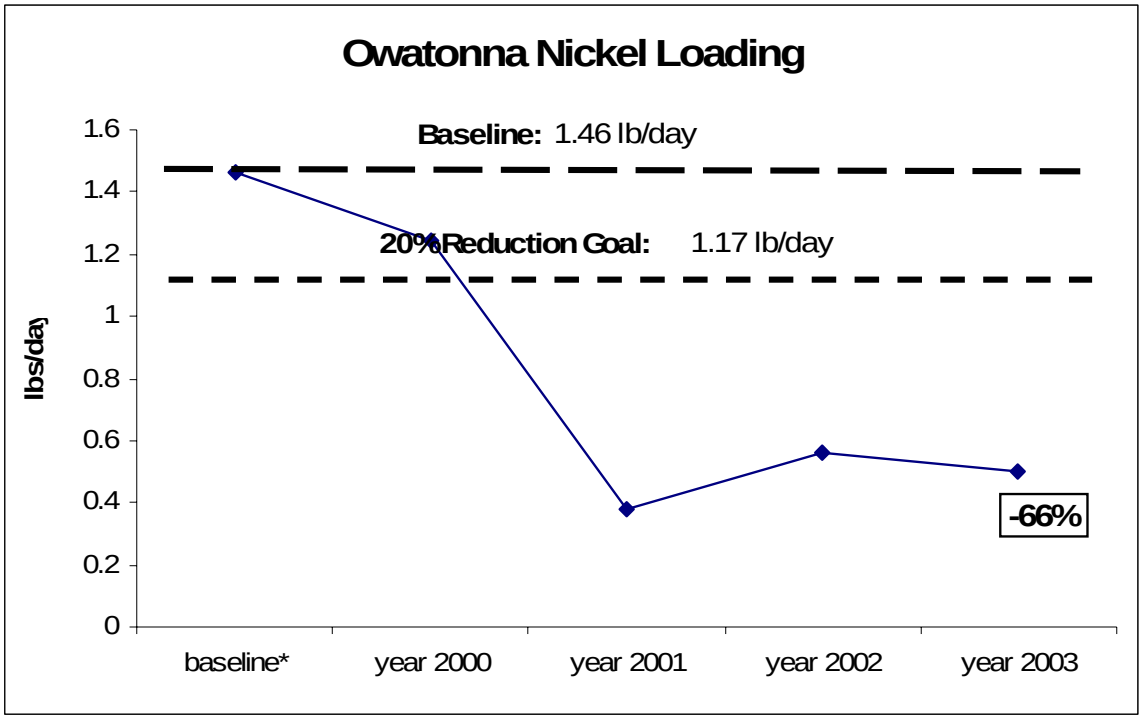

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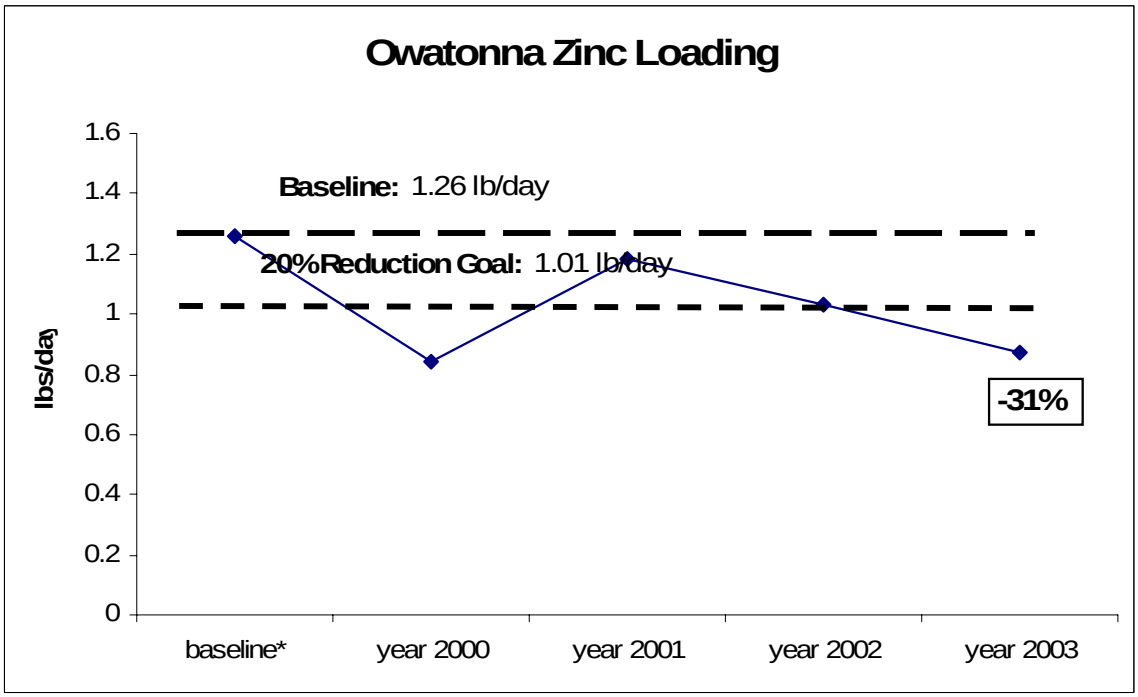


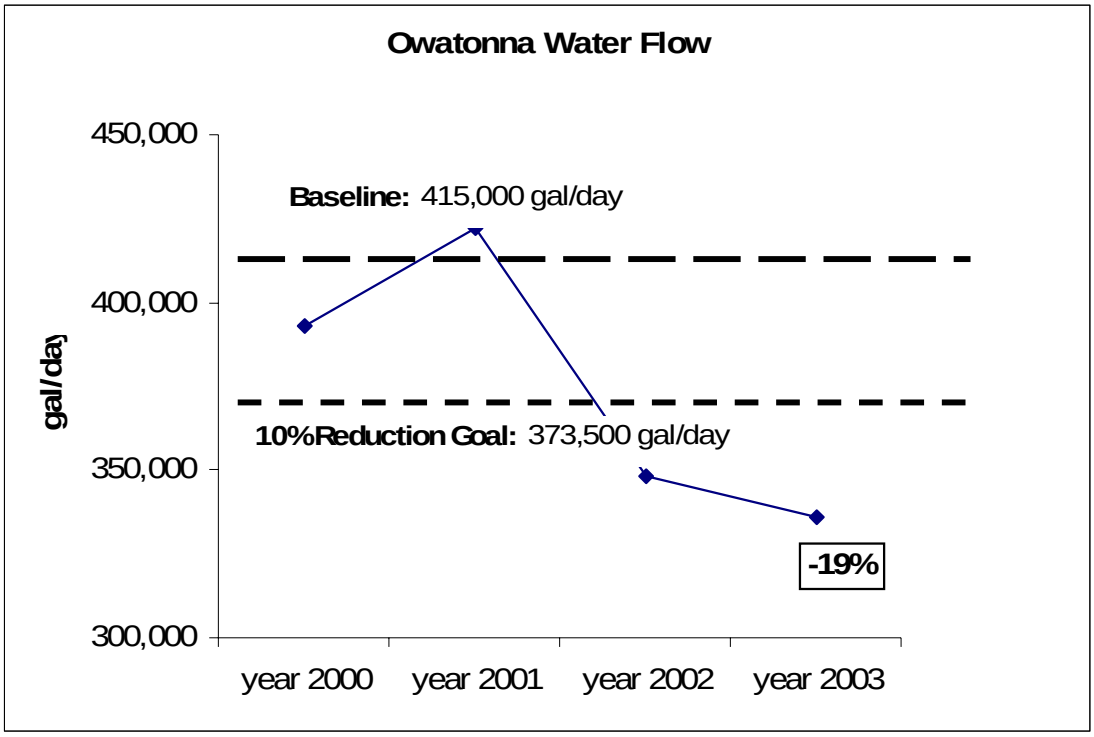
*Baseline numbers calculated based on a 5 year average of loading and water flow.

Comparing the Baseline and the average of year 2000 to the flow of 2003, the flow and percent change were as follows:

b) Water Usage. Owatonna Sponsors committed to a goal of reducing by 10% the total amount of water flowing from the Sponsor facilities to the OWWTF.

	Water Usage (gallons/day)	% Change from Baseline
Baseline	415,000	NA
2003	336,089	-19%

TABLE 5



c) 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.

A storm water education and outreach program has been implemented in Owatonna.

d) Develop and participate in a training and assessment program to better understand potential benefits of an ISO 14000 Environmental Management System (EMS).

A half day EMS training was held in Owatonna on October 15, 2001.

2) ATOFINA OF BLOOMING PRAIRIE, MINNESOTA RESULTS

a) 20% Reduction Goal for BOD, TSS, and TKN

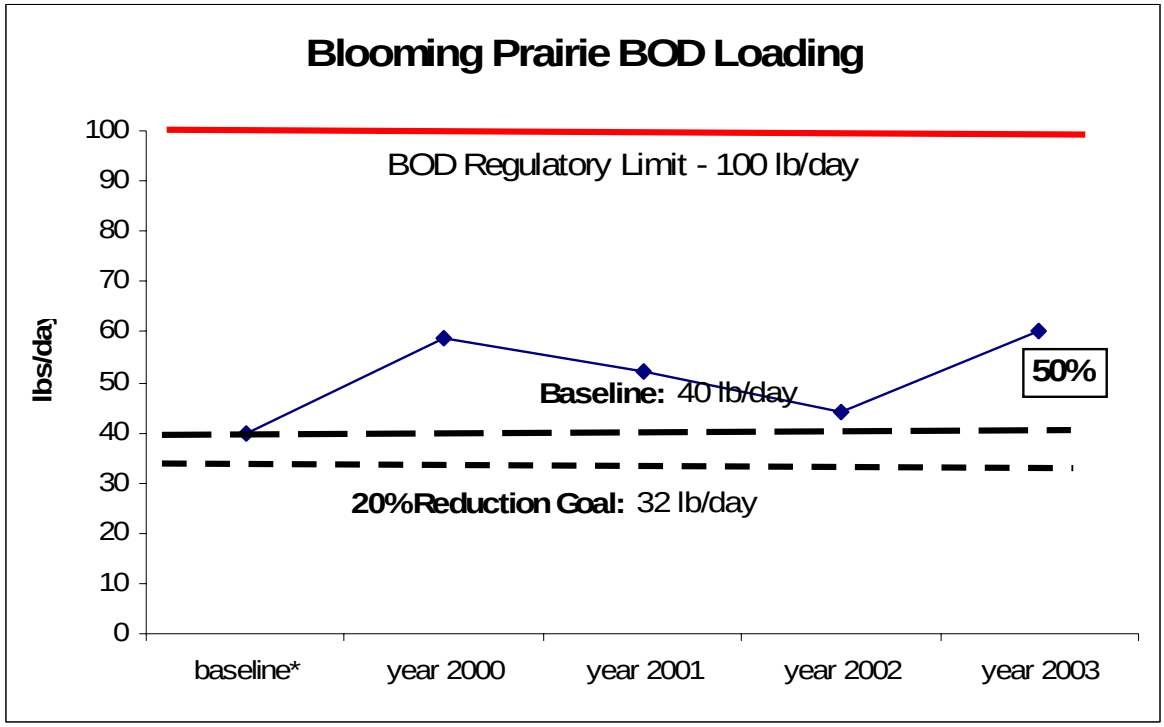
The Atofina reduction goals will be set based on a 20% reduction of BOD, TSS, and TKN.

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

For the year 2003, the ATOFINA loading and percent increase were as follows:

Pollutant	Baseline	2003 Loading	% Loading Change
BOD (table 6)	40 lbs./day	60 lbs./day	+50%
TSS (table 7)	177 lbs./day	99 lbs./day	-44%
TKN(table 8)	20 (mg/l)/day	28 (mg/l)/day	-10%

TABLE 6



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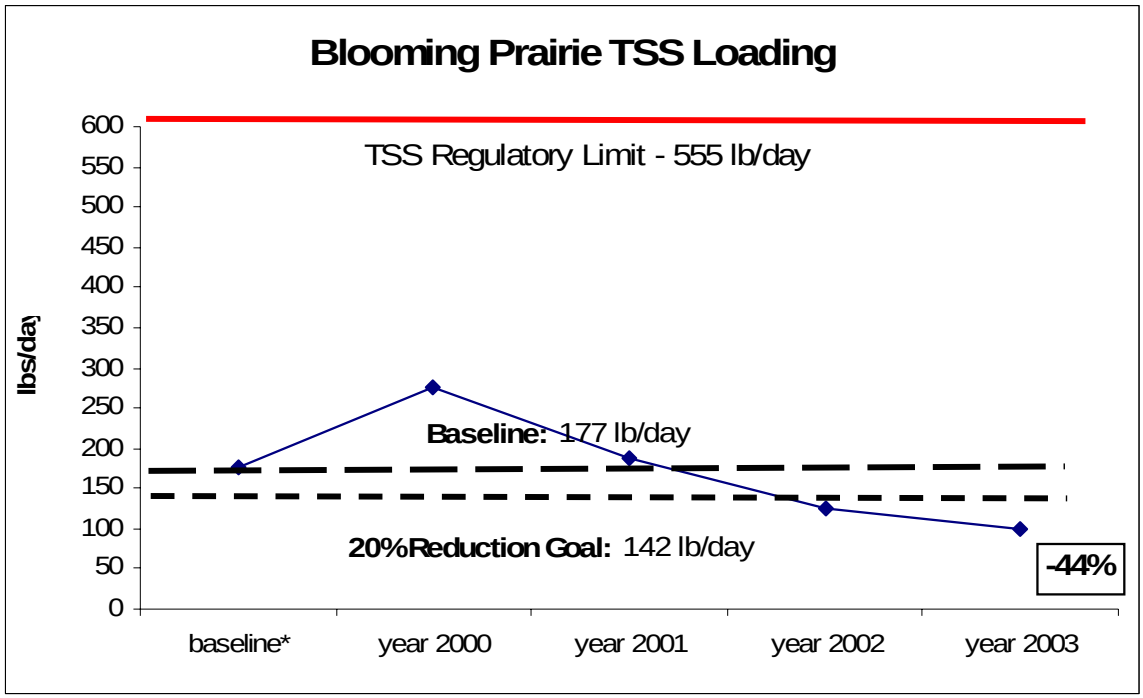

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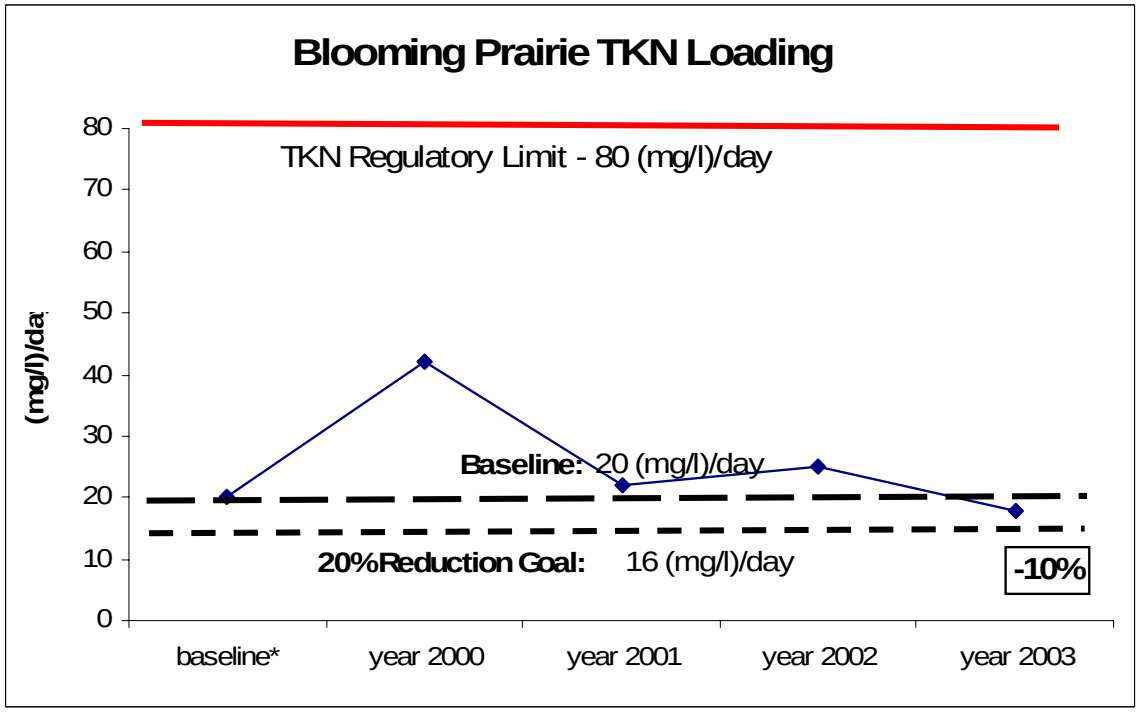
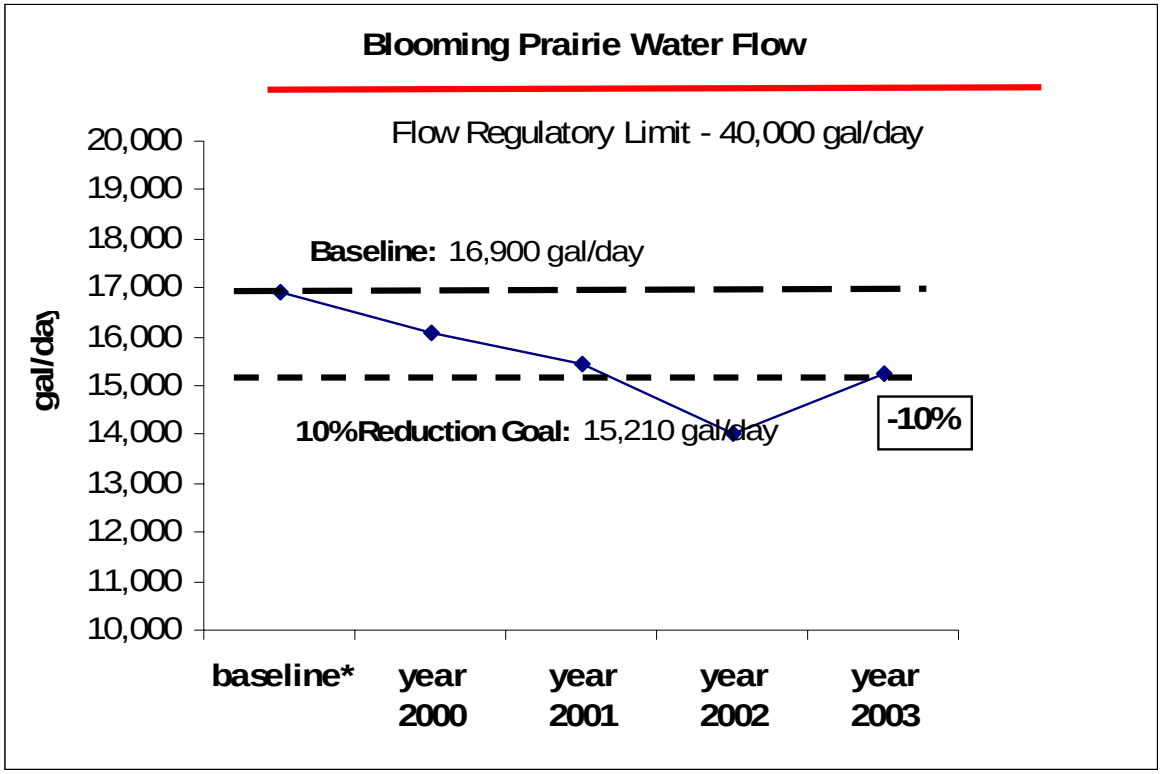


b) Water Usage. ATOFINA committed to a goal of reducing by 10% the total amount of water flowing to the BPWWTF.

	Water Usage (gallons/day)	**% Change from Baseline**
Baseline	16,900	NA
2003 (Table 9)	15228	-10%

TABLE 9



C. Summary

1) **Owatonna**

The goal of the Owatonna sponsors portion of this project was to reduce Chromium, Copper, Nickel, and Zinc 20% and reduce water usage 10%.

In this Steele County Community Project XL pilot, after completion of the third year (of the 5-year pilot) **ALL** Owatonna Sponsor project goals have been met and exceeded. After the hard work in the development of this pilot project and the great performance a congratulations is due to the sponsors and the waste water treatment facility in Owatonna.

After dramatically decreasing chromium and nickel Owatonna maintained loadings at a relatively flat level in the year 2002. Although Zinc loadings from the sponsors decreased in 2002 to 18% below the baseline, just short of the 20% goal. Copper loading increased dramatically in year 2002 to 13% above the baseline, primarily due to increased loading at one of the Owatonna Sponsor facilities.

The water usage was reduced to 16% below the baseline. So for the first time the Owatonna sponsors met the water reduction goal of 10% below the baseline.

A storm water education and reduction plan, as committed to, was implemented.

As committed to in the Steele County XLC agreement the sponsors held and participated in Environmental Management System(EMS) training. The EMS was held in October 2001.

2) **ATOFINA (formally Elf Atochem)**

The goal of the ATOFINA portion of this project was to reduce BOD, TSS, and TKN 20% and reduce water usage 10%. ATOFINA has been able to reduce TSS well below the 20% reduction goal at 44% below the baseline. TKN was reduced to 10% below the baseline or half of the goal. Water usage was at the goal of 10% below the baseline. BOD increased to 50% above the baseline. According to the project contact for the ATOFINA facility, production increases and introduction of a couple new products made it difficult for us to meet all the targets in 2003.