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R-19J

Richard Lanyon, Director
Research and Development
Metropolitan Water Reclamation District of Greater Chicago
P.O. Box 10654
Chicago, Illinois 60610-0654

RE: Local Pilot Pretreatment Program Proposal Under Project XL

Dear Mr. Lanyon:

On June 8, 1999, the Metropolitan Water Reclamation District of Greater Chicago (District) provided its "Submittal of Local Pilot Pretreatment Program Proposal to United States Environmental Protection Agency Under Project XL" (Proposal) to the U.S. Environmental Protection Agency (U.S. EPA) for review. The Proposal was submitted in response to U.S. EPA's June 23, 1998, solicitation of local pilot pretreatment program proposals under Project XL, as well as to U.S. EPA's March 8, 1999, letter regarding the District's preliminary proposal and invitation to submit a formal project proposal. Copies of the Proposal were also provided to U.S. EPA Region 5 and the Illinois Environmental Protection Agency (Illinois EPA).

The U.S. EPA has reviewed the proposal, and believes it holds great potential for furthering the goals of both Project XL and the National Pretreatment Program. As discussed in an October 15, 1999, conference call between U.S. EPA Region 5, Illinois EPA and the District, we request the following information to enable us to complete our review, and determine whether your proposal can be selected for Final Project Agreement (FPA) development:

1) Further clarification regarding how the District envisions the Toxics Reduction Action Plan (TRAP) component of the project to be carried out, including how pollutants of interest would be identified, and the types of strategies that may be developed to address these pollutants. Examples of how the process could work where pollutants of interest are found primarily in either the industrial sector or other sectors would be useful.

2) Further clarification as to how the District proposes to permit Categorical Industrial Users (CIU) that it determines to be "de minimis", or "non-significant". In particular, how would the District identify and reflect changes at such facilities in permits?

3) Further clarification regarding both the compliance monitoring and self- monitoring the District proposes for Industrial Users (IU) that enter into Strategic Performance Partnerships. While the proposal indicates the District would continue to assess compliance with applicable pretreatment standards through appropriate effluent discharge monitoring, under what circumstances would a Partner Industrial User be required to conduct such monitoring, instead of or in addition to the agreed upon alternative performance expectations?

During the October 15 call, the parties also discussed other issues that would need to be addressed in development of an FPA, and considered by a full range of stakeholders. Issues raised by U.S. EPA include:

1) The District will need to develop a detailed screening mechanism for determining which CIUs may be designated "de minimis" or "non-significant" CIUs.

2) Safeguards will need to be established to ensure that alternate measurement systems, such as process performance data, are functioning properly. Moreover, the District will need to ensure during this process that CIUs do not fall below current environmental performance standards. Therefore, the District will need to establish CIU baselines at the start of the program.

3) Clarification will need to be provided that any future categorical standards (e.g., Metal Products and Machinery) will apply to CIUs if the standard does not interfere with the District's XL project.

4) The District will need to identify with some specificity the superior environmental performance expected to result from the regulatory flexibility that it will receive from project implementation.

5) U.S. EPA would like to see the District develop a discussion in its proposal concerning worker health and safety issues related to the project, as well as a discussion of whether environmental justice issues exist.

Based on comments from Illinois EPA, the following issues would also need to be addressed during FPA development.

1) There was agreement that incorporation of an alternative Pretreatment Program to be implemented by the District could be accomplished through minor modification of any of the District's unexpired NPDES permits.

2) Whether non-regulatory stakeholders would be signatories to the FPA (see page 51 of proposal).

3) Specific language regarding termination of the project (see page 56 of proposal).

4) Less formal dispute resolution language.

5) The Illinois Pollution Control Board would need to be involved in any State level rulemaking that may be necessary to allow the District to implement an alternative XL project.

6) If an IU is identified as a contributor of a pollutant identified through the TRAP process, that IU would need to agree to participate in the TRAP program to be eligible to receive regulatory flexibility established under the Project.

Please provide your response to this request for information as soon as possible, so that we may conclude our evaluation of your Proposal. If you have any questions regarding the requested information, please contact Matt Gluckman at 312/886-6089.

Sincerely,

/s/ original signed by
Francis X. Lyons

Francis X. Lyons
Regional Administrator

cc: James Park, Illinois EPA
Roger Kanerva, Illinois EPA
Rich Sustich, MWRDGC

bcc: Chad Carbone, OR
Milton Robinson, OECA
Pat Bradley, OW
Michael Le Desma, OGC
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