UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JAN 30 1997

OFFICE OF
POLICY, PLANNING AND EVALUATION

David L. Spinney
Assistant County Administrator
Clermont County
101 East Main Street
Batavia, Ohio 45103

Dear Mr. Spinney,

I am pleased to inform you that EPA has reviewed Clermont County's proposal to conduct a Project XL for Communities (XLC) pilot. We believe that Clermont County's proposal to develop an Environmental Protection Plan to bring townships within the County into a comprehensive watershed management process shows potential to demonstrate the strength of a community designed approach. We look forward to working with the Office of the Board of Commissioners as it develops a Final Project Agreement (FPA).

The next step in establishing this partnership is to develop and sign a FPA. If completed to the satisfaction of the Clermont County, EPA, the State of Ohio, and any other FPA signatories, this agreement will detail the expectations of each party to the FPA. Only the signing of a FPA will constitute acceptance as a full-fledged Project XLC pilot. Enclosed is a document describing the principles for the negotiation of an XLC project agreement.

EPA's review committee identified several significant issues that we believe must be addressed in Clermont County's XLC Project. Briefly, these include the following:

- **Comprehensive Stakeholder Participation**: From EPA's perspective, stakeholder participation is a key element of any XLC pilot project. Before beginning efforts to develop an FPA, it is important that Clermont County develop a stakeholder involvement plan that will effectively solicit participation from all constituencies affected by the water quality of the watershed.

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- **Project Timing and Stated Objectives**: You have indicated that the time required to develop the County's plan will exceed the six months that EPA generally assumes for completion of a FPA. It is therefore important that we agree upon a longer schedule for FPA development. The FPA will need to clarify what regulatory flexibility the County is requesting as well as the superior environmental performance in improving water quality and other aspects of the environment that will be achieved. The County should provide more details than were in the proposal for these elements of the FPA as early as possible so that project stakeholders, including EPA, can be aware of the proposed project trade-offs in these areas.

- **Trading Possibilities**: EPA's Office of Water (OW) believes that Clermont's proposed trading application is innovative, and has the potential to serve simultaneously as an XLC project and as one of the pilot projects for the Agency's "trading in watersheds" regulatory reinvention effort. OW is willing to work with Clermont to help make this project a successful pilot illustrating the benefits of trading -- resource-savings and new opportunities to comply with the anti-degradation policy in watersheds facing future growth. The technical groundwork for trading should be referenced in the FPA in a realistic and achievable timeline. Elements of the groundwork include:

  Identification of pollutants of concern; all contributing sources; and applicable water quality standards;

  Development of Total Maximum Daily Loads; and a list of existing or proposed enforceable state or local provisions to control nonpoint sources.

  The FPA should also include a list of point sources that will be potential participants in the trading program, and a statement which assures that future participants have acceptable records of compliance with applicable EPA and State regulations.

- **Environmental Protection Plan**: While EPA understands that the focus of Clermont County's proposal is on water quality management, the proposal does indicate that other environmental considerations will be included. EPA looks forward to working with the County to investigate the possibility of addressing additional water-related issues such as aquatic habitat enhancement, flow augmentation, wetlands protection and restoration, wellhead protection, source water protection, and erosion control. We would also encourage the inclusion of other issues related to growth and environmental quality that support the broader context of the County's Environmental Protection Plan.

If you would like to move forward with your proposal addressing the issues identified in this letter, please contact Marilou Martin at EPA's Region V Office in Chicago at 312-353-9660. We would like to begin discussions as soon as possible and sustain a high level of involvement.

We are pleased to be working with you in a process that holds such promise for the future of environmental protection.

Sincerely,

David Gardiner
Assistant Administrator

cc: Jennifer Tiell, Deputy Director, Ohio EPA
James C. Simpson, P.E., Division of Surface Water, Ohio EPA
Valdas V. Adamkas, Regional Administrator, EPA Region V
Dave Ullrich, Deputy Regional Administrator, EPA Region V
Assistant Administrators