

From: Ann McIver, Director, Environmental Stewardship

To: Gary Prichard, Counsel, U.S. EPA Region V
Carol Staniac, Pretreatment Program, U.S. EPA Region V
Jodie Opie, Pretreatment Program, U.S. EPA Region V

Date: April 8, 2011

Re: Response to Request for Additional Information
CWA Authority, Inc., and City of Indianapolis
Modification of IPP Delegation for the Indianapolis POTW

Following the submittal of the referenced Modification of IPP Delegation for the Indianapolis POTW, two conference calls with the parties (U.S. EPA Region V, City of Indianapolis (“City”), and Citizens Energy Group on behalf of CWA Authority, Inc. (“Authority”) have been held. As a result of the conversations during these calls, additional information has been requested to assist staff at U.S. EPA Region V with their review of the submittal.

EPA Request [March 24 Conference Call]: Please clarify the last sentence of the February 24, 2011 cover memo: “...The City’s wastewater rates and charges are not subject to regulation by any state authority, while the Authority’s wastewater rates and charges will be subject to regulation by the IURC.”

Response: The City’s rates and charges for wastewater utility service, including rates for surchargeables (TSS, BOD, and NH₃), permit fees, and surveillance fees, are set by the City of Indianapolis and Marion County City-County Council by ordinance as authorized by state statute, IC 36-9-23-25 and IC 36-9-25-11. The Indiana Utility Regulatory Commission (“IURC”), a state agency, does not set rates for the wastewater utility under the City’s ownership.

The rates and charges established by the CWA Authority for wastewater utility service, including rates for surchargeables, will be subject to the review and approval of the IURC. The statute governing the establishment of rates by the Authority and the IURC’s review of those rates is designed to ensure that the rates and charges produce an income sufficient to maintain the utility property in a sound physical and financial condition to render adequate and efficient service.

The Industrial Pretreatment Permitting (“IPP”) program, including permit fees or civil fines or penalties associated with the IPP, will *not* be subject to IURC oversight.

EPA Request [March 24 Conference Call]: Questions were raised during the call related to the requirement of 40 CFR 403.9(b)(ii)(2) that the “...Submission shall include a statement reflecting the endorsement or approval of the local boards or bodies responsible for supervising and/or funding the POTW Pretreatment Program if approved.”

Response: Appendix L (including L-1 and L-2) and Appendix M (including M-1 and M-2) to the February 2011 submission contain copies of the actions taken by the Indianapolis and Marion County City-County Council and the Board of Directors for CWA Authority, Inc. We believe that these actions reflect the

approval of the bodies for the asset transfer and continued implementation of the POTW Pretreatment Program.

In addition, the Board of Directors for CWA Authority will be holding public hearings on Resolutions CWA 2-2011 and CWA 3-2011 on April 13, 2011. These resolutions provide CWA Authority with the legislative authority to implement the POTW Pretreatment Program. The Board's action on these resolutions, clearly designed to support the POTW Pretreatment Program, further reflect their approval of, and their intention to provide adequate supervision and/or funding to the program.

EPA Request [March 24 Conference Call]: Please provide additional information on revenue from septic haulers discharging to the Indianapolis POTW. Based on staff experience, this is a significant revenue stream for IPP programs that isn't taken into account.

Response: The revenue spreadsheet provided to Ms. Jodie Opie via e-mail on March 21, 2011, was based on revenue from industrial user discharges (both volume and strength) to the POTW. Based on conversations with current program staff and Citizens' review of the revenue data, the revenue from septic hauling is less than \$1 million per year, insignificant compared to the approximately \$32 million in revenue from industrial users in calendar year 2010.

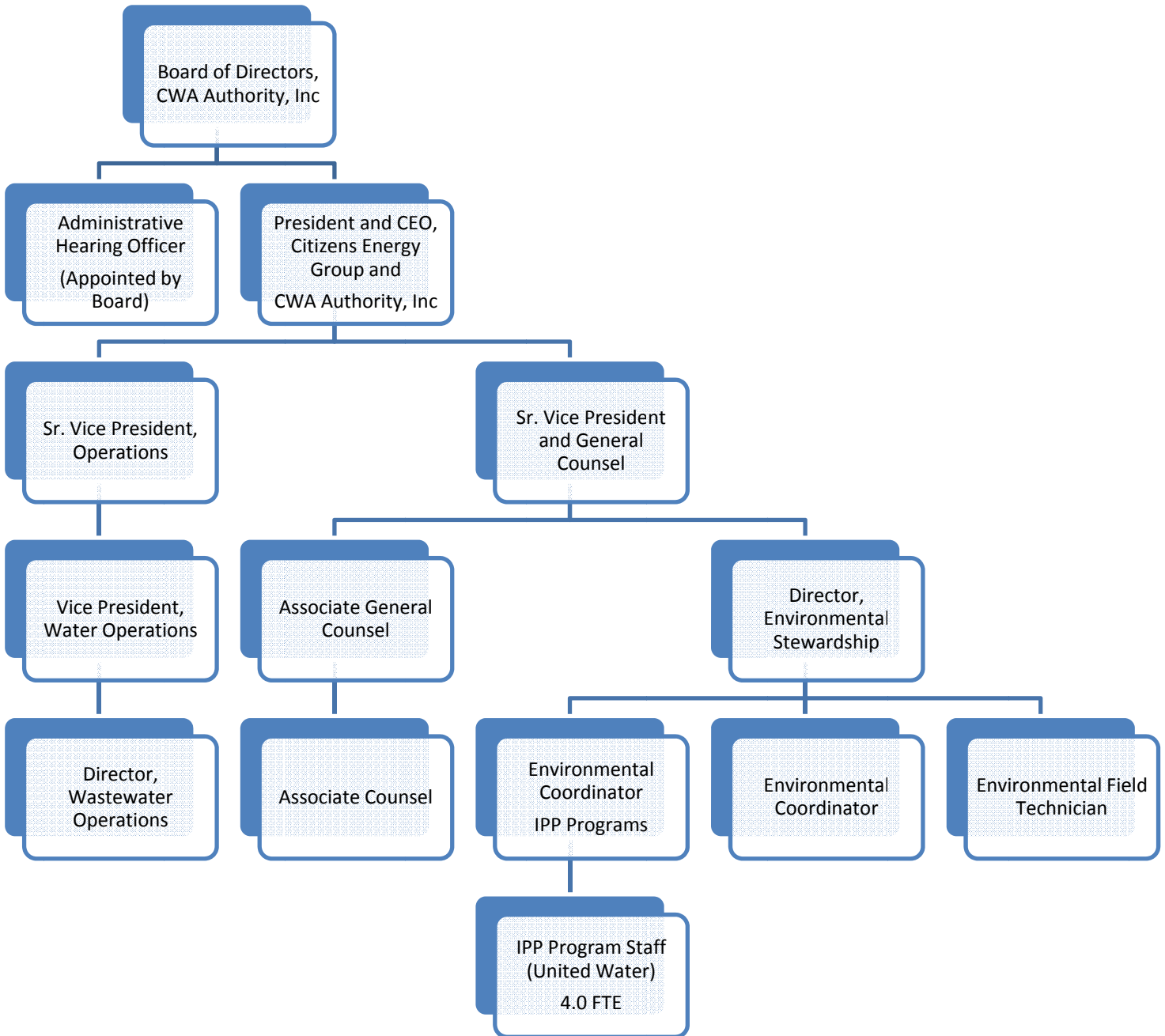
EPA Request [March 22 E-mail from Jodie Opie to Ann McIver]: Please provide additional information related to staffing, including the number of staff implementing the program and responsibilities and duties of staff, as well as a comparison of the work required and the proposed staffing.

Response: The Indianapolis POTW is a large system, with average daily flow through the wastewater treatment plants (dry weather) of approximately 170 million gallons per day (MGD). Despite the relative large volume of wastewater treated, there are only 53 significant industrial users (SIUs) permitted to discharge to the Indianapolis POTW. In recent years, Indianapolis has experienced a loss in major industry with the closing of the Chrysler Foundry, Indianapolis Coke, Quaker Oats, Advance Plating, and Hebrew National. Since 2000, over 150 industrial users have been deleted from the program as a result of facility closing.

Addendum A to this memo includes a more detailed description of the responsibilities and duties of staff that will be charged with implementation of the IPP program following the asset transfer, including a comparison of the work required to perform pretreatment program tasks to the proposed staffing levels. Addendum A also includes a summary of the work experiences for staff that will participate in the implementation of the IPP program, or for positions that have not yet been filled, the minimum qualifications that a candidate must possess in order to be considered for the position.

I am hopeful that you find these of assistance as you review the submission. I look forward to speaking with you at your earliest convenience in order to continue our conversations, and will be in touch the week of April 11, 2011, in order to schedule a follow-up conference call.

ADDENDUM A: Industrial Pretreatment Permitting Program Staffing



EPA Request: Please provide the number of staff implementing the pretreatment program, including titles and education/experience qualifications.

Citizens Energy Group on behalf of CWA Authority, Inc.

Sr. Vice President and General Counsel

Mr. John R. Whitaker

- Juris Doctorate, Indiana University, 1982
- M.A. Biology, Ball State University, 1978
- B.S. Biology, Ball State University, 1976
- John Whitaker has been Senior Vice President and General Counsel for Citizens Energy Group since 2002. John is responsible for the company's Rates and Regulatory, Legal, Environmental, and Corporate Affairs functions. John joined Citizens in 1989 as Director of Governmental Affairs after serving four years as Special Counsel to Gov. Robert Orr. Prior to his current position, John has served in positions of increasing responsibility including Executive Director, External Affairs, and Vice President, Corporate Affairs.

Associate General Counsel

Mr. Michael E. Allen

- Juris Doctorate magna cum laude, Indiana University—Indianapolis, 1998
- B.S. Computer Technology, Purdue University, 1994
- Michael Allen joined Citizens Energy Group as Associate Counsel in 1995. Prior to joining Citizens, Michael practiced law with the Chicago office of the international law firm Skadden, Arps, Slate, Meagher & Flom and the law firm Baker & Daniels in Indianapolis. Michael also previously served as Assistant General Counsel for the Midwest ISO and Senior Counsel for Cinergy Corp. (now Duke Energy Corporation).

Associate Counsel

Mr. Ryan A. Cook

- Juris Doctorate, Indiana University - Indianapolis, 2006
- B.S. Pharmacy, Butler University, 1997
- Ryan Cook practiced pharmacy for several years as a registered pharmacist before joining Citizens Energy Group as a certified legal intern in January 2005 while attending law school part-time. Ryan was promoted to Counsel in Citizens's Legal Department upon passing the bar exam and being sworn-in as a member of the Indiana bar on May 21, 2007. Ryan's primary area of responsibility is labor and employment law, but he also handles general litigation, contract drafting and negotiation, and provides general legal counsel to management.

Vice President, Water Operations

Mr. Lindsay Lindgren

- MBA, University of Indianapolis, 1985
- B.S. Mechanical Engineering, Purdue University, 1981
- Professional Engineer Certification
- Lindsay Lindgren has been Vice President, Energy Operations for Citizens Energy Group since 2007. Lindsay is currently responsible for the company's gas distribution system serving more than 265,000 customers and the steam and chilled water distribution systems serving the downtown Indianapolis area. Lindsay joined Citizens in 1981 serving in positions of increasing responsibility including Manager, Field Operations; Director, Engineering; and Vice President, Gas Operations. At the time of closing of the asset transfer, Lindsay will be named Vice President, Water Operations, with responsibility for the strategic direction and operation of the drinking water and wastewater utilities.

Director, Environmental Stewardship

Ms. Ann W. McIver, QEP

- Master of Public Affairs, Indiana University, 2007
- B.A. Mathematics and Criminal Justice, Indiana University, 1991
- Certified as a Qualified Environmental Professional in 2004
- Ann started her career with the Indiana Department of Environmental Management's Office of Air Quality focusing on permit compliance and monitoring in 1992 and joined Indianapolis Power & Light's Environmental

Affairs department in 1999. Ann joined Citizens Energy Group following the acquisition of the thermal division assets in 2000 as an Environmental Coordinator and was promoted to her current role in 2008 when the consolidated environmental department was formed.

Environmental Coordinator, IPP Programs

[Offer Pending]

- Bachelor's degree in science or engineering
- Minimum of 10 years experience in Clean Water Act regulations with a focus on Industrial Pretreatment Programs
- Background in the civil regulatory process, including permitting, regulation development, and enforcement actions

Environmental Coordinator (or Environmental Engineer)

[Offer Pending]

- Bachelor's degree in science or engineering
- Minimum of 5 years experience with the implementation of environmental program requirements with increasing responsibility
- Experience with wastewater and/or drinking water utility operation and regulatory requirements

Environmental Field Technician

[Offer Pending]

- High school diploma or equivalent
- Experience with Wastewater and Surface Water sampling and QA/QC Programs
- Ability to write reports and follow procedures to ensure valid data

United Water on behalf of CWA Authority, Inc.

Manager, Industrial Pretreatment Program

Position Minimum Qualifications

- Bachelor's Degree in chemistry, biology, or related field.
- Quality Assurance/Control –Sixth Sigma preferred.
- IDEM Municipal Wastewater Operator Class I license or the ability to obtain within 12 month of employment.
- IDEM Industrial Wastewater Operator Class A license, or the ability to obtain within 12 months of employment

Incumbent: Mr. Timothy Heider, United Water

- B.S. in Biology and Chemistry, Bowling Green State University
- CERTIFICATIONS & PROFESSIONAL AFFILIATIONS
 - CHMM Masters Level, Institute of Hazardous Materials
 - Class D Industrial License, Indiana Department of Environmental Management
 - Registered Professional Sanitarian, Indiana
- Mr. Heider has more than 30 years of experience in the wastewater treatment field, including pretreatment program development, drafting National Pollutant Discharge Elimination System (NPDES) and pretreatment permits, conducting industrial site inspections and coordinating civil and criminal environmental investigations. Mr. Heider developed the State of Indiana's Industrial Pretreatment Program for industrial sources in minor municipalities and participated in the development of the State's Pretreatment Program. He has also created permitting, sampling and inspection guidance documents for the State of Indiana's Pretreatment Program and for the City of Indianapolis Industrial Pretreatment Program.

IPP Specialist (x2)

Position Minimum Qualifications

- College degree in Environmental Engineering, Science or related field required.
- Knowledge of water pollution control technologies and their proper operation is required.
- Ability to obtain Industrial Pretreatment Certification within one year is required.
- Ability to perform mathematical calculations to the algebraic level.
- Valid Indiana driver's license and maintain acceptable driving record required.
- Strong written and verbal communications skills required.

- Extensive knowledge of 40 CFR 403 and related federal standards is preferred.
- Five years related work experience (or approved combination of education and experience) and comprehensive understanding of industrial process operations is required.
- Experience with automatic sampling, flow measuring equipment, detectors and pH meters is required.

Incumbent: Mr. Kim Cussen, United Water

- B.A. Biology, Manchester College (IN), 1976
- Mr. Cussen has over 25 years experience in the wastewater treatment industry, including experience as a treatment plant operator, laboratory chemist, and process control systems analyst. Produce new and renewal Industrial Discharge Permits. Mr. Cussen performs industrial compliance site inspections, reviews and manages industrial monitoring data, tracks treatment plant influent and residuals metals loading, and manages the Indianapolis Liquid Waste Hauler Program.

Incumbent: Ms. Nancy Williams, United Water

- Associate of Science in Public Affairs/Environmental Affairs, Indiana University, 2004
- B.S. Public Affairs/Management, Indiana University, 2008
- Ms. Williams has over 20 years experience with the Indianapolis wastewater treatment plant, including achieving her Municipal Operator Certification – Class IV; Industrial Operator Certification – Class D in 1999. Ms. Williams has served as an IPP Specialist since 2004.

IPP Attendant

Position Minimum Qualifications

- High School Diploma or equivalent
- Some college with course work in Environmental Engineering, Science or related field.
- A valid State of Indiana driver's license is required.
- Ability to obtain Industrial Pretreatment Certification.

Incumbent: Ms. Candace Wineinger

- Ms. Wineinger has worked with the Industrial Pretreatment Program since 1995, serving as the IPP Attendant for the wastewater hauler program. Prior to joining the program, Ms. Wineinger worked in plant maintenance at the wastewater treatment plant.

EPA Request: Please identify responsibilities and duties of each staff position (and any other assigned duties related to the WWTP) associated with the IPP Program.

Senior Vice President and General Counsel (Administrative, Legal):

- General Administration and Oversight:
 - o Policy Decisions
 - o Strategic Oversight
 - o Legal Assistance/Interpretation
 - o Public Outreach
 - o Enforcement Assistance

Associate General Counsel and Associate Counsel (Administrative, Legal):

- Legal Assistance
- Regulatory Interpretation
- Enforcement Program Implementation

Vice President, Water Operations (Administrative, Technical):

- Strategic Direction and Operation of the Wastewater Utility
- Permit Signature Authority for permits issued to industrial users
- Financial Responsibility for the Wastewater Utility

Director, Wastewater Operations (Administrative, Technical):

- Day to Day Operation of the Wastewater Utility
- Oversight of Contract Operator United Water
- Coordination with Environmental Stewardship on IPP Program Matters

Director, Environmental Stewardship (Administrative, Technical, Regulatory):

- Administration and Oversight of IPP Program (Administrative and Regulatory)
- Strategic Direction of IPP Program
- Coordination with Wastewater Operations on IPP Program Matters
- Policy Recommendations
- Public Outreach
- Technical Support
- Enforcement Support
- NPDES Permit Compliance Responsibility

Environmental Coordinator, IPP Programs (Technical, Regulatory, Monitoring, Inspection):

- IPP Oversight (Technical and Regulatory Compliance)
- Public Outreach and Communication
- Regulatory Interpretations
- Enforcement Case Manager
- Oversight of Staff Implementing IPP Program
- IPP compliance Reporting and Recordkeeping
- NPDES Permit Compliance Reporting and Recordkeeping

Environmental Coordinator (Technical, Regulatory):

- Technical Support to IPP Programs
- NPDES permit compliance

Environmental Field Technician (Technical):

- Technical Support to IPP Program Staff
- Field Sampling and Support
- NPDES permit support

IPP Program Manager (Administrative, Technical, Regulatory, Monitoring, Inspection):

- Day to Day Oversight of the IPP and Septic Hauler Programs
- Administrative Management of Program Staff
- Permit Review and Approval for Signature by VP, Water Operations
- Public Outreach and Communication
- Highlighting and Coordinating Discussions of Policy Issues and Questions
- Regulatory Interpretations
- Coordinate Enforcement Response with CWA Authority
- Oversight of Contract Laboratory Services

IPP Specialists (Technical, Regulatory, Monitoring, Inspections):

- Review of Permit Applications from Industrial Users and Special Discharge Permits
- Draft Permits for Review by IPP Program Manager
- Conduct Inspections of Permitted Facilities to Determine Permit Compliance
- Review Compliance Monitoring Data and Permit Reports to Determine Permit Compliance
- Initiate Appropriate Enforcement Response Based on Review of Applicable Data and Inspections
- Public Outreach and Communication

IPP Field Attendant (Technical, Monitoring, Inspection):

- Implementation of the Septic Hauler Program
- Sampling of Incoming Waste
- Approval to Discharge into POTW Based on Results of Sampling
- Recordkeeping to Support Accurate Billing of Septic Haulers

Contract Laboratory -- Astbury Group / ESG (Monitoring, Laboratory):

- Field Sampling of Industrial Users Following Schedule Provided by IPP Program
- Laboratory Analysis of Samples Collected
- Timely Reporting of Data
- Resample of Industrial Users as Required by IPP Program
- Coordination and Communication with IPP Program Staff

EPA Request: Identify staff positions (i.e. technical assistance, monitoring, inspection, laboratory, administration, etc.) needed to fully meet pretreatment program regulations and responsibilities and provide a quantitative estimate of the level of work effort for each staff position (i.e. this can be in the form of labor hours/year, person years, % involvement of the staff in program activities, # of FTE, etc.).

EPA Request: Provide a comparison of the amount of work required to perform pretreatment program tasks to the proposed staffing levels.

	Frequency of Activity per POTW or IU	Number of Activities	Hours per Activity	Total Work Hours	Notes
Program Development & Support					
Administrative IPP Program Oversight Requirements	As Needed	4	8 to 40	96	Used 24 Hours as the Average
Program Operations					
Review IU Compliance Schedule Reports	As Needed	5	8 to 24	80	Used 16 Hours as the Average
Review IU Self-Monitoring Reports	Monthly	50	2 to 8	2400	Used 4 Hours as the Average
Sample/Inspect IUs	At Least Once per Year	80	8 to 40	1920	Used 24 Hours as the Average
Permit Actions (New, Renewal, Special Discharge Permits)	As Needed	50	8 to 40	1200	Used 24 Hours as the Average
Investigate IU non-compliance	As Needed	30	8 to 24	480	Used 16 Hours as the Average
Administrative Enforcement Actions	As Needed	15	24 to 80	780	Used 52 Hours as the Average
Complex Enforcement Actions that Require Adjudication	As Needed	3	80 to 168	372	Used 124 Hours as the Average
Comply with PN Requirements	Once per Year	1	24	24	
Sample POTW Influent, Effluent, and Sludge	Once per Year	1	40	40	Activity performed by WWTP Operations
Prepare Self-monitoring report for Approval Authority	Twice per Year	2	80	160	
Review Lab Analysis and Field Data of IPP Sampling of IUs	At Least Once per Year	50	8 to 16	800	
Septic Hauler Program Implementation	Daily (Mon - Fri)			1784	

Estimated Staffing Needs (Hours per Year) 10,136

FTE Needed to Implement Program 5.68

Calculated as Staffing Needs divided by FTE Hours Per Employee

Estimation of Available FTE Hours (Per Employee)	
Base Year	2080
(Personal Time Off)	-168
(Training)	-40
(Staff and Safety Meetings)	-24
(Conferences and Seminars)	-40
(Other Administrative Functions)	-24
Hours Available	1784

Available Resources to Implement IPP	
Citizens Senior Executive and Legal	0.30
Citizens Env. Stewardship Dept	1.85
WWTP Ops	0.25
United Water IPP Staff and Operations	4.00
Astbury / ESG (Contract Sampling)	0.50
FTE Staff Available for IPP Program Implementation	6.90