



**Metropolitan St. Louis
Sewer District**

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September 15, 2014

Chief, Water Enforcement and Compliance Assurance Branch
Water and Wetlands Protection Division
U.S. Environmental Protection Agency - Region 7
11201 Renner Blvd.
Lenexa, KS 66219

RE: MSD Proposed Alternative Supplemental Environmental Project

Greetings:

The Metropolitan St. Louis Sewer District ("MSD" or the "District") submits this letter as a request under Appendix F of the Consent Decree in case number 4:07-cv-01120-CEJ that the Supplemental Environmental Project Plan (the "Plan") Appendix F be revised. MSD requests that the enclosed Alternative Supplemental Environmental Project Plan, revised pursuant to discussion between MSD and the U.S. Environmental Protection Agency (EPA) at our meeting of March 6, 2014, be approved by the EPA for immediate implementation. This alternative SEP Plan will allow MSD to address many of the challenges encountered in implementing the original SEP Plan and to provide greater environmental benefit and serve more low income residents with the Plan.

The proposed Alternative SEP Plan continues to be a voluntary program offered at no cost to participating homeowners. MSD remains committed to spending a total of \$1,600,000 for the cost of the SEP Plan in Appendix F and the proposed Alternative SEP Plan if approved. The proposed Alternative SEP Plan will expand MSD's ability to assist in addressing the issue of inadequate or failing septic systems which present both public health and environmental risks that can be avoided by connection to public sewers as well as leaking private laterals which may contribute inflow and infiltration to the sewer system and may contribute to sewer overflows and bypasses at MSD's wastewater treatment facilities. MSD has performed an extensive amount of research and outreach related to the Plan and has identified several challenges and opportunities that will be addressed by the proposed Alternative SEP Plan.

MSD's proposed Alternative SEP Plan will:

- (1) Modify the low income requirements in an effort to reach more low income property owners based on MSD's evaluation of presently available income data and statistics;
- (2) Expand eligibility to owners in low income census tracts; and
- (3) Extend the timeframe for completion of the Alternative SEP to April 1, 2023.

Enclosed and hereby incorporated with this letter you will find 1) a proposal document providing a detailed explanation of the requested Alternative SEP Plan; 2) a chart demonstrating a comparison of the SEP Plan from Appendix F of the Consent Decree and the proposed Alternative SEP Plan; 3) a redline document demonstrating the changes MSD proposes be made to the SEP Plan from Appendix F of the Consent Decree to serve as the Alternative SEP Plan; and 4) MSD's response to a request for additional information that was made during our March 6, 2014 discussion about a proposed alternative SEP.

MSD would like to help facilitate the quickest resolution of this request as possible in an effort to ensure its ability to meet the requirements of the Consent Decree related to the SEP Plan. With that being said, MSD is open to providing any information necessary to aid in EPA's evaluation of its proposal.

If you should have any questions with regard to this matter, please feel free to contact me.

Sincerely,



Brian Hoelscher, PE
Executive Director
Metropolitan St. Louis Sewer District

Enclosures (4)

cc: Susan M. Myers, MSD General Counsel
David Cozad, EPA Region 7, Regional Counsel
Liz Huston, EPA Region 7, Counsel

Alternative Supplemental Environmental Project Plan

This document describes the Alternative Supplemental Environmental Project (“SEP”) to be performed and funded by MSD as required by the Consent Decree. MSD shall spend at least One Million Six Hundred Thousand Dollars (\$1,600,000) in total for the SEP Plan described in Appendix F of the Consent Decree and this Alternative SEP and perform certain additional functions as set forth herein to implement this SEP. No part of this SEP expenditure shall include federal or state funds, including federal or state low interest loans, contracts, or grants.

SEP Overview:

Inadequate or failing septic systems present both public health and environmental risks that can be avoided by connection to public sewers. Many homeowners do not want to connect because of the upfront capital costs associated with public sewer. This financial obstacle is particularly acute for low income residents. Leaking private laterals contribute inflow and infiltration to the sewer system that may contribute to sewer overflows and bypasses at the wastewater treatment facilities.

The Alternative SEP shall include the implementation of a Sewer Connection & Septic Tank Closure Program (“Program”) for homeowners that qualify for MSD’s low income Customer Assistance program. The liquid assets criteria of MSD’s low income Customer Assistance program shall not apply. The Program shall include 1) the installation of a sewer service line (i.e. lateral) and public sewer line if needed to the homes of participating property owners, removal as needed of their septic tank from operation by capping, filling, or other means as determined and approved by MSD and consistent with local ordinances, and 2) the replacement, rehabilitation or repair as necessary of private lateral lines.

The Program shall also include a component for low income census tracts. In 2010 census tracts with median income levels less than \$50,000, no verification of income shall be required.

The Program is a no cost construction program for only low- income eligible residential property owners (1) who elect to close their septic tank and connect to a public sewer, or (2) where MSD finds contributions of I/I to the sewer system for a defective private lateral.

The Program is voluntary and will be available to low-income eligible residents of owner-occupied, single family homes that are on properties not connected to a public sewer or for those who are connected to a public sewer and have a defective private lateral. In MSD’s service area, it is estimated that 8,000 – 10,000 homes are still on septic systems.

SEP Budget

Based on a one million six hundred thousand dollar (\$1,600,000.00) budget, at an average cost of twelve thousand dollars (\$12,000.00) per home, the Program is anticipated to assist one hundred and thirty-three (133) residents; however, this number may vary depending on the cost of construction. This Program provides no cost construction to households that would qualify for MSD’s low income Customer Assistance program as if they are connected to the public sewer

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system or households in low income census tracts. The construction costs at the outset will range from approximately \$5,000 - \$50,000,^{1/} based on the construction and repair needs. SEP funds shall not be used for MSD's administrative expenses.

Project Processing

MSD will use a streamlined project approach to enhance implementation, while providing appropriate management oversight. The processes shall include:

1. MSD to verify applicant's income or property location in a 2010 census tract with a median income less than \$50,000, property ownership, occupancy, and current billing status;
2. Upon approval of eligibility and inclusion in the Program, owners required to sign a waiver allowing MSD to work on owner's private property;
3. MSD will contract directly to have all work performed;
4. MSD will inspect all work and be responsible for all permitting and inspections required by other authorities; and
5. Acceptable Program costs shall include the costs of equipment and materials, labor costs for Repair/Replacement/Removal Services and/or services associated with the same, but shall not include administrative costs.

Alternative SEP

To the extent MSD is unable to complete the SEP Program described in this SEP Plan due to lack of homeowner participation, MSD may submit the following requests to EPA:

1. MSD may request additional time from EPA to complete the above described SEP. Such request shall be made at least sixty (60) days prior to the final completion date as set forth above. However, if EPA denies the request for additional time, then MSD shall continue to implement the SEP and be subject to stipulated penalties as set forth in Section XI of this Consent Decree. If MSD is granted additional time to complete the SEP, the SEP shall be deemed in compliance as described above.

2. MSD may propose an alternate and similar SEP proposal and schedule to EPA equal in cost to the difference in the amount MSD has expended on or committed to the SEP Program to date, and \$1,600,000.00. Such request shall be made no later than ten (10) years from the Effective Date of the Consent Decree. EPA may approve the alternate SEP proposal and schedule for immediate implementation. If EPA approves an alternate SEP and schedule, the SEP shall be deemed in compliance upon completion of the alternate SEP. If EPA does not approve the alternate SEP proposal, MSD shall be subject to stipulated penalties as set forth in Section XI of this Consent Decree.

^{1/}\$50,000 represents the approximate cost of installing public sewer line, if needed.