



July 15, 2003

Mr. Art Riddle
NPDES Enforcement Supervisor
Water Division
Arkansas Department of Environmental Quality
8001 National Drive
Little Rock, Arkansas 72219-8913

RE: Quarterly Report – Second Quarter 2003, CAO LIS 98-119

Dear Mr. Riddle:

This letter serves as the referenced Quarterly Report. Similar to last quarter, the primary activities in this quarter centered on three areas: 1) continued development of information regarding the pipeline to the Ouachita River; 2) settlement of the NPDES appeal, and; 3) implementation of the use of an alternative treatment organism in our wastewater treatment system. The following paragraphs present details regarding these issues.

During the second quarter of 2003, several significant activities were completed in relation to the development of the shared pipeline to the Ouachita River. During the second quarter a fourth entity agreed to participate in the joint pipeline project. This entity is Great Lakes Chemical Corporation, which is interested in utilizing the pipeline for discharges from its Central facility.

Based on a directive from the four interested parties, GBMc coordinated the completion of toxicity tests utilizing a simulated combined effluent representative of the discharges from the facilities at their design flows via the pipeline. The biomonitoring documented the absence of toxicity, even at 100% effluent. The detailed toxicity report from American Interplex was transmitted to the ADEQ Water Division during the second quarter. In addition, during the second quarter, GBMc & Associates completed the preliminary engineering report on the pipeline. This report was transmitted to the interested parties in June 2003 and is currently under review.

Another significant development during the second quarter of 2003 was the settlement of the NPDES permit appeal through the finalization of a Permit Appeal Resolution (PAR) between ADEQ and EDCC. The next step will be the ADEQ's development of a draft NPDES permit containing conditions and limitations as agreed to in the PAR.

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As discussed in previous quarterly reports, during the second quarter of 2003 EDCC continued implementation of the alternative wastewater treatment technology at the EDCC Plant. This technology consists of the introduction of an innovative organism, the Archaea, into our wastewater treatment system. We continue the collection of performance data to determine the efficacy of the organisms in our system.

Hopefully, this letter has adequately explained the status of our NPDES compliance efforts during the second quarter of 2003. Should you have any questions, please feel free to call Randall Whitmore at (870) 863-1498.

Sincerely,

John M. Carver
Vice President Safety and
Environmental Compliance

JMC/ymq

cc: Belinda Colby, Enforcement Coordinator, Hazardous Waste Division
Keith Brown, Manager, State Permits, Water Division