



October 11, 2001

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

Re: Quarterly Report – Third Quarter, 2001, CAO LIS 98-119

Dear Mr. Riddle:

There were a number of significant events which occurred during the referenced reporting period, including:

- 1) ADEQ's transmittal of proposed NPDES effluent limitations for the El Dorado Water Utilities' (Utility) discharge to the Ouachita River. These limitations were transmitted to the Utility by letter dated July 31, 2001.
- 2) On July 9, 2001 EDCC requested a twelve month extension of the deadlines contained in CAO No. LIS 98-119 for submission of final plans for additional wastewater treatment (due on October 1, 2001) and subsequent deadlines for compliance with the final effluent limitations (due on April 1, 2003). On August 9, 2001 a response was received from ADEQ expressing concerns about extending the CAO deadlines, and suggesting a meeting to discuss the issues. On August 29, 2001 a meeting was held with the ADEQ management and Water Division staff. During the meeting ADEQ expressed its desire to issue a renewal NPDES Permit, which would incorporate a new schedule for compliance in lieu of modifying the existing CAO. EDCC was requested to consider this proposal and respond to ADEQ. On September 13, 2001 EDCC responded that the proposal to issue a modified NPDES Permit with a new schedule for compliance was acceptable. This draft NPDES permit will encompass not only the current wastewater discharge locations (outfalls) from the EDCC El Dorado plant, but will also contain alternative limitations for a Ouachita River outfall on both a single discharge basis and a joint pipeline basis with the El Dorado Water Utilities and/or additional users. As stated previously, the development and issuance of a draft NPDES permit is acceptable to EDCC, and EDCC will now await receipt of that modified permit to resume activity on a modified wastewater treatment facility.
- 3) Subsequent to our August 29, 2001 meeting with the ADEQ, we met with the Utility Director and several members of its Commission. Based upon that meeting, the Utility agreed to send in an official NPDES permit modification application to your offices for the purpose of modifying its NPDES permit to include a joint outfall to the Ouachita River. The signed permit modification application for the Utility was transmitted to the ADEQ Water Division in early September 2001. The submittal of

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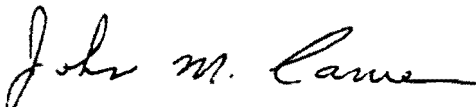
this signed NPDES permit modification application by the Utility constitutes their official request for authorization to discharge to the Ouachita River on a joint basis with EDCC.

- 4) As discussed at the August 29, 2001 meeting, we are working with the groundwater technical staff of the ADEQ Water Division and have developed a comprehensive study approach, which will assess seasonal variations in groundwater quality at the site. It is our understanding that this assessment is acceptable to the ADEQ as part of the process of determining a feasible approach to address the groundwater issues.
- 5) In addition to the interest of the Utility in proceeding with the joint pipeline, during the third quarter we had discussions with other local industries to discuss a regional approach to the pipeline project. We anticipate meeting with these industries during the month of October 2001 as the next step in determining the feasibility of such a project.

As mentioned previously, based upon the discussion at the August 29, 2001 meeting we anticipate the ADEQ's issuance of a draft NPDES permit in the near future. It is also our understanding that the draft NPDES permit will contain a schedule of compliance with final effluent limitations and that this schedule will supersede the October 1, 2001 compliance date in the CAO. As such, the October 1, 2001 compliance schedule contained in the CAO is no longer applicable.

Hopefully, this letter has adequately explained the status of our NPDES compliance efforts during the third quarter of 2001. 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

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