

**2/08/11  
PRESENTA-  
TION:  
CITY OF  
UNALASKA  
EPA NPDES  
PERMIT**

<TARGET><BILL></BILL><SUBJECT>2-08-11 PRESENTATION  
CITY OF UNALASKA EPA NPDES  
PERMIT</SUBJECT><COMM>HCRA27</COMM></TARGET>

## CITY OF UNALASKA

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February 2, 2011

Representative Muñoz, Chairman  
House Community and Regional Affairs Committee  
State Capitol Room 403  
Juneau, AK 99801-1182

Re: Testimony for Committee, Unalaska Permitting Issues

Dear Representative Muñoz:

I am currently scheduled to testify before the committee this coming week. Please accept this letter as an outline of my presentation. The City of Unalaska is currently out of compliance with a NPDES permit issued by EPA in 2004. The City built a new plant that came on line in the year 2000 under a primary treatment permit. Both EPA and ADEC signed the permit in 2000.

The NPDES permit issued in 2004 was interpreted by EPA as requiring the City to plan, design and build an entirely new treatment plant to go from standards for primary treatment to standards above primary treatment (so-called "enhanced primary" treatment) in less than ninety days! The 2004 permit will require the city to spend approximately \$12 to \$15 million dollars to build a new plant to meet the current permit and will create sludge that must be handled properly. The new plant will result in a dramatic increase to operating costs and in turn result in rate shock to consumers. Residents of Unalaska already pay \$54 per month.

The EPA has told ADEC the City's next permit will require construction of a secondary treatment plant by 2014. Secondary treatment will produce more sludge than primary treatment. Preliminary costs for construction could easily exceed \$20 million. Sludge would need to be disposed of at the city's landfill.

The City owns and operates the landfill facility which includes lined cells by EPA regulation. The cost of landfilling the sludge will be in excess of \$500K per year.

Even without a new sewage treatment plant, a new landfill cell must be constructed by 2013. Project involves moving a road and providing for leachate holding tank at an

estimated cost of \$8.5 million. The addition of sludge will result in reducing the life of the landfill by a third.

In addition to the two projects listed above a new water plant must be constructed by 2014 due to EPA's LT2 rule concerning elimination of cryptosporidium. Estimated cost \$9.5 million must be on line by 2014.

A complete retrofit of our plant built in 2000 will be required for either advanced primary and/or secondary treatment. Secondary treatment will cost \$20 million. This does not include operational costs. A facilities plan is currently being developed by consultants to meet the 2014 deadline.

City of Unalaska had been operating under rules made in 1979 which exempted 76 coastal communities from asking for a waiver from a secondary treatment requirement under the clean water act.

ADEC has primacy for issuing sewage discharge permits now but is being told by EPA they cannot issue any permit for any of the 76 coastal communities given a waiver in 1979 unless the ADEC permit requires secondary treatment, this could have a huge negative impact on the communities on this list requiring large sums of money.

If you have questions regarding this submittal or need additional information, please do not hesitate to call.

Sincerely,

A handwritten signature in black ink, appearing to read "CHLADICK", written in a cursive style.

Chris Hladick  
City Manager

National Pollutant Discharge Elimination System (NPDES)

Alaska Pollutant Discharge Elimination System (APDES)

Environmental Protection Agency (EPA)

Alaska Department of Environmental Conservation (ADEC)

**COMMUNITIES LISTED IN FEDERAL REGISTER POTENTIALLY AFFECTED ON  
WASTEWATER TREATMENT RULING**

HD1 – Saxman

HD5 – Angoon, Craig, Hoonah, Hydaburg, Kake, Kasaan, Klawock, Yakutat

HD35 – English Bay, Port Graham, Seldovia

HD36 – Akhiok, Karluk, Larsen Bay, Old Harbor, Ouzinkie, Port Lions

HD37 – Akutan, Atka, Chignik, Chignik Lagoon, Clarks Point, Dillingham, Egegik, Ekuk, False Pass, Ivanof Bay, King Cove, Naknek, Nelson Lagoon, Nikolski, Perryville, Pilot Point, Port Heiden, Portage Creek, St George, Sand Point, South Naknek, Togiak, Unalaska

HD38 – Bethel, Goodnews Bay, Kasigluk, Kipnuk, Kwigilingock, Mekoryuk, Platinum, Quinhagak, Toksook Bay, Tununak

HD39 – Brevig Mission, Elim, Gambell, Golovin, Kongiganek, Koyuk, Little Diomede, St Michael, Savoonga, Shaktoolik, Stebbins, Teller, Unalakleet, Wales

HD40 – Anaktuvuk Pass, Atkasuk, Barrow, Deering, Kivalina, Kotzebue, Nuiqsut, Pt Hope, Pt Lay, Shishmaref, Wainwright

**For ADEC:**

Does ADEC believe it is required to follow existing EPA policy while renewing APDES/ NPDES permits?

Does ADEC believe the 1979 Federal Register publication represents an EPA policy for the 76 Alaska communities?

Is ADEC aware of any public notice published by EPA in the Federal Register that proposes to change agency policy for these communities?

Does ADEC believe it is required to follow existing EPA policy as published in the Federal Register in 1979 while renewing APDES/ NPDES permits issued to any of the 76 communities included in the 1979 list?

Is following official EPA published policy required by the terms set out in the very first page of the MOA?

Under what circumstances would ADEC issue an APDES permit that required one of the communities included on the 1979 list to build a sewage treatment plant that would provide secondary treatment?

Does ADEC believe that EPA can direct ADEC to ignore the previously published policy in the process of renewing permits after EPA transferred permitting authority for these communities to the State?

Does ADEC regard the 1979 EPA policy as a pre-approved waiver from secondary treatment requirements for the communities identified on the list and as limiting ADEC's authority to include secondary treatment as a condition in an APDES permit?

## Terry Harvey

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**From:** Davies.Lauris@epamail.epa.gov  
**Sent:** Friday, February 04, 2011 11:55 AM  
**To:** Bussell.Mike@epamail.epa.gov; Terry Harvey  
**Subject:** Re: Fw: Committee Hearing Invite

Mr. Harvey -

Thank you for your invitation to participate in the Committee hearing next Tuesday. Although Mike Bussell is out of the office today, he and I have spoken and agreed that we must decline the invitation. Because we are involved in confidential settlement negotiations with the City regarding their waste water treatment, we are unable to participate in this hearing. We do appreciate the invitation and the notice of the City's testimony.

If you have questions regarding this, please don't hesitate to call.  
Thanks again for the heads up.

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Lauris C. Davies  
Associate Director  
Office of Compliance and Enforcement  
EPA Region 10  
Mailcode (OCE-164)  
(206) 553-2857 phone  
(206) 553-7176 fax

**From:** Mike Bussell/R10/USEPA/US  
**To:** Lauris Davies/R10/USEPA/US@EPA  
**Date:** 02/04/2011 09:14 AM  
**Subject:** Fw: Committee Hearing Invite

**From:** Terry Harvey [Terry\_Harvey@legis.state.ak.us]  
**Sent:** 02/03/2011 04:52 PM YST  
**To:** Mike Bussell  
**Subject:** Committee Hearing Invite

Hello Mr. Bussell. The City of Unalaska requested an opportunity to come before the House Community & Regional Affairs Committee during our current legislative session to express concerns over EPA NPDES requirements for a new enhanced primary treatment plant. They will come before our committee and explain their situation. Deputy Commissioner Dan Easton(Alaska

DEC) will be there to share the Departments understanding of the situation and answer questions if the committee members have any. Rep. Munoz is inviting you to join us via telephone although you would certainly be welcome to come to Juneau. You would be given the opportunity to comment and answer questions. Thank you for your consideration and please let us know if you can participate. If yes we will send a phone number to use.

(H) CRA Comm. Meeting-Tuesday Feb. 8th, 8am-10am.

Terry Harvey, Committee Aide  
House Community & Regional Affairs  
Rep. Cathy Munoz, Chair  
(907)465 5392