



September 20, 2017

Reference No. 058502

Ms. Christine Aiello
Michigan Department of Environmental Quality
Permits Section – Water Resource Division
525 West Allegan
P.O. Box 30457
Lansing, MI 48909

Transmitted via E mail

Dear Ms. Aiello:

**Re: Revised Submission No. 2
NPDES Reissuance (Submission #2DM-ZEC4-66B7)
Saginaw Nodular Iron, 2100 Veterans Memorial Parkway, Saginaw, MI**

The following letter and corresponding attachments has been prepared by GHD on behalf of Revitalizing Auto Communities Environmental Response (RACER) Trust to revise RACER Trust/GHD's National Pollutant Discharge Elimination System (NPDES) industrial/commercial application form (reissuance) request for RACER's Nodular Industrial Land (Site) in Saginaw, MI. The NPDES reissuance request was initially submitted on April 2, 2016 and revised and resubmitted on July 12, 2016 based on comments received by the MDEQ on June 30, 2016. On December 22, 2016 Revision 1 to the NPDES reissuance request was submitted to include the addition of a new outfall (Outfall 024) and the corresponding revised files associated with the NPDES reissuance request.

A draft of the NPDES permit was provided to RACER/GHD for review/comment on July 14, 2017. RACER/GHD provided comments on the draft NPDES permit to MDEQ on July 24, 2017. The comments were reviewed in a conference call with MDEQ/RACER/GHD on August 15, 2017, with additional follow-up questions/responses provided via email on August 15/16, 2017. On August 24, 2017 MDEQ identified that an Antidegradation Demonstration was required to be submitted as part of the NPDES permit as a result of the potential occasional increased discharge from the Site. This letter and corresponding attachments summarize the revisions to Revision 2 of the NPDES reissuance request. The following Attachments are included as part of the revised NPDES reissuance request.

Attachment A – Redline version of Attachment 1 – Narrative Descriptions – outfalls

Attachment B – Antidegradation Demonstration

The purpose of increasing the daily discharge from Outfalls 021 and 024 to 5 million gallons per day (MGD) each is to allow for lowering the water level in the Secondary Pond (more quickly than the currently approved discharge limits) to efficiently expose, dry and remediate the impacted sediments.



The following summarizes the changes that were made to the application:

- Revised Attachment 1 – Narrative Description – removed language related to a temporary increase to discharge rates of 5 MGD, as we are requesting approval to discharge up to 5 MGD each for Outfalls 021 and 024.
- Antidegradation Demonstration (See Attachment B)
- Under Section IIIA. Facility Information – Industrial/Commercial Facilities, Subpart 3, changed the notes for Regulated Storm Water (Outfall 021 and 024) from “Controlled discharge as necessary (to maintain sufficient freeboard)” to Controlled discharge as necessary (to maintain sufficient freeboard **or lower water level for remedial efforts**)
- Under Section IIIB. Outfall Information – Industrial/Commercial Facilities, Subpart 1E. (under Outfall 021 and Outfall 024), changed the description of wastewater from, “Previously accumulated wastewater from former foundry process (last contr of process water Nov 2010)” to **“Mostly stormwater at this point and moving forward (may contact impacted sediments)”**
- Under Section IC. General Facility Information – subpart 5 Antidegradation Requirements, changed drop down menu from “Increased loading of pollutants is exempt from Antidegradation Demonstration as indicated below:” to “Antidegradation Demonstration provided”. Deselected all exemptions that applied previously and selected “(K) Not Applicable”. Included attachment: “Attachment 10 - Antidegradation Demonstration.pdf.”
- Under Section IIIB. Outfall Information – Industrial / Commercial Facilities, Subpart 1. E and F, changed Maximum Design Flow Rate and Maximum Authorized Daily discharge rate to 5 MGD each for Outfall 021 and Outfall 024.

Should you have any questions, please do not hesitate to contact me.

Yours truly,

GHD

A handwritten signature in dark ink, appearing to read "J. Pardys", with a stylized flourish at the end.

John-Eric Pardys, P.Eng.

JEP/kf/4

cc: David Favero, RACER (via e-mail)
Michael Tomka, GHD (via e-mail)

Attachment A
Redline Version of Attachment 1 -
Narrative Descriptions - outfalls

NARRATIVE DESCRIPTION

GENERAL INFORMATION

It is noted that as of ~~September 20, 2017~~~~December 16, 2016~~, there are efforts in progress to sell the southwest portion of this Site, which has frontage to Veterans Memorial Parkway. This permit renewal application is being submitted based on the assumption that the sale of the property will not be completed. Should that sale of the southwest portion of the Site be completed or should remediation of the sediment be necessary, it is possible that there would be modifications to the drainage area (Secondary Pond) for Outfall 21 and to Outfall 21 itself (see further details below under Proposed Modifications). Should these modifications be desired/necessary, MDEQ will be kept informed of the proposed plans and RACER will provide supplemental information or prepare a revised NPDES Permit Renewal Application, if necessary.

RACER obtained MDEQ approval (see Attachment 7) to lower the elevation of the discharge pipe for Outfall 21 by approximately five feet. The discharge pipe was lowered on June 24, 2016. An upward facing riser pipe with 1-foot removable sections was installed on the inlet to ensure the intake, while lowering the water level, is located near the surface of the water in the secondary pond (to limit solids in the discharge). As a result of the modification to Outfall 21, previous modifications approved by the MDEQ to the frequency and analysis of sampling were rescinded, which is documented in a letter from the MDEQ provided on June 15, 2016 (see Attachment 7).

Lowering the elevation of the discharge pipe ~~will be~~was documented in the Storm Water Pollution Prevention Plan (SWPPP) and Annual Report.

FIGURE 1

Figure 1 presents the Site Map. Please note that the treatment plant and associated basins stopped receiving process water in November 2010 and the only water inputs to the Site include storm water that falls on the Site and within the respective outfall drainage basins.

There are currently two outfalls that are strictly storm water outfalls and therefore are not included in the current NPDES permit. Please note that details for these two outfalls are included in the SWPPP. These outfalls continue to be strictly storm water outfalls and therefore are not included in this renewal application:

- Outfall 20 (to Diekman Drain) Note that the drainage basin for this outfall includes property that is owned by other parties in addition to RACER.
- Outfall 23 Drainage pipe that drains the railway ditches to Koehler Drain. Note that the drainage basin for this outfall includes property owned by other parties in addition to RACER.

There are currently two outfalls that are included in the existing NPDES permit and are included in this renewal application:

- Outfall 21 - discharge from the secondary pond to unnamed ditch to the north, which flows into the Gage Drain, and ultimately drains to the Saginaw River.
- Outfall 22 - located off of RACER property, south of the entrance to Tri-cap, east of Veterans Memorial Parkway, which drains the North Ditch area and outlets to the Saginaw River. Note that the drainage basin for this outfall includes property that is owned by other parties in addition to RACER.

RACER is proposing one new outfall be added to the NPDES permit:

- Outfall 24 - discharge from the secondary pond to unnamed ditch to the north, which flows into the Gage Drain, and ultimately drains to the Saginaw River.

PROPOSED MODIFICATIONS

- Outfall 21 – RACER is currently evaluating options to remediate sediments in the Secondary Pond, which may affect Outfall 21. Possible modifications to Outfall 21 include: ~~possible short-term increases of the discharge rate of 5 MGD~~; lowering the elevation of Outfall 21 again to further lower the water elevation in the Secondary Pond; and constructing a new uncontrolled outfall (upon completion of remedial activities). ~~The short term increases to the discharge rate would possibly occur during periods when RACER plans to conduct evaluations on the secondary pond sediments or when RACER plans to conduct remedial activities on the sediments, as necessary. The duration of the short term increases to the discharge rate will be dependent on the activity and will potentially range from weeks to 2-3 months. At this time RACER does not have a schedule for when additional sediment evaluations or remedial activities will be completed.~~ MDEQ will be informed of any proposed modifications to Outfall 21.
- Outfall 24 – RACER is currently evaluating options to remediate sediments in the Secondary Pond. As such, a new 1-ft diameter PVC pipe was installed in the embankment of the secondary pond (approximately 250 feet to the east of Outfall 21 and at approximately the same elevation) with a control valve to allow for controlled discharge from the east portion of the secondary pond in the event the secondary pond is subdivided to assist in remediating the secondary pond sediments or if the water level in the pond needs to be lowered more rapidly than would otherwise occur through Outfall 21. To date, the secondary pond has not been subdivided and therefore, the quality of the water that would be discharged through Outfall 24 is expected to be the same as that has been discharged through Outfall 21.
- Outfall 22 - RACER has obtained MDEQ Water Resources Division Permit (15-73-0003-P) that provides for modifying the drainage in the North Ditch area and the existing inlet from the North Ditch area to the catch basin that provides for discharge to the Saginaw River. The proposed plans involve: removing the standing water in the North Ditch; covering impacted sediments in the North Ditch; installing a new catch basin on RACER property in the North Ditch that would connect via a subsurface pipe to the existing catch basin that transmits discharge to the Saginaw River, and grading the ditch so that storm water gravity flows to the new catch basin on RACER property in the North Ditch. Note that RACER is working with the adjacent property owners within the Outfall 22 drainage basin to obtain needed approvals to complete this work. From the remediation perspective, USEPA Region 5 RCRA Corrective Action program also approved the proposed modifications to the North Ditch. A schedule to complete the North Ditch work is to be determined.

Following completion of the North Ditch work, RACER proposes to collect samples from three separate discharge events with the intent of demonstrating that storm water continues to meet discharge limits. Pending the receipt and review of the analytical results, RACER would petition the MDEQ to classify Outfall 22 as strictly a storm water outfall and thereby remove the Outfall 22 from the NPDES permit. Upon MDEQ approval of this outfall as strictly a storm water outfall, the modifications would be incorporated into the SWPPP, as well as, an NPDES permit modification request, if necessary.

Attachment B

Antidegradation Demonstration

RACER's Nodular Industrial Land Saginaw, MI

RE: NPDES Permit MI0059042 Revitalizing Auto Communities Environmental Response (RACER) Trust Nodular Industrial Land, Saginaw, MI

Antidegradation Demonstration

Revitalizing Auto Communities Environmental Response (RACER) Trust is providing this antidegradation statement related to a proposed increase in discharge from Outfalls 21 and 24 located on the north side of the Secondary Pond at RACER's Nodular Industrial Land (Site), in Saginaw, Michigan. This submission is required under Part 31 of Act No. 451 of 1994 Rule 98, as the activity described below may result in an increase loading of pollutants. The increased discharge, from the currently authorized 1.63 MGD to the proposed 10 MGD (5 MGD at Outfall 21 and 5 MGD at Outfall 24), is requested to facilitate remediation of the secondary ponds thereby reducing/eliminating potential human health and ecological risks associated with the ponds and to position the Site for possible redevelopment in the future.

RACER Trust was created in March 2011 by a Settlement Agreement through the U.S. Bankruptcy Court to remediate and position for redevelopment properties previously owned by the former General Motors Corporation before its bankruptcy in 2009. The Nodular Site is one of approximately 60 properties where RACER has or is conducting remediation with finite funds from the bankruptcy. The Settlement Agreement provided a set amount of remediation funding for each of the 60 properties.

The increase of discharge from the Secondary Pond is required to lower the water level in the Secondary Pond (more quickly than the currently approved discharge limits) to efficiently expose, dry and remediate the impacted sediments. There is not expected to be an increase loading of pollutants, since the Secondary Pond water is not-impacted (based on analytical testing) and measures will be put in place to limit sediments from impacting the discharge. Any costlier options of lowering the water level or otherwise managing the water in the ponds to provide for remediation would result in less funding to address other potential risks due to contamination at this Site. Further, if any Site-specific remediation funds are left over after remediation of this Site, those funds could be used for remediation of other RACER Sites in Michigan.

In addition to the benefits to human health and the environment, completing the remediation will also position the property for redevelopment which could increase the tax revenue from the Site to Buena Vista Township, benefits which would be diminished, delayed, or foregone if the proposed increased use is denied.