

STATE OF WASHINGTON

DEPARTMENT OF ECOLOGY

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July 2, 2010

Spokane River Stewardship Partners —

Spokane County, City of Spokane, Liberty Lake Sewer & Water District, City of Coeur d'Alene, City of Post Falls, Hayden Area Regional Sewer Board, Avista, Inland Empire Paper Company, Kaiser Aluminum

Dear Spokane River Stewardship Partners:

EPA Regional Administrator McLerran, Idaho Department of Environmental Quality Director Hardesty, and I thank you for your June 10, 2010, letter wherein you urge EPA, IDEQ and Ecology to place a high priority on development of a workable bi-state water quality trading program. Ms. Hardesty and Mr. McLerran and I have discussed your letter and specific request for a joint collaborative meeting. We agree to meet with the Stewardship Partners and other interested stakeholders and are committed to the joint development of a workable water quality trading program and, as suggested by your letter, consideration of potential means available to meet the load allocations of the Spokane River Dissolved Oxygen Total Maximum Daily Load (TMDL).

We would like to clarify that full development of a trading program is not expected prior to issuance of the first cycle of National Pollutant Discharge Elimination System (NPDES) permits under the new TMDL. However, since each discharger, except for the new discharger, will be receiving a compliance schedule beyond the five-year term of the permit, there will be time to establish a robust trading program in time for the next cycle of NPDES permits when the final TMDL targets will need to be met.

We look forward to working with you to achieve the goals of clean water in the Spokane River and consistency with the TMDL. We will be working to set up a meeting with SRSP and other interested stakeholders. You should expect to be contacted soon to establish the first meeting date.

Sincerely,

Ted Sturdevant Director

cc: See Distribution

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