

State of Wisconsin \ DEPARTMENT OF NATURAL RESOURCES

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April 14, 1999

Mr. Charles "Buck" Sweeney
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Subject: Municipal Landfill Remediation - Cost-Sharing "Pilot Program"
Grafton - Lime Kiln Landfill

Buck

Dear Mr. Sweeney:

Thank you for your March 24th letter about the status of remedial actions/PRP negotiations at the Grafton/Lime Kiln landfill and request for additional funds under the "Pilot Program" ("Pilot"). As you probably recall, the Department initiated the "Pilot Program" ("Pilot") in September of 1997. We set aside \$3.0 million dollars for use in the "Pilot" from the State's Environmental fund for this purpose. The intention of the "Pilot" was to provide a temporary funding "bridge" between our past policy of "no funding" for municipal landfill remedial actions and the new Land Recycling Low Interest Loan program. We also hoped the "Pilot" would provide the Department with information on how to enhance the municipal negotiation/cost recovery program for landfill sites. At this time we have set aside \$400,000.00 of the original \$3.0 million "Pilot" funds for remedial actions at the Lime Kiln site. This results in a commitment of the entire \$3.0 million of "Pilot" funds at this time.

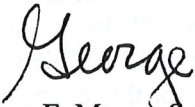
As a result of your letter, and recent calls and letters from several other communities, I requested that our staff evaluate the current status of the landfill cost-sharing "Pilot". To date, no "Pilot" funds have actually been paid out to the participating communities, which include the City of Amery, the City of Waukesha, the City of Rice Lake and the Village of Grafton (Lime Kiln site). Based on the staff review I have decided to take several actions with regard to the "Pilot" as described below:

1. I have made the decision not authorize any additional funds for the "Pilot" nor will we invite any additional communities to participate since the funding is already limited. This program was only intended to fulfill a short-term need until the Land Recycling Low Interest Loan program became effective.
2. We will re-evaluate the funding currently allotted to each participating community and determine if adequate progress is being made in the remedial action/municipal cost recovery process. If we feel that adequate progress is not being made we may re-distribute some of these funds to the other participating communities who have requested additional funds.
3. We have decided to establish a "sunset" date for the Pilot Program of September 30, 1999. If the participating communities have not been successful in meeting the 3 criteria established in our November 13, 1998 letter (to you - copy attached) by that date the Department will withdraw funding for the "Pilot".

The new Land Recycling Low Interest Loan program rules are anticipated to become effective by June 1 of this year. Of the \$20.0 million dollars allocated for this program 40% can be used for landfill remedial actions. We expect that communities that have been unable to take advantage of the cost-sharing "Pilot Program" will be able to seek financial assistance from this new program.

I hope this responds adequately to your questions about additional funds from the "Pilot". As you know, Marie Stewart of the Bureau for Remediation & Remediation has been working on the "Pilot Program". She will be contacting all four of the participating communities and requesting them to inform us of their anticipated schedule for meeting the criteria we set up, in our November, 1998 letter, in order to receive funds. If a community fails to meet the schedule we will evaluate a re-distribution of their funds to the other participating communities. Please give Marie a call if she can be of assistance in this matter at 608-267-2465.

Sincerely,



George E. Meyer, Secretary
Department of Natural Resources.

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