

SCAP

SOUTHERN CALIFORNIA ALLIANCE OF
PUBLICLY OWNED TREATMENT WORKS

**2010 YEAR-END
ANNUAL REPORT**

www.scap1.org

ADMINISTRATION

JOHN PASTORE
Executive Director

PAMELA MERRIAM
Executive Administrator

OVERVIEW

The Executive Director provides day-to-day oversight and management to the SCAP office and the general operation of SCAP. This individual provides guidance and general oversight to the Air Quality, Biosolids, Collection Systems, Energy Management and Water Issues Committees. The Executive Director interacts with the Board of Directors, SCAP's Regulatory Consultant and the Committee Chairs, as well as various members of any given committee or member agency on pertinent issues. He is responsible for providing pertinent information to the Finance Committee and arranging for Board meetings on a regular and as-needed basis.

The Executive Administrator (EA) is responsible for the clerical support that the office provides to the Executive Director, the Board of Directors and the SCAP committees, which includes preparation of meeting notices, agendas and correspondence, as well as compiling the *SCAP Monthly Update*. The EA is also responsible for the day-to-day office operations including all accounting activities, accounts receivable and accounts payable, compiling of the monthly and yearly financial reports, handling of the federal and state reports, preparation of the reports and paperwork for SCAP's CPA at fiscal year end and for compiling the draft fiscal year budgets. The EA also assists with the administration of the SCAP website, as well as finalizing all reports, *Monthly Updates*, Alerts, etc. that are to be posted on SCAP's website.

YEAR IN REVIEW

This past year marks SCAP's 19th year serving the southern California wastewater community. The Alliance remains strong and continues to meet the needs of its members with total membership holding reasonably steady this past year. Although, many member agencies have found it difficult to justify expenditures for organizational membership in light of decreasing revenue and budget cuts. Our organization is currently supported by 84 public members and 23 associate members.

It has now been 4 years since the SCAP committees were restructured in an effort to make them more effective and accessible to the membership. Each committee now has a chair and vice-chair and meetings are held on a regular basis. Our continuing outreach effort to the membership has resulted in increased committee participation, as documented by over 2,730 hours of agency staff commitment in 2010. The SCAP Board also determined that outside committee assistance may be needed from time to time and

authorized funding to assist the Executive Director and the committees with their workload. Several years ago SCAP completed a major upgrade of its website, which resulted in a more user friendly and interactive site that was intended to meet the needs of the membership for years to come. However, as technology rapidly changes, it may become necessary to upgrade the present website infrastructure with a newer version of the Share Point software due to support limitations of the old software by the provider. While the current website continues to feature both public and members-only sections, SCAP staff have successfully relocated the majority of its comprehensive reference library documents into the public section for easier access by members.

The monthly newsletter has also undergone a complete formatting makeover and continues to provide up-to-date regulatory and legislative information to both members and non-members alike. SCAP has digital teleconferencing capability to assist members in attending committee meetings remotely and has evaluated other alternatives, such as video conferencing and webcasting and will be further investigating these technologies in the upcoming year.

SCAP continues to participate in the “Clean Water Summit Partners Group,” made up of the CASA, BACWA, CVCWA, CWEA and SCAP organizations. The State Water Board’s ad-hoc technical advisory group, known as Tri-TAC, has been invited to join the Summit Partners and its Chair now attends regularly. The Summit Partners meet quarterly in Sacramento to discuss critical issues that are common to our industry. The focus of these meetings centers around regulatory issues that we are all faced with. At each meeting, a current board member of one of the state regulatory boards or an executive officer are invited to participate. The result of these get-togethers is a better understanding of the issues, on both sides of the table, as well as to provide a continuing relationship, association to regulator, and association to association. Hosting this meeting rotates each quarter with the first meeting in 2011 scheduled to be hosted by SCAP.

Further interaction with public agencies statewide is achieved by the Executive Director’s regular attendance at the monthly Tri-TAC meetings. These meetings are held on a rotational basis between northern and southern California, where technical issues of importance are discussed and strategized on. SCAP’s Executive Director has been invited to once again attend Tri-TAC’s annual strategic planning session to be held in December.

Over the past several years, SCAP has sponsored various special projects and events that were intended to promote SCAP’s new mission and goals. A few of the most significant projects completed by SCAP in the past were: 1) participation in a Cross Media Workshop conducted for the Cal-EPA agencies in Sacramento that resulted in the creation of a Cross-Media Checklist, which was submitted to Cal-EPA and incorporated into many agency work plans; 2) preparation of a White Paper detailing a proposed protocol for measurement of GHGs from POTWs in conjunction with the CWCCG committee; 3) contribution to the Columbia University/WERF Nitrogen Study for testing at selected wastewater treatment plants; and 4) preparation of a Wastewater Utility Branding Manual. Other sponsored events included, an Organics Marketing workshop co-sponsored by NWRI and the Utility Branding Network, which was held at the Irvine

Ranch Water District and two Energy Management workshops, co-sponsored by USEPA, CWEA and ICLEI, which were held in Sacramento and Irwindale. SCAP's Executive Director also participated in a statewide workgroup promoting the No Drugs Down the Drain program that ended up being extremely successful. He was also instrumental in working with CASA to hire a climate change coordinator for the California Wastewater Climate Change Group (CWCCG).

This past year, budget constraints have resulted in SCAP re-focusing its efforts on the individual committees in an effort to provide as much information as possible to those in attendance. Nonetheless, SCAP worked closely with Assemblymember Huffman (Marin County) to promote new legislation to regulate and label flushable products, as well as providing support for Senator Pavley's Senate Bill 918-Water Recycling. Additionally, SCAP conducted and completed a comprehensive survey of Southern California agencies focusing on biosolids trends within the last 3 years. The survey response exceeded all expectations and will hopefully serve as the impetus for compilation of a state-wide survey. Lastly, SCAP began working on the compilation of case studies for renewable energy projects state-wide, however, agencies time and budget constraints have hindered the data collection process to-date, but completion of the project remains one of next year's highest goals.

THE FUTURE

In meeting the strategic planning goal of becoming the foremost informational clearinghouse for the wastewater industry, SCAP's monthly newsletter, website and five working committees continue to provide the best venues for achieving this goal. Our newsletter is read statewide and I am constantly being told by members and non-members alike how much they rely on the newsletter for up-to-date information. As always, SCAP will be constantly searching for new ways to improve committee effectiveness, like scheduling more presentations and involvement from regulatory officials, centralizing meeting locations, and increasing associate membership involvement at the meetings. Strategically, SCAP will be putting forth a renewed effort to enlist new agencies for membership in SCAP, particularly the cities in Orange and Los Angeles counties.

SCAP will also look for opportunities to conduct informative workshops and co-sponsor events that compliment committee goals. Tentatively scheduled for 2011 is a workshop on modeling water softener ordinances. SCAP will also continue trying to find a legal/legislative solution to the disposable/flushable wipes problem and will be reviewing the recent testing and certification protocol developed by the NSF International to certify flushables. In 2011 SCAP's Executive Director will remain involved with the Summit Partners, Tri-TAC, NWRI, the Utility Branding Network, and the California Wastewater Climate Change Group (CWCCG). The Executive Director will continue to work towards strengthening personal and professional relationships with regional board staff and Board members in Sacramento.

AIR QUALITY COMMITTEE

Kris Flaig
City of Los Angeles, BOS
Chair

Gregory Adams
Los Angeles County Sanitation Districts
Vice Chair

OVERVIEW

The membership of the Air Quality Committee is comprised of SCAP member agency engineering, operations and environmental staff responsible for implementation and monitoring of their respective agency's air quality compliance programs. Participation on the Committee is open to all SCAP member agencies and is strongly encouraged by the Committee membership. The Committee is led by a chair and vice chair and further supported by SCAP staff that provide additional support in the way of performing research, crafting SCAP Alerts, surveys and notices, and maintaining a record of action items for each meeting. The Air Quality Committee meets regularly on a monthly basis. Additional meetings or conference calls are held as deemed necessary.

The mission of the Air Quality Committee is to monitor federal, state and local legislative and regulatory actions related to air quality, determine the potential financial and operational impacts upon our membership and provide proactive advocacy with the goal to both lessen identified impacts as well as to maintain operational flexibility for the essential services our member agencies provide. This is accomplished through personal contact with both elected and/or appointed officials and management staff of regulatory agencies, by providing testimony at public workshops and hearings, by submitting written comments and by performing scientific research, data collection and analysis that support the aforementioned strategies. Additionally, we provide a forum for communicating issues and recommended actions to our member agencies as well as providing a venue for member agencies to vocalize issues of concern that can then be researched by the Committee.

YEAR IN REVIEW

2010 Monthly Committee Meetings

The Air Quality Committee meets monthly at the offices of the Los Angeles County Sanitation Districts. A formal agenda is prepared and circulated ahead of the meeting, which includes items for discussion and a list action items from the previous month's meeting with follow-up action. This past year has been an extremely busy year for both climate change issues, highlighted by new greenhouse gas (GHG) regulations, including the Tailoring Rule, as well as traditional air quality issues.

2010 Regulatory Issues

Climate Change Activities

- In August 2010 CASA renewed its contract with CH2M Hill's Jackie Kepke for another year as the CWCCG coordinator.
- CWCCG submitted a comment letter to California Air Resources Board (CARB) advocating that wastewater facilities not be included in the AB32 Cap-and Trade Program, as well as expressing support for a Renewable Energy Standard (RES). CWCCG also met with CARB staff to reiterate these important points.
- CWCCG submitted comment letters to the San Joaquin Valley Air Pollution Control District (SJVAPCD) regarding GHG CEQA Best Performance Standards (BPSs), and to CARB on its draft RES regulation and revisions to the State's GHG mandatory reporting regulation (MRR).
- CWCCG submitted a comment letter protesting USEPA's designation of biosolids for incineration as (non-hazardous) solid waste.
- CWCCG is currently working on letter to the California Public Utilities Commission (CPUC) in support of SoCal Gas' forthcoming advice letter requesting CPUC approval to contract with POTWs and other entities for the construction of a pilot project to clean up/condition digester gas at a POTW for the purpose of ultimately supplying this gas to SoCal's natural gas pipeline.

USEPA Tailoring Rule

- USEPA released its final rule that governs how GHGs will be regulated under the existing New Source Review (NSR) rules for major sources, tailoring emission thresholds and compliance dates for inclusion in the Prevention of Significant Deterioration (PSD) regulation and Title V permits. Due to past court rulings and other actions taken by USEPA, six GHGs (carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons and sulfur hexafluoride), are now considered "regulated pollutants" and must be included in the major source NSR programs.
- The dilemma faced by USEPA in regulating GHGs was the 100/250 tons per year threshold that determined which sources would be considered major for inclusion in the NSR permitting programs; a threshold, which if used for GHGs would trigger six million new sources to enter the program. To avoid this unintended consequence, the new rulemaking "tailors" a new threshold for GHGs for an interim period which would take the place of the existing 100/250 tons per day threshold.
- On January 2, 2011, Step 1 of the Tailoring Rule takes effect. As of that date a stationary source will be subject to PSD permitting and BACT review for GHG

emissions if the source is, or must otherwise undergo PSD permitting for non-GHG emissions due to new construction or a plant modification (USEPA refers to such sources as "anyway PSD sources") and if the source will have a net annual increase of GHG emissions of at least 75,000 tons of CO₂e due to such new construction or facility modification.

- On July 1, 2011, Step 2 will apply - in addition to Step 1; sources already subject to PSD permitting for GHGs under Step 1 will remain subject to PSD requirements. Beginning July 1, 2011, a stationary source of GHGs will be a major source subject to PSD permitting for GHGs if the new source emits or has the potential to emit at least 100,000 tpy of CO₂e, or if an existing major source implements a physical change or change in the method of operation that results in a net increase of at least 75,000 tpy of CO₂e.
- Step 3 is undefined at this time and does not have a specific projected effective date. While Step 3 will include smaller sources not covered by Steps 1 and 2, the preamble to the Tailoring Rule indicates that Step 3 would not take effect until 2017 and that "in no event will sources below 50,000 tpy CO₂e be subject to PSD or title V permitting during the [interim] 6-year period."
- Many issues arise with the new regulations. First, USEPA does not distinguish between biogenic and anthropogenic (fossil-based) CO₂. Since biogenic CO₂ could be a significant portion of GHG emissions from POTWs, due to combustion of digester gas in flares or energy recovery equipment, facilities that are already Title V sources may now have to include GHG in their permits. EPA recently opened this issue for public comment. CWCCG along with SCAP provided comment that biogenic emissions should be excluded from determination of any threshold. Also, facilities that are not now Title V sources, could have to obtain Title V permits for the first time. Finally, since most POTWs do not have PSD permits, this rulemaking could result in facilities having to obtain PSD permits and Title V permits, through which PSD is reported. If a source triggers PSD due to GHGs, then BACT for GHGs, which is currently undefined, would need to be applied.

SCAQMD Priority Reserve Lawsuits

As a result of SB 827, the SCAQMD permit moratorium ended on January 4, 2010. SCAQMD has been able to issue permits for essential public service projects under the provisions of SB 827, which will sunset on May 1, 2012. Meanwhile, to address concerns expressed in various lawsuits, SCAQMD is working to readopt Rule 1315 and complete a rather extensive CEQA analysis by January 7, 2011. Upon successful re-adoption of Rule 1315, SB 827 will not be required for the issuance of permits. Nevertheless, environmental groups continue to challenge the validity of emission credits in state and federal courts of appeal.

Section 185 Clean Air Act Non-Attainment Fees

Enacted in 1990, Section 185 of the Clean Air Act requires major stationary sources located in severe or extreme non-attainment areas (e.g., the South Coast, Mojave Desert, San Joaquin Valley and portions of the Sacramento Valley Air Basins) to pay penalty fees for failure of the region to attain the ambient air quality standards. This provision was originally intended to be a penalty for major stationary sources in areas that have not done all that they can do to reduce emissions. In other words, Congress assumed that attainment would be achieved, if major stationary sources reduced their emissions. Unfortunately, as illustrated within the South Coast Air Basin, this assumption was incorrect. Despite SCAQMD's requirements for major stationary sources to comply with the most stringent control requirements anywhere, attainment has not been achieved.

Stationary sources currently contribute less than 10% of the pollution while mobile sources (cars, trucks, trains, planes and boats) are responsible for the majority of the air pollution. Even with the elimination of all stationary sources, the South Coast Air Basin would not meet the federal ambient air quality standards, without significant reductions from mobile sources.

At this time SCAQMD estimates that stationary sources will pay between \$19 and \$30 million in penalties on an annual basis, escalated each year by the CPI until attainment is achieved. For example, the Los Angeles County Sanitation Districts' air quality fees will double as a result of this penalty (i.e., annual fees will increase by about \$1,000,000).

- On January 5, 2010, USEPA's Office of Air Quality Planning and Standards issued a memorandum entitled "Guidance on Developing Fee Programs Required by Clean Air Act Section 185 for the 1-hour Ozone NAAQS." This memo provided guidance indicating that alternative fee or emission equivalency programs could be utilized to comply with Section 185.
- On March 5th, Earthjustice, on behalf of NRDC, filed a petition with the DC Circuit Court of Appeals challenging EPA's Section 185 Guidance document. USEPA subsequently filed a motion to dismiss NRDC's challenge.
- On July 29th, SCAQMD staff and industry representatives met with elected officials in Washington D.C to communicate the unfair burden being placed on small businesses by the Section 185 penalty.
- On October 21st, the SJVAPCD adopted a \$12 per vehicle license fee as an alternative to Section 185. These fees will be used to reduce mobile source emissions to help expedite attainment of ambient air quality standards.
- On November 5th, NRDC filed a legal brief arguing that EPA lacks the authority to allow states to pursue alternatives to fining facilities in areas significantly violating the agency's ozone standard, urging a federal appeals court to reject EPA's guidance memo. If this challenge is successful, air districts would be

- required to collect Section 185 fees from major stationary sources commencing in 2012.
- Several air districts throughout the state are attempting to formulate rules, which rely upon the alternatives outlined in EPA's guidance memo instead of penalizing major stationary sources.
 - Failure to remit compliant rules will result in the unilateral imposition and collection of these penalties from businesses by the federal EPA. All penalties collected by EPA would then be deposited in the federal treasury and be inaccessible to local air districts. In order to avoid EPA sanctions, impacted air districts need to adopt compliant fee rules in early 2011.

CARB's Regulation for a Greenhouse Gas Cap-and-Trade Program

- In December 2009, CARB released its 182-page Proposed Draft Rule (PDR) for the GHG Cap-and-Trade Program (C&T).
- Although wastewater is not currently addressed in the program, SCAP and CWCCG requested CARB to permanently exclude the wastewater sector from C&T to avoid any future inclusion of wastewater into the program. Biogenic emissions (e.g., CO₂ resulting from the combustion of digester gas) are favorably addressed in this version of the PDR.
- On October 14, 2010 CARB released the second version of the C&T Regulation for public review. In this version of the PDR, wastewater continues to be excluded, but SCAP and CWCCG continue to request a permanent exclusion from the program. Also, biogenic emissions from wastewater combustion of digester gas continues to not be included. On a parallel track, the MRR regulation lowers the GHG reporting threshold from 25,000 metric tons per year of CO₂e down to 10,000, which could bring many smaller POTWs into the reporting program.
- On December 16, 2010, CARB will consider C&T for adoption.

CEQA Thresholds of Significance for Greenhouse Gas Emissions

- SCAQMD has been conducting monthly meetings of its GHG CEQA Significance Threshold Working Group, which was formed to establish an emissions threshold to determine significance under CEQA for greenhouse gases. If a lead agency concludes in its CEQA analysis that its project's impacts are significant, it must prepare an EIR and consider all feasible mitigation measures or project alternatives. SCAQMD is proposing that for most projects, a threshold of 10,000 metric tons of carbon dioxide equivalents per year (mty CO₂e) is an acceptable threshold.

- California Office of Planning and Research (OPR) CEQA Guidelines currently require estimating a project's GHG emissions and adopting a significance threshold. Lead agencies must support their threshold with substantive evidence or adopt a threshold from an air district. There is no exclusion for biogenic emissions of CO₂ in the guidelines.
- SJVAPCD has adopted its CEQA Best Performance Standards (BPS) as a BACT-like approach for new projects. In this approach, SJVAPCD compares a project's GHG emissions to a District-approved BPS. If the project cannot match the BPS, it must reduce its emissions by 29% from a "business as usual" scenario or conclude that the project's impact is insignificant for GHGs.

EPCRA Hydrogen Sulfide Administrative Stay Lifted

On February 26th, EPA Administrator, Lisa Jackson, signed an "intent" to lift the administrative stay on the reporting requirements for hydrogen sulfide under the Emergency Planning and Community Right to Know Act (EPCRA). It is probable that hydrogen sulfide will ultimately be added to Section 112(b) of the federal CAA and that additional regulations might ensue in the future. The comment period was scheduled to end on May 12th, 2011.

SCAQMD Rule 1110.2 Engine Biogas Limits. On February 1, 2008, SCAQMD amended Rule 1110.2 to substantially reduce emission limits for biogas engines by July 1, 2012. As proposed, many biogas engines would effectively be forced to shutdown. The SCAQMD Governing Board, however, specified that a final technology feasibility assessment was required before the standard would go into effect. SCAQMD staff was directed to assure that cost-effective and commercial technologies are available to comply with the proposed limits and that increased flaring of biogas would not occur.

- On July 9th, SCAQMD staff provided an Interim Technology Feasibility Report to the Governing Board. This report indicated that the July 1, 2012 compliance date would need to be delayed and preliminary cost-effectiveness estimates, which ranged from \$11,000 to \$27,000 per ton, were within ranges that have been accepted in past rulemaking.
- On October 26th, SCAP members provided presentations to SCAQMD staff indicating that required retrofits are not cost-effective and would encourage flaring of biogas. These presentations are available at the SCAP website (<http://www.scap1.org/Air%20Reference%20Library>).
- Due to delays caused by the permit moratorium, biogas engine demonstration projects and the final technology feasibility report needed to assess the proposed limits have yet to be completed.
- SCAQMD has suggested that Rule 1110.2 may be reopened as soon as June 2011 to address results gleaned from ongoing demonstration projects and delay the biogas limit compliance date.

CalEPA's Draft Report on Cumulative Impacts

CalEPA has issued a draft report entitled, Cumulative Impacts: Building a Scientific Foundation, which provides a new screening method for analyzing cumulative impacts that take into account numerous socioeconomic factors. The report admits that the screening methodology is not sensitive to small changes in impact, and cannot determine the cause of health outcomes in a community. A major concern is that this type of methodology could make its way into processes, such as CEQA analyses and local permitting programs.

SCAQMD 2010 Draft Clean Communities Plan

To address environmental justice concerns, the SCAQMD developed a Clean Communities Plan (CCP). The CCP includes 23 measures that will strengthen existing source-specific rules, while identifying new source-specific categories. A greater emphasis will be placed on addressing cumulative effects in neighborhoods and communities. On November 5th, the SCAQMD adopted the 2010 CCP and ; implementation will begin in 2011.

Some Other Air Quality Issues of Significance Discussed in 2010

- CARB Mandatory Rule Reporting Changes
- Combined Heat and Power
- SCAP JEIP II Inventory Program
- Federal Mandatory Reporting Rule Changes
- WERF Nitrogen Study

THE FUTURE

Big Issues for 2011

- Final resolution on Section 185 Clean Air Act Non-Attainment Fees
- Obtaining reasonable SCAQMD Rule 1110.2 biogas limits
- Obtaining some (free) allocations for GHG adaptation in federal climate change bills
- Finalize WERF N₂O from WWTPs study
- Monitor legislation and NGO activity dealing with re-activating the Priority Reserve lawsuits
- Keep CWCCG's arms around AB 32 activities

Throughout 2010, storms passed in the night and day, requiring great diligence and dedication by many SCAP and CWCCG members, who have contributed heavily of their time and energy. Presently, the experienced crew is not resting on its laurels, but very actively addressing the onslaught of guidance documents and proposed rules that are as traditional as the holidays at the end of each year.

BIOSOLIDS COMMITTEE

Mike Sullivan
Los Angeles County Sanitation Districts
Chair

Leyla Perez
Orange County Sanitation District
Vice Chair

OVERVIEW

The Biosolids Committee continues to follow regulatory and other emerging biosolids issues on behalf of SCAP. The Biosolids Committee meets quarterly, usually at one of the SCAP member agency's facilities, except for meetings that are held in conjunction with Tri-TAC. Meetings may be focused on a particular topic of interest, or may be more generally focused on a broad range of topics related to biosolids management. The Committee has a standing list of agenda items related to regulatory issues, reuse options, Class A biosolids alternatives, and current or future biosolids management practices. The main focus of the Biosolids Committee is to provide information to the member agencies concerning new or proposed regulations, such as local ordinances or other local rules, which may potentially affect how each agency manages its biosolids. Monthly updates are provided, and e-mail notifications and SCAP Alerts are used to address important issues that need immediate attention.

YEAR IN REVIEW

2010 Committee Meetings and Locations

First Quarterly Meeting

SCAP held its first Biosolids Committee meeting of the year on January 12th in Ontario in conjunction with the Southern CA Tri-TAC meeting.

Second Quarterly Meeting

The second Biosolids Committee meeting was held on April 21st at the Ventura Regional Sanitation District's Toland Road Landfill in Santa Paula, CA and included a tour of their Biosolids Dryer and Renewable Power Generation Facility.

Third Quarterly Meeting

The third Biosolids Committee meeting of the year was held on July 20th and was hosted by the Las Virgenes Municipal Water District in Calabasas, CA and included a tour of Rancho Las Virgenes Composting Facility.

Fourth Quarterly Meeting

The fourth and final Biosolids Committee of the year was held on October 14th at the offices of the Orange County Sanitation District in conjunction with the Southern CA Tri-TAC meeting.

2010 Regulatory Issues

Throughout the year, the Committee monitored various regulatory issues related to Biosolids. The following are a few of the more significant issues that the committee tracked during 2010.

CalRecycle Proposed Regulation of Anaerobic Digestion

- SCAP's Biosolids Committee has been closely following CASA's efforts in working with CalRecycle to clarify regulatory language that would potentially allow LEAs to require POTWs to obtain a Transfer Station/Process Facility (TPSF) permit for accepting hauled in waste (such as FOG, food waste, etc.) for processing in anaerobic digesters.
- Anaerobic digestion activities at POTWs are already heavily regulated under federal and state water and air permits, and if allowed, the proposed regulatory language would serve as a disincentive for POTWs to treat these wastes and would inhibit state initiatives that promote renewable energy production.
- On August 26th, SCAP and the Clean Water Summit Partners submitted a comment letter to CalRecycle regarding its proposed regulation of FOG and Food Waste Digestion.

EPA Proposed Solid Waste Rule

- On June 4th, EPA published a proposed ruling that includes "sewage sludge" that is incinerated in the definition of non-hazardous solid waste. Under the proposed Rule, combustion units, such as biosolids incinerators, would be regulated under the more stringent Section 129 of the Clean Air Act, requiring Maximum Achievable Control Technologies. Land application and gasification facilities are exempt from this Rule.
- SCAP, CASA and NACWA have sent comment letters to the US EPA as to how this Rule would result in significant costs for POTWs that incinerate biosolids and hinder the development of projects that would beneficially reuse biosolids for the purpose of energy recovery.

EPA Proposed Standards for Sewage Sludge Incinerators

- In October, the US EPA announced a proposed rulemaking with the intent to cut emissions of mercury, particle pollution and other harmful pollutants from sewage sludge incinerators.
- The proposed standards would apply to both multiple-hearth and fluidized bed incinerators.
- The proposed rules would establish opacity limits and emission limits for nine pollutants emitted from the regulated incinerator units, including: mercury, lead,

cadmium, hydrogen chloride, particulate matter, carbon monoxide, dioxins/furans, nitrogen oxides, and sulfur dioxide.

Kern County Measure E and Litigation

- The Biosolids Committee has continued to provide updates for the past few years on the litigation related to Kern County's Measure E, which would have banned the land application of any form of biosolids in unincorporated Kern County. In 2006, the court ruled in favor of the Plaintiffs (treatment plants and biosolids haulers) on three causes of action: the commerce clause; police powers; and interference with the California Integrated Waste Management Act. Kern County then appealed the case to the 9th Circuit Court of Appeals in San Francisco.
- Oral arguments were heard in March of last year, wherein the commerce clause argument was not well received by the 9th Circuit's three-justice panel. The appeals court later ruled that the Plaintiffs did not have standing to challenge Measure E using the interstate commerce clause, and also remanded the California Integrated Waste Management Act and police powers judgments back to the District Court for a determination of whether to exercise supplemental jurisdiction. It was the appeals court opinion that the Plaintiffs' interests in overturning Measure E were only marginally related to the commerce clause argument because Measure E did not restrict the Plaintiffs from transporting biosolids out of state.
- In March, the 9th Circuit Court decision was appealed to the U.S. Supreme Court, but in June they refused to hear the case. The case then reverted back to the District Court, for a decision about whether the remaining two causes of action should be heard in a state court instead of a federal court.
- On November 9th, U.S. District Court Judge, Gary Feess, granted Kern County's motion to dismiss the remaining claims in the litigation challenging Measure E and declined to keep the lawsuit against the ordinance in federal court. This means that either a settlement must be reached or the case could be re-filed in state court. There is nothing currently restricting enforcement of the ordinance, but spokespersons for Kern County have indicated that they will not attempt to enforce the ordinance for at least 2 months. The Plaintiffs have indicated that the case will be filed in that time with the state court.

Local Biosolids Regulation

Since early in 2009, the Biosolids Committee has been tracking local efforts involving the regulation of biosolids in San Luis Obispo County, in which a draft permanent ordinance was released that would have nearly eliminated the use of biosolids for land application. On April 27th, the San Luis Obispo County Board of Supervisors adopted revised language in the county's master plan that allows for the land application of biosolids. County Supervisors then approved the extension of the County's interim biosolids ordinance through 2014, which allows the land application of biosolids within the County to be limited to 1,500 cubic yards per year. County Supervisors directed staff

to continue efforts in developing a permanent ordinance, but to also investigate funding for developing an EIR that would implement such an ordinance.

Other Biosolids Issues of Significance

- The California Integrated Waste Management Board transferred its duties, programs, and staff to the new Department of Resources Recycling and Recovery (CalRecycle) under the California Natural Resources Agency.
- Johnny Gonzales has replaced Jarrod Ramsey-Lewis in Sacramento as the SWRCB's Biosolids Coordinator.
- CA Department of Food and Agriculture (CDFA) issued proposed regulations for renderers, collection centers, dead animal haulers, and transporters of edible kitchen grease. If passed, POTWs would now be regulated by CDFA if they accept inedible kitchen grease and/or food waste.
- On July 13th, the San Bernardino County Board of Supervisors voted to deny an appeal to block the Nursery Products LLC composting project from going forward.
- The Kern County Planning Commission approved the Liberty Energy project located in Lost Hills. This gasification project would process biosolids and green waste, and produce renewable energy.
- US EPA reports that the Integrated Risk Information System (IRIS) Toxicological Review for inorganic arsenic is not yet final, that and EPA is waiting for a final staff recommendations. The biosolids industry has expressed grave concerns over the accuracy of this study. The proposed cancer slope factor (CSF) represents a 17 fold increase from the current CSF, and if used will have significant impacts for recycled water, effluent, and biosolids standards.

THE FUTURE

The Biosolids Committee will continue to focus on developments related to new regulations affecting biosolids management and monitor the development of several biosolids management facilities. The following are specific issues for the upcoming year:

- Chemicals of Emerging Concern (CECs) in biosolids;
- Cross Media regulations and conflicts;
- Federal regulations of biosolids incineration;
- Local measures and ordinances prohibiting biosolids management (e.g, Kern, Imperial, and San Luis Obispo).

The Committee will continue to meet quarterly at one of the member agencies' locations, or jointly with other biosolids industry associations. Since there has been positive feedback and an increase in participation when meetings are focused on a specific relevant topic or on local biosolids projects, the Committee will likely continue this

meeting format. The Committee will continue to communicate issues through SCAP Alerts or e-mail distribution of news articles and draft regulations, along with a summary included in the *SCAP Monthly Update*.

COLLECTION SYSTEMS COMMITTEE

Sam Espinoza
Los Angeles County Sanitation Districts
Chair

Nicole Greene
City of Montclair
Vice Chair

OVERVIEW

The committee was organized and began operations in November 2003.

Mission: The SCAP Collection Systems Committee (CSC) will serve as a resource group to assist SCAP members in achieving compliance with regulations affecting collection systems.

Goals: Provide education, training, regulatory and legislative advocacy in coordination with CASA, CWEA and the League of California Cities and others. Develop strategies, annual work plans, and a long-range growth plan for the SCAP Board.

Customers/Market: Current SCAP members, and new members such as special districts, cities, and agencies that independently own and operate sanitary sewer systems.

Services Provided: Workshops, outreach efforts, committee developed value added products, guidelines, model programs, training (with partner associations if needed), presentations to the public and at regulatory hearings and other associations where approved by the SCAP Executive Director.

YEAR IN REVIEW

2010 Committee Meetings and Locations

First Quarterly Meeting

The first meeting of the Collection Systems Committee consisted of a FOG seminar hosted by the City of Carlsbad at its Faraday Center on February 25th. The seminar was co-sponsored by CWEA, CWEA San Diego, SARBS and CalFOG. The seminar included presentations by 10 different speakers and drew over 170 attendees. Attendees earned CWEA certification points and were given professional presentations by the San Diego County Health Department, SCAP, Elsinore Valley MWD, Los Angeles County DPW, the City of Los Angeles, South Coast Water District, the SWRCB, the City of Riverside, Baker Communities Grease Pumping and Eco-Clean.

Second Quarterly Meeting

The second meeting of the year for the Collection Systems Committee was held on May 20th at the offices of the Sanitation Districts of Los Angeles County. The meeting

featured presentations on flushable products including a question and answer period with INDA representatives.

Third Quarterly Meeting

The third Collection Systems Committee meeting was held on August 24th at the Inland Empire Utilities Agency. The meeting featured a WDR Update and several presentations focused on the impacts of root intrusion on sewer pipes and the typical maintenance strategies used by various agencies to control roots.

Fourth Quarterly Meeting

The fourth and last Collection Systems Committee meeting of the year was held on November 18th at the offices of the Los Angeles County Department of Public Works. The meeting featured presentation on WDR Update, SSMP Audits and Collection System Emergency Responses involving multiple agencies.

2010 Regulatory Issues

Statewide General Waste Discharge Requirements (GWDR) Update

For the past year the SWRCB staff has been conducting a review of its GWDR by holding a series of stakeholder meetings and forming a data review committee. On September 21st, staff presented their seven recommendations for revisions to the GWDR to the Board. Included in these recommendations are:

- Mandatory reporting of all private property spills.
- Streamlining of the current spill reporting process to one phone call to the California Emergency Management Agency (Cal EMA).
- Inclusion of certain private sewer systems based on miles of pipe and volume of sewage conveyed.

Staff did not, however, recommend any of the following suggested changes to the WDR:

- Mandatory certification of collection system operators.
- A prohibition of all sewage spills regardless of the spill destination (de-minimis spill reporting).
- Reissuance of the GWDR as an NPDES permit.

After the SWRCB had received staff's recommendations they asked staff for additional briefings on the above issues after which the Board intends to give guidance to staff for the preparation of a new revised GWDR. The revised GWDR is expected to be available for public review sometime in December with adoption in March 2011.

SSO Data Review Committee

SCAP has participated yearlong in the SSO Data Review Committee meetings. The Committee has now completed its work on the Agency Performance Report, which can be viewed on-line at http://groups.google.com/group/sso-data-review-committee/browse_thread/thread/ba058138bdc84e5e?hi=en . Topics discussed in-depth by the Committee included:

- What indices should be used to evaluate the effectiveness of the management of a particular collection system, and to compare the performance of one collection system to another.
- Importance of conducting on-going system evaluation to direct resources where they are needed most.
- Creation of a third party spill reporting category.

Except for some minor cosmetic changes this is the report that will allow collection system agencies and the public to review spill performance.

WDR/SSMP Audits

The WDR/SSMP requires that a formal written audit be taken of the SSMP and its elements every two years from the date the elected governing body approved its SSMP. These audits are to be designed to review and gauge the agencies performance of each of the SSMP elements including deficiencies and changes that have taken place during the prior two years.

The first audits are due for those agencies serving a population of 100,000 or greater in May 2011. Agencies serving populations greater than 10,000 but less than 100,000 are due in August 2011. Additionally, the SWRCB still intends to conduct at least 2 random enforcement audits per Region over the next year.

US EPA CMOM Update

The US EPA has been conducting virtual listening sessions via webcasts as well as public meetings across the country to acquire input and answer questions from interested stakeholders on the possibility of the EPA developing a broad-based regulatory framework for sanitary collection systems under the National Pollution Discharge Elimination System (NPDES) permit system. The permit conditions EPA is considering would address the following areas:

- Reporting
- Overflow right-to-know
- Notice of public health officials and record keeping requirements for SSOs
- Capacity assurance
- Management

- Operation and maintenance requirements for municipal sanitary sewer collection systems
- Regulatory requirements or provisions for SSOs that are caused by exceptional circumstances

EPA has stated that the NPDES permits might be issued to individual collection agencies; to POTWs with their satellite systems as co-permittees; or to individual states to develop and administer their own programs.

Flushable Products Legislation

SCAP worked closely throughout the year with State Assembly Member Huffman to craft a legislative bill AB2566 that would make it a violation of state law to package or label a consumer product that has an affixed label stating that the product is “flushable” unless it meets certain stated criteria. SCAP also worked with the Association of Nonwoven Fabrics Industry (INDA) to better understand the problem with flushable products in California. SCAP assisted INDA in setting up tours of POTWS and agency collection systems with ragging problems.

Other Collection System Issues of Significance

- Manhole Inspection Programs
- Collection System Utility Marking Requirements
- Inflow/Infiltration Problems for Sewer Agencies
- Fat, Oils and Grease (FOG) Inspections
- Odor Control Technology for Manholes and Pump Stations
- Best Management Practices (BMPs) for SSO Reduction Strategies
- Root Reduction and Control Strategies

THE FUTURE

SWRCB: Continue to actively participate with the SWRCB to refine the statewide reporting database to provide the best possible medium for the reporting of SSOs. Develop sample Sewer System Management Plans and related items for the exclusive use of SCAP members.

Regional Boards: Meet with Board Executive Officers and staff and identify how the SCAP CSC can help in all Regions.

Tri-TAC: Collaborate on projects such as the CalFOG effort. OCSD, ETWD and LACSD are represented at this time and serve on the Steering Committee. See <http://www.calfog.org> for background info.

Other CSCs: Continue outreach, define deal points and needed collaboration with the Central Valley CSC, Bay Area CSC, CWEA Collections Committee, and OC WDR Steering Committee.

CWEA: Identify regional training needs that the SCAP CSC can help with. Work more closely with the CWEA local sections that have CSCs. Be supportive of CWEA's Collection System Certification Program. See <http://www.cwea.org> for info on CWEA, its training and certification programs for collection systems technicians, supervisors and managers, certification prep materials, local section info and upcoming events. CWEA does allow contact hours for all those who attend selected SCAP training seminars and the committee is also interested in working with CWEA in the development of training outreach to assist the wastewater community in complying with all new statewide rules and regulations regarding the wastewater industry.

Committee Meetings and Office Support: Hold meetings quarterly at a convenient location alternating between northern and southern locales. SCAP office staff will maintain an active membership contact list at all times.

ENERGY MANAGEMENT COMMITTEE

Andre Schmidt
Los Angeles County Sanitation Districts
Chair

Chris Berch
Inland Empire Utilities Agency
Vice Chair

OVERVIEW

The Energy Management Committee was formed as a new SCAP committee in the fall of 2008 to provide a forum for collaboration and exchange of information regarding energy production, energy efficiency, and energy markets. The Committee activities seek to contribute to efforts to control the cost and amount of energy utilized in the wastewater treatment process. The Committee also explores emerging technologies that may lead to further improvements in energy production and efficiency. Committee members present projects, case studies and facility tours that relate to energy issues at local treatment plants as well as research topics of common interest to the Committee. The Committee also tracks relevant energy legislation and funding opportunities on behalf of SCAP members.

The Energy Management Committee meets once each quarter. The meetings alternate between tours at various facilities located throughout the SCAP territory and a central office location where meetings focus on presentations and discussion.

YEAR IN REVIEW

2010 Committee Meetings and Locations

First Quarterly Meeting

The first meeting of the year for the Energy Management Committee was held on January 28th at the offices of the Inland Empire Utilities Agency. The focus of the meeting was on solar energy development at POTWs. The meeting included an update on the Market for Sale of Renewable Energy Credits (RECs) by chair, Andre Schmidt, and presentations by SCE on the CA Solar Initiative and Self Generation Incentive Program; by SCE on Power Purchase Agreements for Renewable Energy projects; by IEUA on IEUA's Solar Power Projects; and by Sunpower Corp. on an Overview of Solar Energy Power Purchase Agreements.

Second Quarterly Meeting

The second meeting of the Energy Management Committee took place on April 27th at the offices of the Los Angeles County Sanitation Districts. The focus of the meeting was on Renewable Energy Credits (RECs). The meeting opened up with a roundtable exchange of individual agency updates with regard to their interest and involvement with

RECs. LACSD presented an overview of RECs including what a REC is, how to count RECs, REC sales, and a legislative and regulatory update on RECs. LACSD also gave a presentation on “How to Certify Your RECs” that included Renewable Portfolio Standard (RPS) certification, the Western Renewable Energy Informational System (WREGIS) Account Registration, WREGIS Generator Registration, and WREGIS Data Reporting. Also, Nicole Finerty from Evolution Markets, Inc., made an informative presentation regarding the sale of RECs entitled, ”An Overview of California Renewable Energy Credit Markets”.

Third Quarterly Meeting

The third meeting of the Energy Management Committee was held on July 15th at the Orange County Sanitation District office. The focus of the meeting was on emission controls for internal combustion engines. Ralph Slone, President of NoxTech, gave a presentation on IC engine emission controls for methane gas fueled engines using NoxTech technology. OCSD staff made presentations on their Engine and Emissions Control Systems, on OCSD’s state-of-the-art Power Monitoring and Control Systems, and on OCSD’s Fuel Cell and Hydrogen Filling Station. The presentations were followed up by a guided tour of the hydrogen fueling station project, which is currently under development.

Fourth Quarterly Meeting

The final Energy Management Committee meeting of the year was held on October 14th in conjunction with the California Climate Change Group (CWCCG) at the Orange County Sanitation District office. The meeting drew over 65 participants from throughout the state and featured updates by SCAP air committee chair, Kris Flaig, SCAP’s Executive Director, John Pastore, and CWCCG’s Program Manager, Jackie Kepke. The main presentation of the meeting was made by Jackie Ferlita of Element Markets on “The Future of Greenhouse Gas Offsets and Renewable Energy Credits”.

2010 Regulatory Issues

Renewable Energy Credits (RECs) and Tradable Renewable Energy Credits (TRECs)

- In December 2009, the CA Public Utilities Commission (CPUC) issued a Proposed Decision (PD) on a Tradable Renewable Energy Credit (TREC) market that would allow unbundled RECs to be procured and traded separately from the underlying energy. The Proposed Decision was to create a TREC market immediately upon passage that would apply to qualified TRECs as of January 1, 2008 and would authorize the use of TRECs by utilities and other load-serving entities to meet Renewable Portfolio Standard (RPS) requirements. Each credit equals one MWh of generation and a price cap of \$50 per REC was to apply. The PD stipulated that Investor Owned Utilities (IOUs) would be limited to a 40% TREC usage cap for annual RPS compliance obligations. This cap would effectively include most all out-of-state bundled renewable transactions.

- In January 2010, the CPUC received public comments on the Proposed Decision. The PD hearing was delayed until the March due to opposition by the utilities to the decision's limits on import of renewable power from out of state.
- In March, the CPUC approved the use of TRECs for compliance with the California RPS. The approved decision decreased the TREC usage limit for IOUs RPS compliance to 25%.
- Power produced at wastewater treatment plants from a renewable energy source and used onsite would be eligible to qualify for TRECs. Under the approved decision, these would be subject to the 25% limit for IOUs' RPS compliance.
- The approved decision received significant opposition. In particular, the IOUs, the Governor's office, and developers opposed the decision's provision that limited the use of TRECs to 25% of the annual RPS requirement for IOUs and the decision's definition of TRECs that effectively included all out-of-state generation. As a result, the IOUs requested a rehearing of the decision or a stay on the decision. In May, the CPUC officially suspended the decision due to the mounting criticism.
- With failure of passage of SB 722, which would have established a 33% RPS by 2020, the existing 20% RPS that authorizes the PUC to establish a TREC market remained in place. In late August, the PUC issued a new TREC Proposed Decision (PD), which would allow IOUs to use TRECs to meet up to 40% of their RPS annual procurement targets, which was later revised to 30%. It also proposed to extend the TRECs usage limit to Energy Service Providers and to exempt deals approved before March from counting toward the limit. Interest groups objected to the PD on grounds that it would harm Direct Access and that it would allow IOUs to meet a large part of their RPS requirements through TRECs, without any incremental renewable energy. Subsequently an alternative PD was issued in late October that went back to the March decision's 25% usage limit. The PDs were scheduled to be heard at the December 2 CPUC meeting, but were held for further review.

Renewable Portfolio Standard Legislation

SB 722 would have set a 33% Renewable Portfolio Standard (RPS) by 2020. The bill was passed by the Assembly at 10:45 pm on August 31, the last day of the legislative session, but never made it to the Senate floor for a vote. The final bill was opposed by PG&E and supported by SCE and SDG&E

California Air Resources Board

The existing Executive Order to increase the RPS from 20% to 33% remains in place. On September 23rd, the CARB approved a regulation setting a 33% renewable energy

target for the State. This Executive Order uses CARB's AB32 authority for implementation.

Pipeline Biomethane

The Southern California Gas Company (SCG) and San Diego Gas and Electric (SDGE) have evaluated opportunities to capture biogas from wastewater treatment facilities and condition this gas through select technologies to meet pipeline quality specifications for interconnection and distribution, as defined in Rule 30 and Rule 39. Rule 30 provides gas quality specifications for natural gas and biomethane connected to the distribution system, and Rule 39 provides policy and specifications for the interconnection. Purified biomethane can be nominated to an end user who could take natural gas and generate renewable electricity or low carbon fuel.

SCG is now posed to submit requests to the CPUC to allow them to market such proposals officially in order to obtain funding for a small number of wastewater biogas conditioning projects. SCG's first effort will be to submit an "Advice Letter" to the CPUC requesting that SCG be allowed to market biogas conditioning and digestion services. Their second effort will be to obtain approval from the CPUC to use some rate payer money to help fund up to 4 biogas conditioning projects at medium to small plants.

CARB Draft Cap-and-Trade Regulation

On October 28th, CARB released its long awaited preliminary Cap and Trade Regulation for public review. The Regulation lowers the Greenhouse Gas reporting threshold from 25,000 metric tons of CO₂ equivalents down to 10,000 MTCO_{2e}. Major highlights of the program are as follows:

Scope

- Starting in 2012: electricity, including imports, and large industrial facilities.
- Starting in 2015: distributors of transportation fuels, natural gas and other fuels.
- Program covers 360 businesses, representing 600 facilities.

The Cap

- Initial cap in 2012 set at emissions forecast for that year.
- When scope expands in 2015, cap increases to include emissions from combustion of fuels.
- Cap declines approximately 2 percent per year in initial period (2012-14).
- Cap declines after 2015 approximately 3 percent per year.
- Cumulative reductions needed 2012 - 2020 are 273 million metric tons of CO₂ (MMTCO_{2e}).
- 2020 cap about 15% below 2012 levels.

Equitable Allowance Distribution

- Industrial sources will start with free allocation.
- Allowances for each sector will be close to the average emissions computed from recent data, at about 90 percent, based on an efficiency benchmark for each industry.

- Distribution will be updated annually for those sectors with an efficiency benchmark based on product output.
- Electricity sector to start with set share in 2012 close to the average emissions computed from recent data, about 90 percent.
- Free distribution to utilities, with value of allowances to the benefit of ratepayers.
- Remainder of allowances will be auctioned.
- Portion of all allowances, averaging about 4 percent, go into a strategic reserve for cost containment.
- Allowances added to system for fuels starting in 2015.

Cost Containment Mechanisms and Market Flexibility Mechanisms

- Trading allowances.
- Banking of allowances.
- Allowance reserve provides allowances at fixed prices to those with compliance obligations.
- Three-year compliance periods will allow for annual variations in output.
- Program provides ample ramp-up time and doesn't begin until 2012. Thereafter, the program has three-year compliance periods in 2015, 2018, 2020.
- Offsets
- Allow the use of offsets for up to 8 percent of a facility's compliance obligation, in part to balance setting aside 4 percent of allowances for strategic reserve.

Offsets

- The Board will consider four initial offset protocols as part of the program: forestry; urban forestry; livestock (manure/methane) management; and, removing existing stock of ozone-depleting substances.
- Validity of offsets supported by independent verification.
- Includes provision to approve external offset registries (such as the Climate Action Reserve) to issue offset credits if they use ARB-approved protocols and follow regulatory requirements.
- Will have framework for future inclusion of international offset programs from an entire sector within a region.
- The 'sectoral' approach could be used in the future to help preserve international forests.

Compliance and Enforcement

- Covered facilities will surrender allowances/offsets for 30 percent of the previous year's emissions on an annual basis.
- Once every three years, covered facilities will surrender allowances/offsets covering the remainder of the emissions for that three-year compliance period (2012-14; 2015-17, 2018-2020).
- If deadline is missed, obligation becomes 4 allowances for every ton of emissions.

Linkage to Other Greenhouse Gas Emissions Trading Systems

- Regulation will include framework for linking to programs of Western Climate Initiative partners.

- Staff will provide recommendation to Board in 2011 on linking with programs in New Mexico, British Columbia, Ontario and Quebec.

Mandatory Reporting Regulation

Separate regulation establishes changes to the reporting rules to make them consistent with U.S. EPA rules and to support the cap-and-trade program, including simplified reporting requirements for smaller sources.

Next Steps:

- The 45-day public comment period opened Monday, November 1st and during this time, ARB staff will continue to work with industry and other stakeholders to refine proposal and may recommend changes to Board.
- On November 18, 2010, staff will provide an overview of the proposed program to the ARB.
- On December 16, 2010, CARB will consider the proposed cap-and trade program at its December meeting
- From January through Summer 2011, staff completes package of changes based on Board direction, and makes proposed changes available for public comment.

THE FUTURE

The Energy Management Committee will continue to conduct quarterly meetings that will discuss: energy production as it relates to operation of existing facilities, new facilities and emerging technologies; energy efficiency as it relates to design and operation, and utility rebate incentive programs; and emerging markets as it relates to energy procurement and contracts, renewable energy credits and commodity prices. Additionally, the Committee intends to schedule tours of various public facilities that incorporate both proven and new emerging technologies successfully used in energy recovery and production. Quarterly meetings will seek to focus on a specific topic or facility tour that is relevant to a wide range of SCAP member agencies.

The Committee will continue to track new energy legislation and energy funding that is proposed and/or implemented. Committee members will be notified of relevant information at Committee meetings, through the *SCAP Monthly Update* or through email notifications.

The Committee will continue to develop a series of renewable energy case studies, based on the wide range of facilities among SCAP member agencies. The purpose of the case studies is to document the experience of SCAP members in such a way that it can provide insight and guidance to other members considering similar projects.

The Committee will continue to track the development of a tradable renewable energy credit (TREC) market for qualified on-site renewable power generation. It is anticipated that a TREC market will be established during 2011, which will provide an additional revenue source for POTW's with digester gas powered energy generation. Once this market is set in place, the Energy Management Committee plans to put together a half-day seminar on the requirements involved to qualify and sell TRECs.

WATER ISSUES COMMITTEE

Valerie Housel
City of San Bernardino
Water Department
Chair

Al Javier
Eastern Municipal Water District
Vice Chair

OVERVIEW

The Water Issues Committee continues to be actively engaged in significant and emerging issues on behalf of the Southern California Alliance of POTWs (SCAP). The Committee's mission is to represent its member agencies' views and interests to regulatory agencies, to develop position statements on regulatory issues, including commenting on emerging rules and policies, and to provide an informal forum for member agency dialogue between themselves and with regulatory agencies on emerging policy and regulations as they affect the POTW community.

YEAR IN REVIEW

2010 Committee Meetings and Locations

First Quarterly Meeting

The Water Issues Committee held its first meeting of the year on March 24th at the offices of the Inland Empire Utilities Agency. The meeting marked a change in the format of previous meetings in that formal presentations were followed by roundtable discussions involving the attendees. The meeting focused on the issues of salt management and water softener regulation.

Second Quarterly Meeting

The second meeting of Water Issues Committee was held on May 27th at the offices of the Inland Empire Utilities Agency and featured presentations by OCSD staff on its extensive monitoring program for Chemicals of Emerging Concern in conjunction with their recycling and groundwater replenishment programs. The meeting also featured a roundtable discussion of water softener issues led by IEUA's Martha Davis.

Third Quarterly Meeting

The third meeting of the Water issues Committee was held on August 26th at the offices of the Inland Empire Utilities Agency and was widely attended by staff from all over southern California. The meeting featured two excellent presentations by Mr. Timothy Moore of RISK-Sciences, who travelled all of the way from Tennessee to discuss the SWRCB's draft WET Policy and a common sense approach to chemicals of emerging concern.

Fourth Quarterly Meeting

The last Water Issues meeting of the year was held on October 14th at the Orange County Sanitation District in conjunction with the Tri-TAC meeting. SCAP agreed to hold one of its water committee meetings jointly with Tri-TAC each year to increase exposure of t Tri-TAC to agencies in southern California that that may not otherwise participate.

2010 Regulatory Issues

US EPA's Proposed 2009 Water Quality Criteria Update for Ammonia

On December 30, 2009, the USEPA announced the availability of a draft 2009 Update Aquatic Life Ambient Water Quality Criteria for Ammonia – Freshwater. This draft update does not affect saltwater criteria for ammonia, but does contain two very significant changes affecting freshwater criteria.

1. The inclusion of native freshwater mussel data in deriving the criteria
2. The deletion of all *Hyalella* ammonia sensitivity data. *Hyalella* was the most sensitive species when the 1999 criteria were derived. However, EPA has determined that the *Hyalella* ammonia sensitivity results were not reliable, due to potential interferences observed in the original studies.

SWRCB Draft Report on Chemicals of Emerging Concern (CECs)

On April 16, 2010, the SWRCB's Science Advisory Panel released its Draft Panel Report on Chemicals of Emerging Concern in Recycled Water for public review. The Panel was comprised of experts in the following areas:

- Human Health Toxicologist
- Environmental Toxicologist
- Risk Assessment/Epidemiologist
- Biochemist
- Civil Engineer
- Chemist

Furthermore, the Panel was charged with addressing the following questions related to CECs in recycled water used for irrigation and groundwater recharge:

- What are the appropriate constituents to be monitored in recycled water, and what are the applicable monitoring methods?
- What toxicological information is available for these constituents?
- Would the constituent list change based on level of treatment? If so, how?
- What are the possible indicators that represent a suite of CECs?
- What levels of CECs should trigger enhanced monitoring in recycled, ground, or surface waters?

On June 25th, the Science Advisory Panel issued its Final Report and according to the Communications Fact Sheet issued by the SWRCB, dated June 30, 2010, the Panel's report includes the following summary of recommendations related to these four products:

1. A conceptual framework for determining which CECs to monitor.
2. Application of the framework to identify a list of chemicals that should be monitored separately.
3. A sampling design and approach for interpreting results from CEC monitoring programs.
4. Priorities for future improvements in monitoring and interpreting CEC data.

In addition to these research recommendations, the Panel recommends that the State develop a process to rapidly compile, summarize, and evaluate monitoring data as they become available.

CEQA Scoping Document for Phase II Sediment Quality Objectives for Enclosed Bays and Estuaries

On April 21st the SWRCB released its staff CEQA Scoping document for developing sediment quality objectives (SOQs) for enclosed bays and estuaries. In Phase I of this work, the SWRCB developed the Water Quality Control Plan (WQCP) for Enclosed Bays and Estuaries, which was subsequently approved by USEPA. This document further describes the on-going program to develop and refine the SOQs, including a staff report supporting proposed amendments to the WQCP – Part I, including: Those parts of Sections V and VII that address the methodology to interpret and implement the SQO intended to protect benthic communities from direct exposure to toxic pollutants in sediments within some estuary habitats; and those parts of Sections VI and VII that address the methodology to interpret and implement the SQO intended to protect people exposed to contaminants in fish and shellfish tissue derived from bay or estuary sediments.

Advisory Panel for CECs in Coastal and Marine Ecosystems

On September 30 & October 1, the Southern California Coastal Water Research Project (SCCWRP) hosted a meeting of a panel of selected experts that will provide the State with recommendations on how to best limit the impact of CECs on our oceans, estuaries and wetlands. Previously, the State of California convened a panel of experts to provide recommendations on how current knowledge of CECs should influence their regulatory activities in regards to the State's [Recycled Water Policy](#).

At this meeting the panel addressed the following questions:

1. What are the relative contributions of contaminants of emerging concern (CECs) discharged into coastal aquatic systems* from wastewater and stormwater?
2. What specific CECs, if any, are most appropriate for monitoring in discharges to coastal aquatic systems and what are the applicable monitoring methods and detection/limits?
3. How are these priority constituents affected by the chemistry, biology and physics of treatment in wastewater systems, by discharge into and transport by coastal

- streams, rivers and estuaries, and as a result of mixing and dilution with receiving ocean waters?
4. What approaches should be used to assess biological effects of CECs to sentinel species in coastal aquatic/systems?
 5. What is the appropriate design (e.g. media, frequency, locations) for a CEC monitoring and biological effects assessment program given the current state of the art for monitoring methods, and what level of effects will be detectable with such a monitoring program? How does the sensitivity of the monitoring and assessment program vary with investment?
 6. What concentrations of CECs or levels of biological effects should trigger further actions and what options should be considered for further actions?

The seven panel members were chosen for their expertise in the following fields: biochemistry, analytical chemistry, civil engineering, coastal/marine resources, epidemiology/risk assessment, ecotoxicology, and human health toxicology. This panel will review the scientific literature regarding CECs in the coastal marine environment, and hold several meetings to discuss how to answer the key questions. The project will also support additional data collection and analysis, to assist the expert panel in filling any data gaps. The knowledge gleaned through this effort will be synthesized into written recommendations for use by the management community.

Marine Life Protection Act

After months of public outreach meetings a final working draft of the South Coast Initial Statement of Reasons for Regulatory Action (ISOR) was released by the California Fish and Game Commission on March 26, 2010. Subsequent to the release a number of public hearings have been scheduled to receive public comment and final adoption. Many of our ocean discharge members are working individually with the DFG and the CA Fish and Game Commission to assess impacts to their outfall locations, and resolve their local concerns. On November 16th, the SWRCB held a meeting in which the Board adopted a resolution providing staff with direction that included working with individual agencies, such as LACSD and SOCWA, to resolve conflicts with proposed language in the MLPA.

California Ocean Plan – Triennial Review

A public hearing to provide input on the proposed changes to the SWRCB California Ocean Plan – Triennial Review was held by the SWRCB on September 22, 2010. The 2009 Ocean Plan was recently adopted by the State Water Board and approved by the Office of Administrative Law (OAL). Amendments made for the 2009 Ocean Plan included non-substantive changes, such as the clarification that metals are expressed as total recoverable metals; the removal of Section III (F)(1) on compliance schedules and the addition of Section III (G)(1) on Compliance Schedules in National Pollutant Discharge Elimination System (NPDES) Permits; the correction of toxicity definitions and references in Appendix 1; the addition of maps of California's ocean waters, bays, and estuaries; and an updated list of exceptions in Appendix VII. Staff is currently preparing amendments for model monitoring (2005-2008 Triennial Review Issues 15, 17, and 18), replacing the current invalid radioactivity numeric objective (based on human health) for marine aquatic life with a narrative objective (2005-2008 Triennial Review Issue 13), and salinity objectives/desalination (2005-2008 Triennial Review Issue 10).

Developing Biological Objectives for Perennial Wadeable Streams in the State of California

On May 27, 2010, the stakeholders group held a meeting to review the technical work plan for the development of biological objectives for California. The general approach of the meeting was to define basic tasks for development of the biological objectives at a broad level. One of the tasks involved creating a list of technical committee members that would be reviewed and agreed upon. Subsequently, that list has been developed and approved. Approximately 60 members of a range of interest groups either volunteered or were recommended for membership on the Stakeholder Advisory Committee Scientific Advisory Committee) and members of each interest group statewide. Potential Committee members were prioritized based on whether they:

- Represent a statewide or regional professional organization / association.
- Are an employee of an affected agency, organization, or other entity.
- Contribute to geographic coverage of as much of the state as possible.

According to the SWRCB:

1. All future meetings of the Committee will be open to all interested parties, with no restrictions on participations by any participant.
2. The Committee's role is to foster effective communication between members of specific interest groups and the project team and to bring their constituents' concerns to the Committee meetings for discussion.
3. Committee meetings are intended as a forum for exchange of ideas and information and to provide a means for stakeholders to have input into the development of the objectives.
4. Committee meetings are not a decision-making or a consensus process.

SWRCB Whole Effluent Toxicity Policy

On October 20, 2010 the SWRCB released its most recent draft of the Whole Effluent Toxicity (WET) Policy for public review and comment. A workshop was held on November 16th in Sacramento to receive comments on the policy. Comments on the previous draft policy were submitted by various agencies and associations back in August and the hope was that the latest policy version would address many of the concerns voiced. However, true to form, the current policy appears to have taken a turn for the worst and is light years worst than the earlier version. This policy in its present form, according to Roberta Larson, CASA's Director of Legal and Regulatory Affairs, "will extend to the regulated community as a whole – stormwater, wastewater, agriculture, industry, etc".

The following bullet points concerning the impacts associated with the proposed WET Policy were prepared by concerned individuals in the POTW community throughout the state and shared with us by CASA and Tri-TAC.

- Chronic toxicity testing will be required of essentially all dischargers.
- Excessive false positive error rate.
- Numeric chronic toxicity limits will be required for nearly all dischargers.

- Exceedances of numeric chronic (and acute) toxicity limits are Clean Water Act violations.
- Essentially all waters of the State will be identified as impaired for toxicity.
- The Policy is Unnecessarily Stringent.
- The compliance schedule provisions in the proposed Policy are inappropriately restrictive.
- The Proposed Policy conflicts with and is more stringent than federal law.
- The Proposed Policy Places Greater Importance on Ease of Enforcement than Water Quality Protection.
- The Policy's CEQA Checklist is Inaccurate.
- The Water Code Section 13241 and Economic Analyses are Inadequate.

On November 16th more than 20 POTW members and organizations from throughout the state attended a workshop conducted by the SWRCB to discuss their concerns over the proposed toxicity policy. SCAP, CVCWA and CASA all testified and collectively requested an extension to written comment deadline to January 21, 2011 and for direction to staff to work with stakeholders to develop an alternative toxicity policy. At the conclusion of the workshop, the SWRCB Board granted the extension and directed staff to conduct a "test drive" of the draft policy by collecting and analyzing data from POTWs throughout the state in order to determine the potential impacts of false positives and negatives under the proposed policy.,

Other Water Issues of Significance

- Green Chemistry Hazards, Traits, Endpoints and Other Relevant Data
- Water Softener Ordinance
- Salt Management Studies

THE FUTURE

The Water Issues Committee continues to actively monitor and work on water policy and regulatory issues affecting member agencies. The Water Issues Committee will continue to hold regular quarterly meetings to update its membership on regulatory issues.

During the next calendar year, the Water Issues Committee will be monitoring developing regulatory issues such as: the proposed Whole Effluent Toxicity Policy; Water Quality Improvement Initiatives, including Numeric Nutrient Endpoints for Ammonia; Marine Life Protection Areas; Constituents of Emerging Concern; Sediment Quality Objectives; and water softener restrictions.

The Water Issues Committee will also be monitoring developing state and federal legislation in the areas of water quality enforcement, water recycling, constituents of emerging concern, and bond programs and other funding sources.