



SOUTHERN CALIFORNIA ALLIANCE OF
PUBLICLY OWNED TREATMENT WORKS

MONTHLY UPDATE

May 2008

A Message from the Executive Director...

Well, just like Christmas and Easter, Earth Day has come and gone. But unlike those holidays, we can celebrate Earth Day everyday. That's what people in our profession do everyday while at work. Honestly, never before have I seen such an outpouring of concern for the environment since the late sixties. Back then it was really just an American and British trend that centered around nature and was fueled, of course, by the drug culture. Nowadays, it's a worldwide awareness of the predicament our planet is in. Many feel that the centuries of mining the earth's resources without replenishment have finally caught up with us. I'm sure that no one can dispute the effects that the Industrial Revolution has had on our atmosphere and waterways. A close look at what is happening in China today, as that country is experiencing a period of unprecedented growth and industrialization, reveals the degree of pollution that can result from a lack of environmental regulations.

It's times like these that make us appreciate the environmental oversight we enjoy in this country. It's easy to sometimes say, "Those darn regulations, they're killing us." But in the long run, we must remember that they are put in place for the overall benefit and protection of us all. On the other hand, the very same individuals who create and enforce these regulations, as well as the environmental groups who pursue more stringent laws and penalties, are the ones who are also contributing to the pollution our industry is left to deal with. The last time I looked, I was certain that these individuals use restrooms, have yards and businesses that produce runoff into the storm drains, drive vehicles that use gasoline or diesel and emit hydrocarbons into the atmosphere. Moreover, I don't see many of them out there day after day trying to find environmentally sound ways to process and dispose of biosolids, or better yet, coming into work after midnight to control a sewer overflow caused by an abundance of cooking grease poured down the drain. I'm positive that people in the wastewater profession are not the only ones who take prescription drugs and use cosmetics, which have recently been identified as causing a rise in the emerging contaminants found in wastewater streams and groundwater aquifers. Although, sometimes testimony from the NGOs and the regulators make me feel that each of our agencies are personally responsible for contributing everything that ends up at the front door of our treatment plants. No doubt our image has been tarnished by the actions of some in the past, but overall, I'll stack our performance record up against any industry in America.

Upcoming Meetings

Air Quality Committee Meeting –
Wednesday, May 7th, 10 am – 12
noon, at LACSD.

Joint SCAP/Tri-TAC Meeting –
Thursday, May 8th, 9 am, at OCSD.

Board of Directors Meeting –
Tuesday, June 17th, 10 am – 12
noon, at LACSD.

**Collection Systems Committee
Meeting** – Wednesday, July 23rd, 10
am – 2 pm, at Vallecitos Water
District.

I think that's enough ranting and raving for the moment. Getting back to Earth Day, one of the great environmentalist slogan's of all time is, "Think Globally, Act Locally." What are some of the things that SCAP members are doing to locally to help the environment? For one, many agencies have converted over their gasoline-fueled vehicle fleet to cleaner burning, lower emission alternative fuel vehicles. Many are also replacing their standard autos with fuel efficient hybrids. At the larger treatment plants, those agencies employing anaerobic digesters have foregone the old practice of flaring their digester gases and are now using the gas to run boilers and equipment. Some facilities have converted their abandoned sludge drying beds into solar panel installations that generate enough electricity to take their facilities off of the power grid. A few have even begun to experiment with setting up FOG (fats, oils & greases) collection stations that offer an alternative to putting it down the drain or into a landfill for disposal. Taking it one step further, these same agencies are converting the FOG into a bio-fuel alternative to help reduce their reliance on diesel or natural gas. On a grander scale, our Air Quality Committee is deeply involved in developing an accurate protocol for the measurement of green house gases (GHG) that will enable our agencies to effectively plan for GHG reduction efforts. Many agencies are already striving to become "carbon neutral" in the near future. Obviously, these programs do not come without a cost, but in the long run it's worth it for the environment.

Globally Yours,

John Pastore

Air Quality by Chair Daniel McGivney

Imperial County APCD

ICAPCD recently released a new Microsoft version of UREMIS (Urban, Emission), which is a software model used for estimating air pollution emissions from a wide variety of land use projects. The ICAPCD Board of Directors voted unanimously on November 6, 2007 to adopt the Imperial County CEQA Air Quality Handbook and Rule 310 Operational Development Fee. Both documents are intended to assist ICAPCD reach attainment status for ozone and PM10.

Mohave Desert AQMD

The Mohave Desert AQMD has received its 2006 CCAR GHG Inventory Certification and reports that it has made significant reductions that exceed the state-mandated 2020 emissions reduction goal of 25% required under AB32. The MDAQMD boasts that they are the first air district in California to meet and exceed the Governor's reduction standard. The MDAQMD is currently accepting proposals for up to \$377,419 in grants for projects that reduce smog-forming emissions from

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heavy-duty vehicles and other mobile diesel equipment operated in the High Desert portion of San Bernardino County and Riverside's Palo Verde Valley.

San Diego APCD

SDAPCD reports that San Diego County is not currently in attainment for the 1-hour ozone state standard or the 8-hour ozone state and federal standards. It is also not in containment for the PM10 and PM2.5 state standards. There are no new air district rules pertaining to water or wastewater facilities pending at this time.

Santa Barbara APCD

The SBAPCD reports that Santa Barbara County has not reached attainment status for the 8-hour ozone standard or the state and federal standards for PM10. Furthermore, efforts to reach attainment status for both state and federal standards for PM2.5 are still being studied.

On March 20, 2008, the SBAPCD approved participation in Year 10 of the Carl Moyer Program, making approximately \$619,000 available for eligible projects during the upcoming year. Typical projects include heavy-duty engine repowers, replacements and retrofits for both diesel and alternative fueled equipment. Other project categories include zero-emission projects, old car buy backs and agriculture assistance.

Ventura County APCD

The VCAPCD reports that Ventura County is considered a non-attainment area for both federal and state ozone air quality standards. Additionally, Ventura County does not meet the state particulate matter (PM) standards.

Draft Rule 55 (Fugitive Dust) – On May 15, 2008, the VCAPCD will consider adoption of Rule 55. This draft rule implements VCAPCD's previously adopted program for reduction of PM emissions, as mandated by SB656.

Rule 42 (Permit Fees) – On April 8, 2008, VCAPCD adopted revisions to Rule 42, which among other things, increased permit renewal fees by 8 percent.

South Coast AQMD

SCAQMD Amended Rule 1110.2

SCAQMD Rule 1110.2 affecting internal combustion engines continues to be a challenge to implement. One of the most recent issues had to do with reporting. Rule 1110.2 requires a quarterly report to the SCAQMD on the 15th day following the end of the "calendar quarter." The regulated community thought that this quarterly reporting requirement would begin after the I&M program requirements became effective in December 2008 with the January 15, 2009 report date. However, we were surprised to learn that the first quarterly report was due on April 15, 2008. Many agencies had to scramble to meet this date as we only found this out approximately 3 weeks before the due date.

Then we learned shortly after April 15 that the SCAQMD, in response to a comment letter sent by the Southern California Gas Company (SCGC), decided to change the first report due date to June 15, 2008. This was reported to the SCGC in a private SCAQMD meeting. Unfortunately, the SCAQMD has not sent any formal communication to the regulated community at large and this new due date and other issues surrounding this date choice are poorly understood. It is unknown whether this report date is an extension for the first quarter report (February 1, 2008 – March 31, 2008) or for the period of March 1, 2008 through May 31, 2008. We are also unclear as to when future quarterly reports will be due because the June 15 due date does not follow a typical calendar quarter.

In order to resolve this, the SCAP Air Quality Committee will be contacting the SCAQMD to get further information. We will also be pushing the SCAQMD to begin convening the Rule 1110.2 implementation work group that they committed to when Rule 1110.2 was amended on February 1, 2008. For now, any agency that owns and/or operates non-emergency internal combustion engines should pay close attention to the requirements of Rule 1110.2 and if you have any questions at all, please contact the SCAQMD and/or the SCAP office for assistance.

SCAQMD Rules 1146 and 1146.1 (by Tom C. Fang)

South Coast AQMD's efforts to amend Rules 1146 and 1146.1 continued in April with a joint public workshop on April 2nd. New rule language and preliminary draft staff reports were released, with comments due April 10, 2008. For R1146, which applies to boilers, steam generators, and process heaters with heat input ratings of 5 MMBtu/hr and above, SCAQMD is now proposing to drop the NOx limit to 9 ppm for existing units 5-75 MMBtu/hr input (5-20 MMBtu/hr by 2013, 20-75 MMBtu/hr by 2012), and 5 ppm by 2013 for units >75 MMBtu/hr. Earlier deadlines apply for submittal of compliance plans and permit applications, while additional time is given to owners of multiple units and those electing the "enhanced option," i.e., 5 ppm by 2014 in lieu of 9 ppm by 2012. For R1146.1, which applies to units rated between 2 to 5 MMBtu/hr, 9 ppm is also proposed to apply by 2012. For both rules, SCAQMD proposed a 15 ppm NOx limit for digester gas boilers and 25 ppm for landfill gas, effective January 2015. A weighted average formula is given in both PARs for co-fired or blended fuel boilers. Portable analyzer monitoring is also proposed at frequencies of monthly for R1146 units and quarterly for R1146.1.

SCAQMD is discarding the previously proposed 12, 15 and 20 ppm NOx limits in favor of 9 ppm to match recent proposals for San Joaquin APCD Rules 4306 and 4307. This is below the current BACT for new boilers rated under 20 MMBtu/hr of 12 ppm NOx, and again would apply to existing units by the aforementioned dates. PARs 1146 and 1146.1 propose to give current 12 ppm units up to 15 years (burner useful life) to comply with 9 ppm. LACSD submitted a comment letter on April 10 opposing the 9 ppm limit, as well as requesting biogas units be allowed natural gas augmentation up to 25%, i.e., not use the weighted average formula but fix landfill and digester gas NOx limits at 25 and 15 ppm, respectively.

Both rules are now targeted for the 7/11/08 Board hearing. Questions may be directed to the SCAP Air Quality Committee via the SCAP office.

Proposed Changes to SCAQMD Regulation III – Fees (by Janet Bell)

It's time for SCAP members to review their air quality budgets because SCAQMD is proposing changes to their fees rules. At the May 2nd Board meeting, SCAQMD staff will propose an increase of 4.1%, equivalent to the change in the 2007 Consumer Price Index (CPI) for all fee categories, except those for which the Board adopted a 3-year phased fee increase in 2006, which includes a 10% increase this year to continue their cost recovery efforts and to fund their 2008-2009 budget. Additionally, staff is proposing amendments to the Annual Emissions Reporting from a fiscal year to a calendar year reporting time period to align with CARB's mandatory Greenhouse Gas (GHG) Reporting Program, and is proposing to align portable equipment registration program (PERP) fees with CARB's. Staff is also proposing a one-time operating fee assessment to recover the cost of a technology assessment to reduce SOX emissions from RECLAIM facilities, and several other adjustments and clarifications to the fee rules. There are currently twelve rules within Regulation III-Fees that set fees and procedures for permitting, annual emissions fees, and other District services, such as variances, compliance monitoring and testing, review of emission control plans, registration programs and certain training programs.

Several SCAP members had submitted written comments to SCAQMD requesting a change in the current fee schedule for plasma arc cutters and associated control equipment from Schedule C to the lower rate in Schedule B, especially for permitting of multiple units. Per the Board letter, SCAQMD staff did not incorporate this change in the proposed rule revisions because mandatory health risk assessments must be done for plasma arc cutting and associated control equipment; therefore, they state that Schedule C is correct, and recommend that permit applicants may qualify for an identical equipment reduced fee, if the equipment is permitted as a single evaluation.

Some of the primary SCAQMD amendments under consideration for Regulation III are provided below:

- CPI and Approved 10% Increase
- Payment of Court Judgments and Administrative Civil Penalties
- Clarification of Fees for Emission Reduction Credit (ERC) Application Processing
- Credits for Solar Energy Equipment – Those funded by grant(s) from District's Priority Reserve account would be ineligible for solar energy credits.
- Annual Operating Emissions Fee and Rule 301(K) – RECLAIM Facilities – The staff report describes the process for the fiscal to calendar year transition, and the steps for inclusion of voluntary GHG emissions reporting with associated CARB mandatory reporting deadlines.
- PERP Fees – The April 2007 amended PERP regulation includes a revised uniform fee structure that SCAQMD and other air districts follow when invoicing registration holders for inspections of equipment units. The revised fee will be an hourly fee of \$98.00 per hour, except for Tactical Support Equipment (TSE) and engines. Inspection fees for portable engines, except TSE, are paid in advance and submitted to CARB with application for a new registration/renewal, and applicant designation of a "home district;" then CARB provides a \$315.00 inspection fee to each home district.

- Compliance Plans for Rule 461 – Gasoline Transfer and Dispensing – These compliance plans shall be charged the filing fee of \$112.30 in addition to a reduced initial plan evaluation fee of \$112.30 at the time of plan filing submittal.
- Plan Fee Exemption for Rule 2449 Fleets (off-road diesel) – Fleet operators subject to this rule, which applies to fleets with more than 20,000 bhp in maximum power on a statewide basis with more than 40% Tier 0 and 1 equipment as of January 1, 2008, are required to submit a compliance plan to show that equipment identified for SOON funding will result in surplus reductions. Staff is proposing to waive the compliance plan fees.

Update on AB32 Implementation and other Wastewater Industry Greenhouse Gas Issues

(by Frank Caponi and Greg Adams)

Since the passage of AB 32 (California Global Warming Solutions Act of 2006), the California Air Resources Board (CARB) has been very rapidly developing a statewide program to achieve the Governor's goal of reducing greenhouse gas emissions (GHG) to 1990 levels by 2020. CARB's current focus is on developing a Scoping Plan to achieve the Governor's 1990 goals. The process is on a fast track with the plan scheduled to be considered by CARB's Governing Board in November 2008. Leading up to the final plan, CARB has been conducting a series of "Economic Analysis and Program Design Stakeholder Technical Work Group Meetings." These meetings are focused on very specific technical aspects of the plan, such as modeling of economic factors, allocation of allowances in a cap and trade program, and the development of offsets to be used in a cap and trade program. To the extent possible, SCAP members have participated in some of these workgroup meetings, especially with regard to the offset issue which could impact the wastewater industry. The wastewater industry could be in a position to develop offsets, which could be tradable in a cap and trade program. On May 5, 2008, CARB will hold a Scoping Plan workshop that will provide a first look at the types of programs under development to achieve the 1990 greenhouse gas emission levels. Then, the actual draft plan will be released in June, with workshops to follow. SCAP membership will be following the development of the draft plan very closely to determine if the wastewater industry will be impacted.

SCAP continues to be part of the California Wastewater Climate Change Group (CWCCG) composed of over 40 wastewater agencies and three wastewater associations, including SCAP. The purpose of this group is to provide a unified voice in the regulatory process, one of the most important components of which is the developing of an emissions protocol that accurately reflects GHG emissions from wastewater treatment processes. An accurate emissions protocol ensures that the wastewater industry statewide inventory is correct and the industry is treated fairly in the regulatory process, such as AB32. Currently, the emissions protocol is being developed under the voluntary California Climate Action Registry (CCAR). SCAP members have been very active with CWCCG, CCAR and CARB to ensure that a protocol be developed that reflects the best science available. To that end, SCAP members have been working with the Water Environment Research Foundation (WERF) on a research program that would develop nitrous oxide (an important wastewater industry GHG) emission factors by testing actual facilities nationwide. These factors would be developed from the best science available. CCAR, in conjunction with CARB, is also developing a Local Government Operations Protocol to establish emissions protocols for greenhouse gas emissions from government agencies, such

as cities and counties. A component of the protocol is an emissions protocol for wastewater treatment facilities. CCAR is on a track to finalize this protocol by August or September. At the request of CWCCG, CCAR established a wastewater industry working group to develop the wastewater component of the overall Government protocol. SCAP members are included in this subgroup. Since the Local Government Operations protocol is on a much quicker time frame than the CCAR wastewater protocol that CWCCG has been developing, a two-phased approach is being taken. In the first phase, an emissions protocol would be developed utilizing standard EPA approaches to calculating greenhouse gas emissions with some updated emission factors. This would satisfy CCAR's need to develop the Local Government protocol quickly. In the second phase, which could take up to two years, an approach would be developed based upon the WERF research, which would satisfy the overall long-term needs of the wastewater industry and allow for the Local Government protocol to be amended with the new approach.

The EPA released their 2006 GHG emissions inventory on April 15, 2008, which continues to identify the wastewater industry as large emitters of methane and nitrous oxide. NACWA has sent in detailed information lowering the nitrogen loading per capita but it is uncertain when or if the information will be reflected. The EPA also has a large group managing the development of a new mandatory GHG reporting rule (mandated by the year end omnibus spending bill of 2007), the draft of which is due in June 2008. The recently formed SCAQMD Home Rule Advisory Group Climate Change Subcommittee is following the EPA progress very closely to identify any overlap and duplicative requirements with California's mandatory reporting rule.

The SCAQMD will convene the CEQA GHG Threshold Working Group on April 30 to discuss threshold options. In a parallel effort, the SCAQMD SoCal Climate Solutions Exchange staff will recommend to the SCAQMD Board in June moving forward to develop rulemaking to credit early, voluntary actions that reduce GHGs against a project's CEQA GHG footprint.

In anticipation of a major Senate floor fight on S 2191 (Lieberman-Warner Climate Security Act) in June, NACWA and CASA staff with the help of the SCAP Air Quality Committee are planning to visit Senate and House staff in late May in an attempt to better focus potential federal funding on wastewater adaptation issues.

Biosolids by Chair Mike Sullivan

Southern California Organics Marketing Summit

SCAP and the Association of Compost Producers (ACP) are co-sponsoring a one-day interactive workshop focused on marketing aspects of soil amendments produced by POTWs. The program entitled "Southern California Organics Marketing Summit" is being sponsored by the Utility Branding Network (UBN) and attendance is free of charge. For information on the date, time, location and topics to be presented, please check the UBN website at www.utilitybranding.net.

Associated Press Story on the Land Application of Biosolids

On April 13, 2008, the Associated Press (AP) released its second installment of the multi-part series on biosolids:

Main article "Sludge Fertilizer Program Spurs Concerns"

(http://ap.google.com/article/ALeqM5gbpCMPX9_kRtYkL1Yv9-OzuVxFfQD90168I00),

Sidebar article "Sludge Makeup Hard to Know"

(http://ap.google.com/article/ALeqM5hV2e_Mh-6MlKxKCmvP8fL6mEWOBwD9012T480).

The main article focuses on a 2005 study funded by the Housing and Urban Development Department (HUD) in Baltimore, Md., involving the application of a biosolids derived compost on urban soils with high lead concentrations to reduce the risk of soil lead exposure. The sidebar article focused on various claims regarding unknown metals and chemicals in biosolids.

Water Environment Federation (WEF) staff indicated that over the past year the AP has been developing an article, or series of articles, on the topic of land application of biosolids. The first article appeared on March 6, 2008. Both WEF and CASA have been proactively following the development of the AP's interest in biosolids.

Senator Boxer Letter

Senator Barbara Boxer intends to hold a Senate Environment and Public Works (EPW) Committee hearing regarding biosolids as early as May. Both CASA and NACWA have been working on this issue by plans of holding conference calls with the Senator's staff and sending letters to the Senator.

SJVAPCD Green Waste Composting Rule 4566

Public workshops were held on April 10 and 17, 2008 to provide public comment on the San Joaquin Valley Air Pollution Control District (SJVAPCD) Draft Rule 4566 (Organic Waste Operations). Members of CIWMB, UC Davis, various Central Valley agencies and cities, private companies, and NGOs were in attendance and provided public comment. The SJVAPCD project team will add technical working group meetings to assist the development of the draft rule. The draft rule and staff report are available on the SJVAPCD website – www.valleyair.org.

Update on Local Biosolids Projects

It has been reported that on April 1, 2008, the Kern County Board of Supervisors approved a revision to the H. M. Holloway Mines landfill operation. This is an approximately 300-acre landfill located 2 miles north of Highway 46 in Kern County, which may be allowed to accept up to 2,000 tons per day of fly ash, auto shredder waste, lime filter cake, biosolids and sand blasting waste, pending the revision of the CIWMB permit.

The National Association of Clean Water Agencies (NACWA) awarded a National Environmental Achievement Award to the City of Los Angeles Department of Public Works Bureau of Sanitation for the “Biosolids (Bio-slurry) Injection – Terminal Island Renewable Energy Project.”

Construction of the Rialto Regional Biosolids Processing Facility (EnerTech) continues to move forward with the installation of major site infrastructure. It was reported that important milestones were reached in March, including the erection of the E-Fuel storage silo. Once the facility is fully operational, the silo will store up to three days of E-Fuel before it is shipped to a local cement kiln for use as a coal supplement. (Excerpt from EnerTech Rialto Progress Report, dated April 7, 2008.)

On April 11, 2008, Barstow Superior Court Judge John Vander Feer made a ruling to set aside the San Bernardino County’s certification of the EIR for the Nursery Products LLC composting facility. Judge Vander Feer indicated that the finding concluding that enclosure of the composting facility was not economically feasible was not supported by substantial evidence. In addition, the Judge also found that the environmental review did not identify the water source to be used for the project. Nursery Products LLC staff indicated that the ruling may delay the project, but they will proceed with development of the project.

Collection Systems by Chair Ralph Palomares

On April 10th, in beautiful Goleta, California, we had our second SCAP Collection Systems Committee meeting of the year. We couldn’t have asked for a more beautiful day to be in Goleta. We started the meeting off with the traditional coffee and donuts and self introductions from about 28 SCAP members. We then proceeded to discuss the issues that are currently affecting us all in the wastewater industry, such as the lateral programs. I must say that the City of Santa Barbara has one of the most aggressive programs out there. I believe they said they are spending over \$200,000 a year now on tree root repairs. They have a two-hour class that all plumbing contractors must take before they can be hired to make repairs in their city. Some of the other sanitary districts in Southern California that also have tree root repair programs in place are El Toro Water District, the cities of Santa Ana, Fullerton, Newport Beach and the Costa Mesa Sanitary District. Most recently, the City of Huntington Beach is set to adopt some type of regulations regarding tree roots.

Once again, the SSMP and the WDR and the approaching deadlines were discussed. One would think that with all the discussions that have taken place that everyone would know what they are to do or have done to date. But, believe it or not, and I won’t mention any names, there are still agencies that have done nothing or just don’t know where or how to start a program. EPA did mention that 40% of the agencies in California have done nothing to date and that their time is running out with only about 10 months left to meet the deadline. We also discussed calcium in the sewer pipe and that a Professor from UC Berkley is working on a cure for this problem along with NCPI located here in California. We will have more info on this at our meeting in July. We also had a PowerPoint presentation on FOG that El Toro Water District put together on their program and a short presentation by SCAP showing how to navigate the SCAP

website and access documents contained in the Collection Systems reference library. There were many more discussions on sewer related topics and I will address them next month.

I recently attended my twenty-second CWEA Annual Conference up in Sacramento. At the opening session on Monday, Alexis Strauss, Director EPA Region 9 spoke on the issues regarding tree root lateral programs. She let it be known that they are pushing for a statewide program that would make it mandatory that all cities and sanitary districts have a tree root program. I think this is where being a SCAP member has its benefits as we can share what we have and by the information posted on the SCAP website for all of us to view and use. Alexis also reported that the EPA conducted inspections of several small collection/treatment facilities and were very disappointed in what they observed. Their initial conclusion was that the facilities are not being properly maintained, many facilities don't have adequate back-up power, the sewer rates are inadequate to meet expenses and the collection system problems are generally passed on to the treatment plant, i.e., inflow/infiltration. The meeting continued with information on the disposable wipes that are affecting our pump stations and what we are doing to resolve these problems, such as de-ragging on a daily basis. It seems that some of us have new pumps that just shred these wipes into tiny pieces. More information on this will be discussed at our next SCAP meeting in July. The Kohler toilet commercial touting its Mark 5 toilet that will eat anything was discussed. It seems Kohler is stating that the toilet works fine and it's common sense that you aren't suppose to flush marbles and plants, etc. down the toilet.

I would like to congratulate our SCAP member agencies, SOCWA and Elsinore Valley Municipal Water District, who won awards up in Sacramento, along with everyone in Northern and Southern California who won an award this year at CWEA's conference. It's worth repeating once again that we are all doing an excellent job in preventing SSOs and it shows by the numbers that we are seeing in the monthly reporting. Keep up the excellent job out there and you can all pat yourselves on the back once again. I would like to thank the SCAP staff for assisting and setting up the Collection Systems Committee meetings and for El Toro Water District in their continued support for letting me be the Collection Systems Committee Chairman for 2008. The next Collection Systems Committee meeting is scheduled for July 23, 2008 and will be held in San Marcos, CA at the Vallecitos Water District headquarters. Please don't forget Mothers Day May 11th 2008.

**Welcome to our newest
SCAP members:**

Costa Mesa Sanitary District
and
Orange County Water District

Water Issues Committee by Chair Gus Dembegiotes

Proposed Statewide Water Recycling Policy

At its March 18th hearing, the State Water Resources Control Board (State Water Board) agreed to a 90 day facilitated stakeholder process for developing a revised Draft Water Recycling Policy. This stakeholder group is made up of agency associations and non-governmental associations. There have been two meetings held by the stakeholder group, the

first in Sacramento and the second in Los Angeles. The first meeting dealt with setting a schedule of meetings and finalizing the composition of the stakeholder group. The second meeting dealt with broad issues that the group would like to see in the draft policy. The group will be meeting approximately every two weeks with the hope of returning with a draft policy to the State Water Board within 90 days from March 18th. The next meeting of the stakeholder group will be on April 28th.

Proposed Draft General Permit for Discharges of Storm Water Associated with Construction Activities

The State Water Board is accepting comments on the Draft General Permit for Discharges of Storm Water Associated with Construction Activities. The proposed Draft Construction Permit is available to view or download at:

http://www.waterboards.ca.gov/water_issues/programs/stormwater/

On August 19, 2004, the existing Construction General Permit expired but remained in effect until a new General Permit was to be adopted. On March 2, 2007, State Water Board staff issued a preliminary Draft Construction Permit and received many public comments. The preliminary Draft Construction Permit was revised in response to input received. The State Water Board staff is holding two workshops to receive comments on the Draft Construction Permit. The first workshop will be on May 7th in Los Angeles. The second workshop will be on May 21st in Sacramento. At the workshops, staff will discuss the significant changes from the preliminary draft and allow for public comment. A formal hearing for the adoption of the permit will be held on June 4th in Sacramento. Written comments on the draft permit are due to the State Water Board by noon on June 4th.

Proposed Amendment to the Water Recycling Funding Program

The State Water Board is requesting comments on proposed amendments to the Water Recycling Funding Program Guidelines. A public workshop will be held to present the proposed amendments and to receive public comments. The amended guidelines will be presented to the State Water Board for approval in July of 2008. The workshop will be held on May 15th at the California Regional Water Quality Control Board, San Diego Region. Written comments need to be submitted by 5:00 PM on May 17, 2008. The Division of Financial Assistance (DFA) of the State Water Board administers the Water Recycling Funding Program (WRFPP). This program provides state funds for loans and grants to agencies for planning and construction of water recycling projects. The Guidelines, which govern the WRFPP, were last revised on October 21, 2004. Amendments to the Guidelines are proposed to clarify the original intent of the Guidelines regarding eligible costs and conforming of the Guidelines to a previous decision of the State Water Board regarding waiver of litigation rights. The State Water Board believes it is necessary to amend the Guidelines to maintain consistency in interpretation and conformance to bond laws and laws and regulations governing the use of bond funds.

The Guidelines currently state that acceptance of grant funds constitute a waiver of litigation rights to challenge any State Water Board or Regional Water Quality Control Board (Regional Water Board) regulation or order. In February 2006, the State Water Board considered this

provision and approved a change that does not restrict litigation rights but prevents the use of grant funds to pay costs associated with any litigation against the State Water Board or any Regional Water Board.

More information on the proposed amendments can be found at:

http://www.swrcb.ca.gov/water_issues/programs/grants_loans/water_recycling/docs/notice_wrfp_guidelines_2008amendment.pdf

State Water Board's Baseline Enforcement Report Covering Fiscal Year 2006 – 2007

The State Water Board is accepting comments on its draft Baseline Enforcement Report covering Fiscal Year 2006 – 2007. The report includes information on compliance and enforcement activities in the Water Boards' core regulatory programs. The draft report is available on the State Water Boards' website at:

http://www.waterboards.ca.gov/water_issues/programs/enforcement/

Comment letters to the State Water Board must be received by 12 p.m. on April 28, 2008.

Regulatory Affairs by Regulatory Affairs Consultant Mary Jane Foley

Sometimes I not only try to update the membership on regulatory affairs but also on legislative activities that will turn into regulation or increased costs of doing business for our members. This month I will update on water and wastewater property tax "parole realignment" proposals and some of the bills I have mentioned in past months' updates.

The Senate and Assembly Budget subcommittees have held informational hearings on the controversial Legislative Analyst's Office (LAO) proposal to shift property taxes from water and wastewater districts to counties for the "reallocation of waste and water enterprise special district property taxes (\$188 million), city Proposition 172 sales taxes (\$178 million), and vehicle license fees retained by the DMV for administration purposes (\$130 million)."

Mike Dillon, CASA's lobbyist, is kind enough to keep me updated on this process. He has testified to the legislature that it would be very difficult for agencies to backfill the losses proposed by the LAO's property tax shift. The LAO Analyst seems to be leaning on Government Code section 16270, which in part states, "it is the intent of the legislature that such districts (special districts) rely on user fees and charges for raising revenues due to the lack of availability of property taxes after the 1978-1979 fiscal years." Special districts have raised fees, etc., but they still rely on property taxes. Over the years, there have been several raids on these taxes and then came Prop 1A. That was the legislative fix that was to prevent the legislature from taking property taxes from local government. The state may borrow property tax dollars but they cannot permanently take property tax dollars.

Mike Dillon also provided some information on the testimony of the LAO Analyst regarding the \$180 million of property taxes that would remain with the districts. "Within a couple of years, however, we think the Legislature should authorize county boards of supervisors to determine whether these property taxes should remain with the districts or be reallocated to other local governments to support local priorities." Can you imagine what a controversy that will create?

The good news is that there are a lot more special districts than counties, so the pressure will be on to protect special districts' share of property taxes. Hopefully, our grassroots work with local legislators will halt this shift to county government control. I know that individual districts have been contacted to write letters and communicate with their legislators and members of key legislative committees. I know a lot of legislators, so when I go to events that include legislators, I speak out on the devastating impact property tax losses would have on the water and wastewater agencies. They are listening. But the heat has to stay on the legislators so that they are accountable to their local public agencies.

Changing horses now... April is like a horse race in Sacramento because bills with fiscal implications have to be passed by fiscal committees by May 23rd and pass out of their house of origin by May 30th or they are out of the race for the year.

Bills that I reported on in the last update are still moving forward. AB1654 (Huffman) implements the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to include wastewater treatment as eligible for funding under the Integrated Regional Water Management Plans. We all worked so hard for this wastewater eligibility inclusion into AB1654. It should pass this year. SCAP has sent out the schedule of DWR grant workshops for funding under this Bond Act. I encourage you to attend the workshop. If you haven't had your project considered under the Prop 50 IRWMP, let it be known you want into the Prop 84 Regional IRWMP process. Let me know if you have a project and want my help strategizing about how to be considered for funds under the Prop 84 Bond Act. I helped some of our members receive a lot of grant funding under Prop 50 IRWMP process. I am here to help each and every one of you be successful in the effort of getting grant dollars.

SB1176 (Perata) is a redo of Perata's SB 1001 (vetoed by the Governor) from last year. The bill makes changes to the Regional Water Quality Control Boards, including lowering the number of members from nine to seven. This bill makes our industry very nervous. The bill would change the categories for board membership with the general requirement that each member have a "demonstrated interest" and a "proven ability" in water quality. It has many problematic issues related to it. Almost everyone who deals with the waterboards is opposing this bill.

AB1946 (Pedro Nava) allows the district attorneys and city attorneys in cities with populations over 750,000 to bring civil actions under the Water Code on behalf of the Regional Water Quality Control Boards. This is adding another prosecutorial agency to the mix and, as CASA argues, could seriously undermine uniform and consistent interpretation and enforcement of State Water Quality law. It has passed out of the Assembly Judiciary Committee.

SB1165 (Kuehl) proposes to make changes to CEQA. The problem this bill creates is that it would prohibit a public agency from relying on an EIR that is more than five years old, unless it is recertified by the lead agency after repeating the full circulation and public notification process that precede the original EIR certification. You can imagine the problems this could create for a large infrastructure project that has long lead time and multiple phases.

The last horse in the race for today is AB2986 (Leno/Huffman). This requires a public report card for separate sanitary sewer systems, sewage treatment plant or combined system. It has a lot of other requirements. The industry is working with the author on this and with the Northern California environmental groups sponsoring this bill.

Special thanks to Mike Dillon of CASA and our membership who share their legislative reports with me. SCAP does not have a legislative committee, so we appreciate the generosity of our colleagues in keeping us informed so we at SCAP can inform you.

It seems the State Waterboard has a horse race of its own. (Can you tell I am getting ready for the Kentucky Derby?) The Compliance Policy Resolution will be public in early May. We had one big improvement in the 10 year allowance for a compliance schedule. Many of the small "wins" we were hopeful for are not going to be a reality. I guess the state feels they have to be in step with EPA and feels EPA wouldn't go for some of the recommendations put forward by our industry.

The Enforcement Policy is still a work in progress. We have a SCAP member in the stakeholder group on this policy. The Waterboard does have the Enforcement Report on their May Board agenda. SCAP sent this out to all of you. Hopefully, you had a chance to review it, and if they had some errors related to your agency, you commented to Mark Bradley of the Waterboard that you needed a correction. Mark's number is (916) 341-5891. I know SCAP sends you so much information that it is hard to know what to review and what is being handled by our organization. If you need another copy of the Enforcement Report call the SCAP office.

The Waterboard Strategic Plan is still in process. The Little Hoover Commission had the first hearing on the organization and effectiveness of the Waterboards. Tam Doduc, Chair of the State Waterboard, Cal EPA and government representatives gave testimony. I hear it was "quite tame." The Commissioner from San Francisco stated, "there are no water quality problems in California." The next hearing will be for input from regulated stakeholders. Stay tuned.

Help Desk

Remember, the HELP DESK is open 24/7 for members who need to discuss permitting issues and strategies to assist agencies in resolving problems with regulatory agencies. Please contact Mary Jane Foley at mfoley@scap1.org

Non Sequitur

"Nature provides a free lunch, but only if we control our appetites."

- **William Ruckelshaus,**

First EPA Administrator, (1970-1973 and 1983-1985), *Business Week*, June 18, 1990.