

CALIFORNIA WASTEWATER CLIMATE CHANGE GROUP

Core Steering Committee

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Randy Schmidt, P.E.
Central Contra Costa Sanitary District

Vicki Fry, P.E.
Sacramento Regional County Sanitation District

Kris Flaig, P.E.
City of Los Angeles Bureau of Sanitation

To: John Pastore, Southern California Alliance of POTWs
Michele Pla, Bay Area Clean Water Agencies
Debbie Webster, Central Valley Clean Water Agencies

From: The California Wastewater Climate Change Group

Subject: Funding for Expert Services Supporting Climate Change Regulation and Policy Development

Steering Committee

Central Contra Costa Sanitation District

City of Fresno

City of Los Angeles Bureau of Sanitation

City of San Diego – Metropolitan Wastewater Department

East Bay Municipal Utilities District

Eastern Municipal Water District

Inland Empire Utilities Agency

Los Angeles County Sanitation Districts

Orange County Sanitation District

Sacramento Regional County Sanitation District

San Francisco Public Utilities Commission

San Jose/Santa Clara Water Pollution Control Plant

In accordance with the CARB-approved recommendations for the Scoping Plan required by the Global Warming Solutions Act of 2006(Nunez, AB 32), the State of California has been developing major initiatives to reduce greenhouse gasses (GHG) among major industries and to minimize the State's contribution to global warming. The AB32 Scoping Plan includes 74 regulatory actions to be implemented over the next 2 years, at least 20 of which apply directly to the wastewater industry. Concurrently, similar programs that address climate change are under development on the federal, regional and local levels of government. As a result, POTWs have been investing considerable staff time evaluating the probable impacts that these policies, regulations, and legislation will have on operations.

The California Wastewater Climate Change Group (CWCCG) has been advocating for policies and regulatory direction that support the goals of the climate change initiatives, but still allow the safe and economical collection, treatment, recycling of wastewater. Last year, funding provided by members of the three regional

organizations representing the Bay Area, Central Valley, and Southern California, allowed CWCCG to coordinate with the California Climate Action Registry (CCAR), the California Air Resources Board (CARB), and the State Water Resources Control Board in developing a

preliminary GHG emissions inventory methodology for municipal wastewater treatment processes on behalf of the state. While more science is underway through WERF and others to better estimate these emissions, the preliminary methodology is now incorporated in the Local Government Operations Protocol, released by CARB in September 2008. The overall process of regulatory development has established the CWCCG as the recognized wastewater industry representative for climate change technical and regulatory issues among State (i.e., CARB, SWRCB, CCAR), Federal (i.e., EPA, WERF, TCR), and International (i.e., Local Governments for Sustainability, Water Services Association of Australia) agencies and associations. The CWCCG works from within the wastewater community to firmly establish the needs and views of the members, building consensus on climate change regulatory issues.

Purpose

Given the breadth and magnitude of climate change policies and regulations under development, an urgent need has emerged in California for a single statewide group to represent the wastewater industry. On February 12, 2009, the CWCCG, Tri-TAC, and leaders of the California Clean Water Summit Partners held a Climate Change Forum to prioritize the issues that will impact POTWs and to build consensus on the need for a higher profile advocacy. All of the Forum's participants agreed that climate change issues facing the wastewater sector are significant and urgent, impacting not only air quality, but biosolids and wastewater processing and disposal. The following key actions are necessary:

1. Facilitation of a monthly CWCCG Climate Change meeting to be held after each Tri-TAC meeting and to identify, educate and respond to regulatory developments (the kickoff meeting was April 9, 2009).
2. Contract with an appropriate consulting firm to assist and represent the wastewater industry.

Approach

The CWCCG proposes to continue utilizing the support of in-kind services from staff of member agencies, but also to contract with a climate change consultant to fulfill the climate change expert and advisory services needed for CWCCG in FY-2009/10. To that end, the CWCCG has developed a focused plan for utilizing an Advisor to effectively serve the needs of the wastewater industry, with a goal of hiring the Advisor as early as possible in the first quarter of FY-2009/10.

The February 12, 2009, Forum Group concluded that the CWCCG is the best group to represent the wastewater industry as well as manage any consultant who might fill the CWCCG Advisor role, as described in the attached Scope of Work. The CWCCG Steering Committee, composed of experienced wastewater professionals from leading wastewater agencies across California, is proposing a mechanism for managing a consultant similar to that used last year to develop the wastewater greenhouse gas protocols, including recommendations for small treatment plants as well as larger facilities. The Greenhouse Gas Emissions Reporting Protocol is available on the CVCWA website or a copy can be requested from Vicki Fry at fryv@sacsewer.com.

Scope and Funding

The Scope of Work proposed for the Climate Change Advisor is summarized in Attachment A. Funding for participating in the CWCCG, and budgeting for a Climate Change Advisor, are based upon this scope of work and may be highly dependent upon in-kind services offered by member agencies (i.e., the greater the in-kind service, the less funding is needed for contracted services). Required funding has been based on a unit cost of \$150/hr. To have an effective voice, this effort should be funded at a level equivalent to at least ½-time. Based upon this minimum funding level, the projected funding requirement for FY-2009/10 is \$151,000. It is assumed that the billing rate will be constant for the first two fiscal years and increase by 5% for the third, funding for each year being contingent on the CWCCG members. It is further assumed that this Advisor may be selected as early as July 1, 2009, but, certainly by September 1, 2009, in consideration of the vast array of initiatives being expedited through CARB.

The CWCCG proposes a funding mechanism similar to that used to fund development of the wastewater greenhouse gas protocol: \$10,000 by Tier 1 members and \$1,000 by Tier 2 members. Tier 1 members would be involved in decision making and have voting rights, and Tier 2 members would participate in general membership meetings and be included in finalized correspondence.

A Call for Action

Climate change is the most challenging issue facing the wastewater industry for the past two decades, and the most critical and costly issue facing POTWs for at least the next decade. For our industry to have a strong and effective voice in shaping climate change policies in California and nationally, we must effectively advocate at the highest levels of decision making within our regulatory agencies and legislative units of government. The California Air Resources Board (CARB) is mandated to complete all the regulations implementing AB 32 by January 1, 2012. The proposed regulations initially target a limited number of large sectors, such as refineries and large stationary combustion sources, but the entire wastewater industry will be impacted as the climate change regulations are implemented over the coming years. Experience tells us that the regulators will initially target larger facilities, but will ultimately ratchet down thresholds to affect all wastewater operations, so that smaller facilities will benefit.

The CWCCG recognizes the fiscal challenge of budgeting for this initiative. However, the potential savings from a relatively small investment now could have the long range advantage of minimizing the financial burden that AB 32 and other climate change initiatives will have on special districts and local governments. State, federal, regional, and local climate change policies continue to push for a share of special district and local government budgets. Funding the CWCCG Expert Advisor could be a way to push back as we strive to continue providing essential public services in compliance with increasingly stringent and costly regulation. Discussion at the May 11, 2009, California Clean Water Summit Partners meeting resulted in CASA endorsement for this funding as a top priority.

The CWCCG asks that you promote this idea within your organization and respond with a supporting financial commitment and staff involvement.

If you have any questions or comments, please contact Vicki Fry at (916) 876-6113, Randy Schmidt at (925) 229-7333, or Kris Flaig at (310) 648-5489. Thank you for your consideration.

Attachment A

SAMPLE SCOPE OF WORK

The California Wastewater Climate Change Group (CWCCG) addresses climate change regulatory issues affecting POTWs and is seeking a consultant to assist in this effort. CONSULTANT shall serve as a meeting facilitator, communications specialist, and a technical expert, and will undertake special technical tasks as requested by the CWCCG Steering Committee. CONSULTANT shall report to the Core Group of the Steering Committee, including submittal work plans, monthly summaries of activities and accomplishments, and budgets.

The ideal firm to assist the wastewater industry would exhibit the following characteristics in regards to local, regional, state-wide, and federal capabilities:

- Be highly experienced in drafting **comments and position letters** on proposed regulations, policies, and legislation
- Be **technically knowledgeable** about wastewater treatment and air emissions
- Be highly **aware of and experienced in working with** local, state, and federal regulatory and legislative units; and **able to gain access** to these units for the purpose of educating decision makers and their key staff members on issues regarding climate change
- Be highly experienced and capable of **facilitating routine and ad hoc meetings**, including **conference call** capabilities, and drafting of meeting notes or summaries
- Be highly experienced and motivated to **track and analyze** climate change policies, attend/participate in regulatory workshops, and report to the group on significant developments in climate change regulation and legislation that affect POTWs
- Be experienced and motivated to **discuss issues with and accept direction from a wastewater industry organization**
- Be located in **proximity** to the Sacramento metropolitan area to maximize face-to-face discussions with State of California agencies and to minimize travel costs

Task 1 - Meetings with the CWCCG

CONSULTANT will meet monthly with the CWCCG to present information on current climate change regulatory issues, facilitate discussions between members, and to identify follow-up action items. Although the Core Group will be responsible for most monthly and other meeting arrangements, CONSULTANT will be responsible to confirm these arrangements and provide meeting services as requested by the Core Group. Such services may include, but not be limited to, preparing agendas, meeting materials, and minutes.

Task 2 - CWCCG Issue Review and Communications

CONSULTANT will monitor regulatory agencies that develop climate change regulations that may affect POTWs including local AQMDs, the California State Air Resources Board, and the U.S. Environmental Protection Agency. CONSULTANT will be expected to interact with pertinent agencies, including meeting with agency staff, participate in key workshops and hearings, and draft CWCCG correspondence.

Issues that the CONSULTANT is likely to track, review, analyze and participate in during FY-2009/10 include, but may not be limited to:

- Implementation of the AB 32 Scoping Plan, including regulations, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions, and market-based mechanisms (e.g., cap-and-trade system)
- GHG emissions reporting and verification
- Climate change cross-media issues (i.e. land, air and water media regulatory issues that impact each other)
- Emerging local AQMD climate change policies, including GHG fees and emissions policies
- Federal climate change policies, such as mandatory reporting, and cap and trade initiatives
- Regional climate change policies, including the Western Climate Initiative and The Climate Registry

CONSULTANT will prepare and distribute informational material to member agencies in accordance with the Work Plan and the Core Group's direction. Such material may include bulletins summarizing important regulatory activities, copies of proposed regulations, recommendations for POTWs, meeting memoranda, etc. Economic use of electronic correspondence will be emphasized as a primary means of communication.

Task 3 - Coordination with other POTW Organizations

CONSULTANT will coordinate with other POTW organizations on issues of mutual interest. The purpose of this coordination will be to share useful information, identify areas of joint cooperation, and prepare common responses on key issues, where appropriate. POTW organizations whose objectives coincide with the CWCCG include BACWA, SCAP, CVCWA, Tri-TAC, WERF, CASA, CWEA, and NACWA. Activities may include periodic telephone conversations and conference call discussions, meetings, and exchange of published materials.