

ATTACHMENT 1

To

RESOLUTION NO. R1-2008-0061

Approving the Santa Rosa Nutrient Offset Program for the Santa Rosa Subregional Water Reclamation System

SANTA ROSA NUTRIENT OFFSET PROGRAM

Program Framework

Key elements of the Santa Rosa Nutrient Offset Program include the following:

- **City's nutrient load to be offset.** The City would identify the anticipated total annual discharge and average total N and P concentrations to be offset when the load limit goes into effect (currently scheduled to take effect before the 2011-12 discharge season) as a basis for sizing initial nutrient control project(s). This would be calculated using the water balance model estimate of the average year recycled water discharge, which would be based on the most recent average dry weather flow estimate and average year reuse capacity at the time the estimate is complete. The actual load would be calculated using the actual discharge volume and the average nutrient concentration during discharge periods. The actual load would be used as described below to determine compliance with the no net loading provision.
- **Nutrient reduction credits to be gained by performance of selected removal/reduction actions.** The nutrient reduction quantity from removal/reduction actions implemented by the City to control sources of nutrients to the Laguna other than its recycled water discharge shall be calculated using one of the two following approaches:
 - Direct measurement of nutrient reduction. The City shall receive 1 pound of nutrient reduction credit for each pound of nutrient reduced that would have been discharged to the Laguna de Santa Rosa resulting from nutrient removal/reduction actions amenable to direct measurement. A plan for measuring or estimating the nutrient quantity control would be proposed for each nutrient control project as described in the *Program Implementation* section below.
 - Estimated nutrient reduction. The effectiveness of some nutrient removal/reduction actions are not amenable to direct measurement. For nutrient removal/reduction actions not amenable to direct measurement, the City shall receive nutrient reduction credit calculated based on the median effectiveness estimate in literature or other lines of study or evidence for projects most similar to the City's proposed actions. For example, if literature values from relevant studies indicate a particular pasture management method reduces nutrient loss by 9, 10, 12, 20, and 25 percent respectively (as reported in five studies), the City would calculate and receive nutrient reduction credit using the 12 percent value.

- Margin of Safety. All project proposals shall include a technically supportable Margin of Safety (MOS) to address uncertainties associated with nutrient reduction ratios and to ensure that the project will result in demonstrable water quality benefits. In reviewing direct and estimated nutrient reduction ratios for each proposal, the Executive Officer shall have discretion to request modification of the ratio based on the characteristics of a given proposal.
- Storm water management projects. No nutrient reduction project shall be considered or approved by the Executive Officer that proposes activities that may be contemplated as required storm water best management practices under the City's municipal storm water permit until after the effective date of the City's new permit (scheduled for adoption December, 2008).
- **Nutrient reduction credit accounting.** Compliance with the no net loading requirement shall be calculated using a three-year averaging period. Each year the City will strive to offset the full amount of each year's anticipated discharge and will implement the approved projects as described in the annual report. At the end of each year, the City shall subtract the nutrient load reduction (pounds) from the City's actual nutrient discharge load, and may average the difference in the past three years. The City shall be deemed in compliance if the City has offset the full amount of actual discharge for the three year period if the three-year average difference is less than or equal to zero mass units.
- The no net nutrient loading requirement is scheduled to take effect at the beginning of the 2011-2012 discharge season. The City may choose to implement nutrient removal/reduction actions prior to the 2011-2012 discharge season. Credit (in pounds) for any nutrient removal/reduction actions implemented after 2007 and prior to the 2011-2012 discharge season shall be available to apply to the City's first three years of nutrient reduction. Any "banked" credits shall be distributed in a balanced manner so that water quality benefits from the Program are maximized. Factors to consider in this regard include the proportion of credits to new or ongoing projects in any given year, and the spatial and temporal qualities of each credit. This issue will be considered when reviewing the nutrient reduction ratio of a given project and/or the City's annual report describing how the City plans to offset its anticipated discharge.
- The City may need to invest in capital facilities to comply with the no net nutrient loading requirement. Load reduction benefits from any such long-term capital facilities will continue to accrue to the City for the full life of such capital facilities until or unless additional regulatory controls are imposed by the RWQCB (for example, waste discharge requirements, waiver of waste discharge requirements, NPDES permit requirements, or 401 certifications) to control the same nutrient discharges the capital facilities are designed to control.

Program Implementation

Program implementation would occur according to the following steps:

1. City identifies nutrient reduction project(s)
2. City submits description of nutrient reduction project(s) to RWQCB documenting consistency with adopted Santa Rosa Nutrient Offset Program
3. RWQCB accepts proposed nutrient reduction project(s)
4. City implements project(s)
5. City submits annual report documenting nutrient discharged and controlled.

Each step is described below.

1. City identifies nutrient reduction project(s)

The City shall preliminarily estimate the mass of N and P that could be removed or prevented from discharging to the Laguna and its tributaries as needed to achieve no net loading (*i.e.* an amount equal to the annual N and P mass emission from the Laguna Plant).

After assessing the options, the City shall identify one or more preferred nutrient reduction projects for implementation. The City would contact other parties (*e.g.* land owners, RCD, etc.) with which the City would need to partner to implement the project(s) to determine interest, cost and feasibility.

2. City submits description of nutrient reduction project(s) to RWQCB

The City shall prepare a description of the project(s) identified in step 1 above that includes the following:

- Project location
- Description of N and P control facilities or practices
- Quantity of N and P removed or controlled to be calculated as described in the *Program Framework* section above.
- Expected life of facility or duration of practice. This description shall include a description of the facility and/or practice, plus any written agreements related to construction and maintenance of the facility or implementation of the practice.
- Monitoring and reporting plan to document continued N and P removal. N and P removal shall be measured or estimated according to the type of removal/reduction actions identified in the *Nutrient reduction credits to be gained by performance of selected removal/reduction actions* section above.

- Description of anticipated or actual CEQA documentation.

3. *RWQCB accepts proposed nutrient reduction project(s)*

The Executive Officer of the RWQCB shall accept or reject the nutrient reduction project(s) submitted by the City in writing within 60 days of submittal or the project(s) are deemed accepted. The actual load reduction shall be determined according to the monitoring and reporting plan. The Executive Officer shall provide notice and the opportunity for the public to comment on the project(s). After consideration of any public comments and all available information, the Executive Officer may suggest modifications to the project(s) as necessary for acceptance. The Executive Officer of the RWQCB shall maintain discretion over accepted projects to request reasonable modifications based upon significant new information.

4. *City implements load reduction project(s) as proposed and accepted*

The City, with any partners, shall implement the nutrient reduction project(s) as proposed and accepted.

5. *City submits annual report documenting nutrient discharged and controlled*

Beginning in 2011, by July 1st each year, the City shall provide a report to RWQCB documenting the following:

- Mass of N and P anticipated to be discharged to the Laguna de Santa Rosa (and tributaries) for the upcoming discharge season and a description of how the City plans to offset the anticipated discharge.
- Mass of N and P actually discharged to the Laguna de Santa Rosa (and tributaries) during the previous discharge season, and the two prior discharge seasons if applicable.
- Mass of N and P controlled during the previous twelve months (i.e., July 1st through June 30th, of the previous twelve months), and the two (2) prior twelve month periods years if applicable.
- Calculation of the two and three year averaging, if applicable.
- Detailed report for each of the accepted nutrient reduction projects according to projects' respective monitoring and reporting plan.
- The report shall be signed and certified in accordance with 40 CFR 122.22(d).

Exhibit 1 below is an example where the City would be in compliance in all years (i.e., the "Three-Year Average" value is less than 0 kg). The example in Exhibit 1 demonstrates that compliance with the requirement of the 0 kg three-year average requirement is achieved in 2013-14 by using some of the pre-2011 credit.

EXHIBIT 1

To

SANTA ROSA NUTRIENT OFFSET PROGRAM

	Kg Phosphorus					
	Pre-2011	2011-12	2012-13	2013-14	2014-15	2015-16
Anticipated City Discharge		4824	5400	5977	6554	7131
Actual City Discharge		4968	5238	7113	6030	8129
Control Project 1		3900	3950	3610	3290	4580
Control Project 2		900	1200	1200	1200	1200
Control Project 3			100	2000	2000	2200
Control Project 4						
Total Control		4800	5250	6810	6490	7980
Net Load		168	-12	303	-460	149
Pre-2011 credit available	500	500	332	332	0	0
Pre-2011 credit used		168	0	303		
Annual Load For Compliance		0	-12	0	-460	149
Three-Year Average				-4	-157	-104