

In 1985, Virginia joined with the other Chesapeake Bay states in a major regional effort to protect and restore the water quality of the Chesapeake Bay. As part of the nonregulatory efforts to date, Virginia's local governments and industries have significantly reduced the total amount of nitrogen and phosphorus discharged from their municipal wastewater treatment plants and industrial facilities. Reductions were also made by various nonpoint sources. However, much remains to be done.

For municipal wastewater treatment plants and industrial facilities, the next phase of the cleanup of the Bay and the tributary rivers will be guided by stringent new state regulations adopted in 2005 and by related discharge permit limits to be issued during 2006. According to the latest estimates compiled by the Virginia Department of Environmental Quality, the cost to meet these new requirements is approximately \$1.5 billion.

**More is needed
to protect the
Chesapeake Bay**



INTERESTED IN KNOWING MORE ABOUT HOW THE NEW PERMIT LIMITS CAN BE MET COST-EFFECTIVELY?

For general information on the Exchange, please contact

*Mark Haley
President
(804) 541-2210
mhaley@hrwtf.org*

*Chris Pomeroy
(804) 716-9021
chris@aqualaw.com*

*Glenn Harvey
(703) 549-3381 Ext. 2205
gbharvey@alexsan.com*

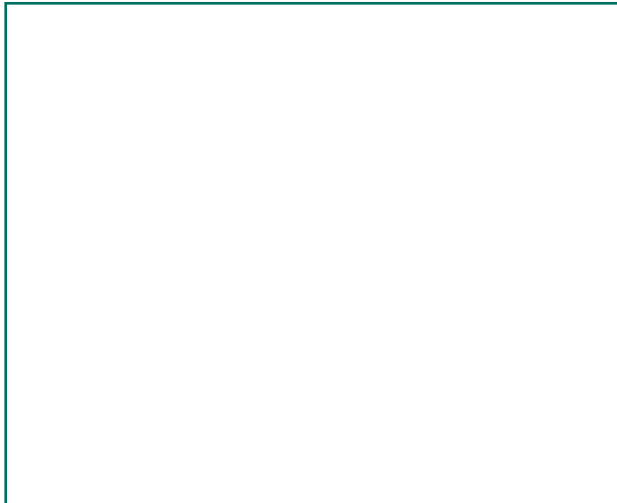
FTP SITE:

<http://aqualaw.com/Documents/Exchange>

User Name: Exchange

Password: Bank_It

For more information about how The Exchange is helping your local utility provider, please contact:



**The Virginia
Nutrient Credit
Exchange Association**



An association of local governments and industries discharging into the Chesapeake Bay watershed working together to achieve water quality goals responsibly and cost-effectively.

New state regulations mandate that municipal wastewater treatment plants and industrial facilities reduce nitrogen and phosphorus in effluent discharged to the Chesapeake Bay and its tributaries. All 135 “significant dischargers” must meet new mass loading permit limits for nitrogen and phosphorus.

HAVE YOU SEEN THE NEW PERMIT LIMITS YOU MUST MEET? DO YOU KNOW HOW MUCH COMPLIANCE WILL COST YOU?

DID YOU KNOW...

The total cost to meet the new allocations could be enormous—as much as \$1.5 billion? Some dischargers will have a great deal to do to meet the new permit limits. Some will have less to do. Do you know which group you are in?

WHAT IF THERE WAS A WAY THAT YOU, AS AN INDIVIDUAL DISCHARGER...

...Had options on how to meet your individual permit limits?

...Could help offset the cost of upgrading your facility?

...Could partially recover costs when you are below your loading caps?

...Could achieve compliance simply by writing a check?

THERE IS A WAY...

The Virginia Nutrient Credit Exchange Association

The Virginia Nutrient Credit Exchange Association provides a means for dischargers to work together to reduce nutrient discharges, meet new permit limits, and achieve water quality goals for the Chesapeake Bay cost-effectively.



WHAT IS THE EXCHANGE?

It is a voluntary member Association authorized by the General Assembly and funded through the Water Quality Improvement Fund. Free membership is open to all “significant dischargers” (the affected municipal wastewater treatment plants and industrial facilities) as well as to other dischargers not yet directly impacted by the regulations. Affiliate status is available for consulting engineers who design the nutrient removal facilities necessary to meet the new permit limits.

HOW IS THE EXCHANGE HELPING DISCHARGERS DEVELOP MORE COST-EFFECTIVE SOLUTIONS TO MEETING THE PERMIT LIMITS COLLECTIVELY THAN IF EVERYONE ACTED ALONE?

The Exchange will...

- ✓ Collect discharger-provided information about current and future treatment capabilities, control costs, and technology preferences
- ✓ Model alternative upgrade scenarios and schedules that achieve permit limits for each major Chesapeake Bay Basin
- ✓ Facilitate nutrient credit trading
- ✓ Help its members reach compliance together more quickly and cost-effectively than otherwise possible

Using discharger-provided information about current and future treatment capabilities, control costs, and technology preferences, The Exchange will model alternative upgrade scenarios and schedules that attain collective wastewater treatment plant loading caps for each major Chesapeake Bay Basin—Potomac, Rappahannock, James, York, and the Eastern Shore. With the agreement of dischargers on the alternative feasible compliance scenarios, The Exchange will develop a recommended Compliance Plan for submission to DEQ.

HOW WILL THE EXCHANGE’S RECOMMENDATIONS BE DIFFERENT THAN GOING IT ALONE?

The Exchange’s scenarios will incorporate nutrient credit trading among participating members. This means, for example, in your Basin, instead of everyone upgrading to 4 mg/L of

nitrogen by 2011, perhaps one-third would upgrade to 4 mg/L, one-third would optimize existing facilities, and one-third would continue to operate existing technologies. In this scenario, those facilities under their individual permit limits would sell credits to those above their permit limits. As long as the group is under its collective cap, all its members would be in compliance at lower overall cost than if all plants upgraded. The Exchange will facilitate these scenarios and help its members reach compliance together.

HOW CAN I HELP THE EXCHANGE DEVELOP THE COMPLIANCE SCENARIOS?

The Exchange needs the most up-to-date information possible to develop accurate and realistic compliance scenarios. You have probably seen or heard about some of the consolidated cost estimates developed by the Chesapeake Bay Program or DEQ—many facilities have noted serious problems with some of these estimates. Make sure The Exchange has the most up-to-date information about your facility. If you did not participate in The Exchange’s survey about nutrient removal activities, planning, and associated costs, please do so by contacting one of The Exchange members listed on the other side of this brochure.

WHY ELSE SHOULD I SUPPORT THE EXCHANGE AND PARTICIPATE IN ITS ACTIVITIES?

While The Exchange is developing collective compliance options, including trading scenarios and feasible upgrade schedules, participating facilities will have first access to preliminary findings, facilitated opportunities to review and revise their own data and assumptions, and structured forums for participating in providing input and evaluating feasible compliance scenarios. In addition, members will select the recommended Compliance Plan for submission to DEQ. Membership in The Exchange will enable you to have the most current information possible to make decisions about optimizing your own nutrient control program.