




THE NEUSE RIVER
COMPLIANCE ASSOCIATION

1997 Nutrient Management Strategy

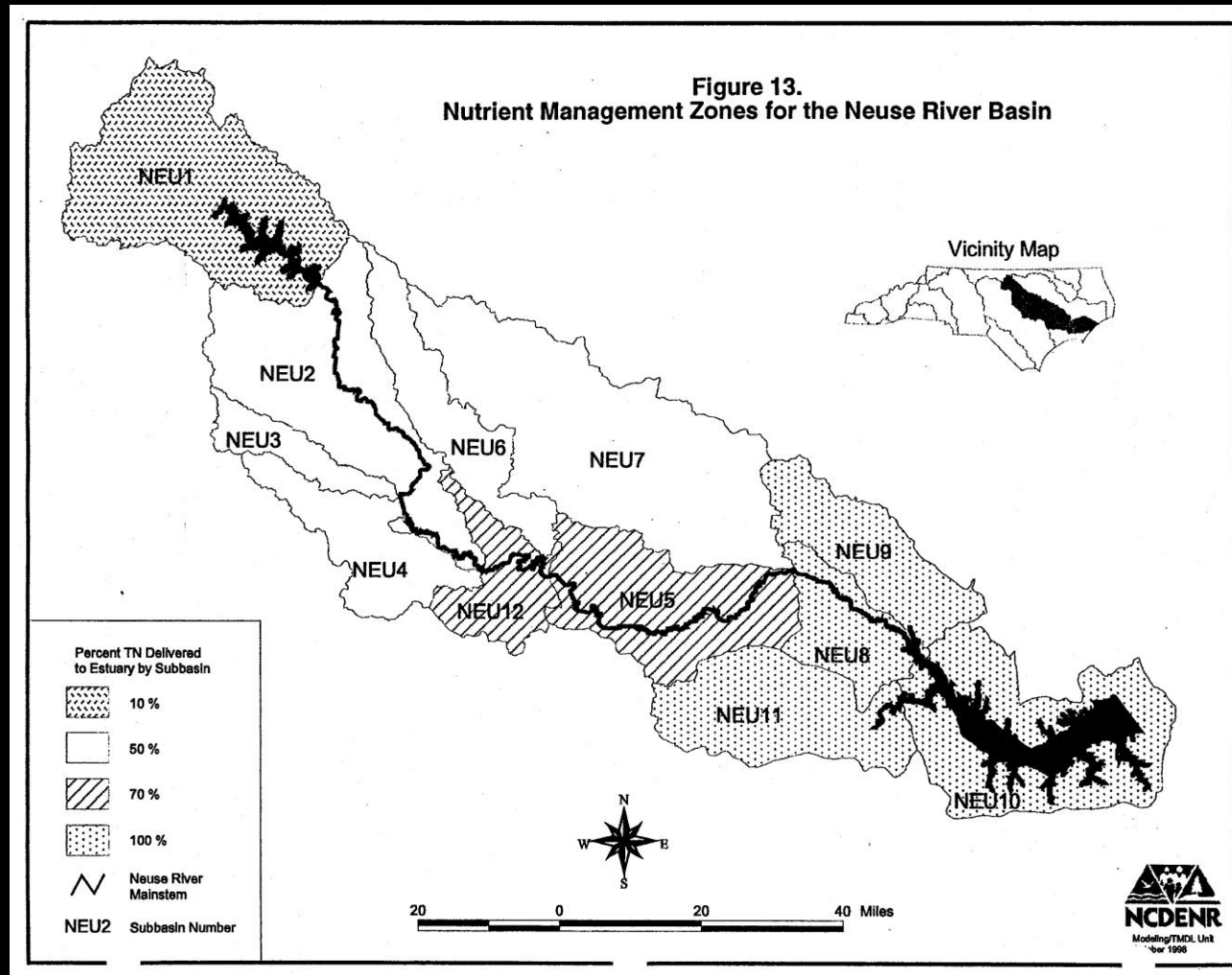
- 30% reduction in total nitrogen to estuary - administrative rule
- Point source TN 24% of total
- Included point-source group compliance option
- Basis of individual allocations:
 - + Sum of Municipals: 3.7 Mg/L @ PERMIT FLOW
 - + Sum of Industrials: 3.15 Mg/L @ PERMIT FLOW
 - + Sum of Plants < 0.5 Mgd: 1995 + Growth
- Expanding Plants < 3.5 Mg/L TN

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- Allocations for existing dischargers
 - Provisions for new & expanding discharges
 - Provisions for regionalization
 - Group compliance option
 - Offset payments option
 - Protection against local impacts (“hot spots”)

PS STRATEGY - ALLOCATIONS

- Applies to individually permitted dischargers with nitrogen-bearing waste streams
- Sets initial nitrogen allocations for 110 existing dischargers, as annual mass loads
- Requires permit limits for larger dischargers (≥ 0.5 MGD), effective 2003

TRANSPORT ZONES



THE NRCA

- The Neuse River Compliance Association
 - Created in 2002
 - A not-for-profit corporation, 501 (c) (3).
 - Permit NCC0000001 issued December 2003, effective January 1, 2003
 - As of 1/1/03, 16 member

GROUP COMPLIANCE APPROACH

- Individual permits
 - Remain in effect
 - Members deemed “in compliance” with TN limits
- Group permit
 - New NPDES permit for Association and members
 - Governs nitrogen only

GROUP PERMIT – TN LIMITS

- App. A: Contains member roster and individual allocations (discharge and estuary)
- Identifies Association's TN limit: sum of members' estuary allocation

GROUP PERMIT – TN LIMITS

- All limits and transactions are expressed in terms of estuary allocation
- Results can then be converted back to discharge equivalents



GROUP PERMIT - COMPLIANCE

- Limits are annual mass limits
- Limits in effect on Jan. 1 are in effect for the full calendar year
- Limits are revised annually, if needed

GROUP PERMIT - COMPLIANCE

- If Association meets its TN limit,
 - Association is in compliance, and
 - all members are deemed in compliance
- If Association exceeds its TN limit,
 - Association is in violation of permit and must make offset payment, and
 - members exceeding individual allocations are in violation

GROUP PERMIT – TN LIMITS

- Changes in roster or allocations are made thru minor permit modifications
- Allocation transfers (trades) must first be incorporated into individual permit
 - Address potential local impacts
 - Allow for public review and comment

Group Compliance Permit

OFFSET PAYMENTS AND ENFORCEMENT:

- A. If the Association exceeds its estuary allocation, offset payment is made to Wetlands Restoration Fund - \$11 per lb. (current rate is \$26.63, Neuse 01 outside Falls Lake)
- B. Additional appropriate enforcement action can be taken for non-compliance.

NEW & EXPANDING FACILITIES

- No initial allocation for new discharges
- Must obtain allocation prior to permit application
 - from existing dischargers
 - from NPS allocation, through Wetlands Restoration Fund (\$22/lb TN) (Double rate on previous slide).

NEW & EXPANDING FACILITIES

- May also take steps to minimize allocation:
 - advanced treatment
 - reuse or other non-discharge alternatives
 - source reduction
- Allocations “not to exceed” equivalent concentrations (3.5 mg/L muni, 3.2 mg/L industrial)

REGIONALIZATION

- Connection to another treatment system, with elimination of discharge point
 - Promises improved treatment efficiency
 - Transfer of allocation upon connection & permit rescission

KEY PROVISIONS OF BY-LAWS

- Internal incentives for TN reduction
 - Method and amount of assessment based on discharge HUC.
- Leasing to avoid non compliance with nitrogen allocation is allowed but still a violation as exceeding allocation.
- Voting – 1 vote per member.
- Trading with non-members not allowed
- NRCA does not approve trades among members.
- Regionalization is promoted.

FIRST TRADE

- One allocation purchase, 2003
 - Seller (Bay River) discharged near estuary, Buyer (Town of Butner, a State agency) discharges upstream of Falls Dam.
 - Transfer means 10X increase in discharge equivalent.
 - “Hot spot” - lake already showing signs of impairment
 - Buyer and NRCA permit modifications challenged.

ANOTHER UNFORESEEN ISSUE

- Significant violations of one individual permit, 2003 & 2004
 - Federal facility w/ budget problems
 - Formal action under consideration
 - Joined NRCA effective 1/1/05
 - On-track to meet limit in 2005