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## HOUSE BILL NO. 1134

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Agriculture, Chesapeake and Natural Resources  
on February 8, 2006)

(Patron Prior to Substitute—Delegate Cline)

*A BILL to amend and reenact § 32.1-164.5 of the Code of Virginia, relating to the Sludge Management Permit Fee Fund.*

**Be it enacted by the General Assembly of Virginia:**

**1. That § 32.1-164.5 of the Code of Virginia is amended and reenacted as follows:**

§ 32.1-164.5. Land application, marketing and distribution of sewage sludge; regulations; notice requirement; permit.

A. 1. No person shall contract or propose to contract, with the owner of a sewage treatment works, to land apply, market or distribute sewage sludge in the Commonwealth, nor shall any person land apply, market or distribute sewage sludge in the Commonwealth without a current Virginia Pollution Abatement Permit from the State Water Control Board or a current permit from the State Health Commissioner authorizing land application, marketing or distribution of sewage sludge and specifying the location or locations, and the terms and conditions of such land application, marketing or distribution.

2. Sewage sludge shall be treated to meet standards for land application as required by Board regulation prior to delivery at the land application site. No person shall alter the composition of sewage sludge at a site approved for land application of sewage sludge by the State Health Commissioner, under a permit issued pursuant to § 32.1-164.3. Any person who engages in such activity shall be subject to the penalties provided in § 32.1-27. The addition of lime or deodorants to sewage sludge that has been treated to meet land application standards shall not constitute alteration of the composition of sewage sludge. The State Health Commissioner may authorize public institutions of higher education to conduct scientific research on the composition of sewage sludge that may be applied to land.

B. The Board of Health, with the assistance of the Departments of Environmental Quality and Conservation and Recreation, shall promulgate regulations to ensure that (i) sewage sludge permitted for land application, marketing or distribution is properly treated or stabilized; (ii) land application, marketing and distribution of sewage sludge is performed in a manner that will protect public health and the environment; and (iii) the escape, flow or discharge of sewage sludge into state waters, in a manner that would cause pollution of state waters, as those terms are defined in § 62.1-44.3, will be prevented.

C. Regulations promulgated by the Board of Health, with the assistance of the Departments of Environmental Quality and Conservation and Recreation pursuant to subsection B, shall include:

1. Requirements and procedures for the issuance and amendment of permits as required by this section;

2. Procedures for amending land application permits to include additional application sites and sewage sludge types;

3. Standards for treatment or stabilization of sewage sludge prior to land application, marketing or distribution;

4. Requirements for determining the suitability of land application sites and facilities used in land application, marketing or distribution of sewage sludge;

5. Required procedures for land application, marketing and distribution of sewage sludge;

6. Requirements for sampling, analysis, record keeping and reporting in connection with land application, marketing and distribution of sewage sludge;

7. Provisions for notification of local governing bodies to ensure compliance with §§ 32.1-164.2 and 62.1-44.15:3;

8. Requirements for site-specific nutrient management plans, which shall be developed by persons certified in accordance with § 10.1-104.2 prior to land application for all sites where sewage sludge is land applied, and requirements for approval of nutrient management plans by the Department of Conservation and Recreation prior to permit issuance under specific conditions, including but not limited to sites operated by an owner or lessee of a Confined Animal Feeding Operation, as defined in subsection A of § 62.1-44.17:1, or Confined Poultry Feeding Operation, and sites where the permit authorizes land application more frequently than once every three years at greater than 50 percent of the annual agronomic rate; and

9. Procedures for the prompt investigation and disposition of complaints concerning land application of sewage sludge, including the requirements that (i) holders of permits issued under this section shall report all complaints received by them to the State Department of Health and to the local governing body of the jurisdiction in which the complaint originates, and (ii) localities receiving complaints

60 concerning land application of sewage sludge shall notify the Department and the permit holder. The  
61 Department shall maintain a searchable electronic database of complaints received during the current and  
62 preceding calendar year, which shall include information detailing each complaint and how it was  
63 resolved.

64 D. Where, because of site-specific conditions identified during the permit application review process,  
65 the Department determines that special requirements are necessary to protect the environment or the  
66 health, safety or welfare of persons residing in the vicinity of a proposed land application site, the  
67 Department may incorporate in the permit at the time it is issued reasonable special conditions regarding  
68 buffering, transportation routes, slope, material source, methods of handling and application and time of  
69 day restrictions exceeding those required by the regulations promulgated under this section. Before  
70 incorporating any such conditions into the permit, the Department shall provide written notice to the  
71 permit applicant, specifying the reasons therefor and identifying the site-specific conditions justifying the  
72 additional requirements. The Department shall incorporate into the notice any written requests or  
73 recommendations concerning such site-specific conditions submitted by the local governing body where  
74 the land application is to take place. The permit applicant shall have at least 14 days in which to review  
75 and respond to the proposed conditions. Should the permit applicant object to the inclusion of any such  
76 condition, the approval of the Commissioner shall be required before the condition objected to may be  
77 included in the permit.

78 E. The Board ~~may shall~~ adopt regulations prescribing a reasonable fee not to exceed \$2,500 to be  
79 charged for the direct and indirect costs associated with the processing of an application to issue;  
80 ~~reissue, amend or modify any permit to land apply, distribute or market sewage sludge pursuant to this~~  
81 ~~section to all permit holders and persons applying for permits and permit modifications pursuant to this~~  
82 ~~section. All fees collected hereunder shall be deposited into the Sludge Management Fund. The fee for~~  
83 ~~the initial issuance of a permit shall be \$5,000.00. The fee for the reissuance, amendment or~~  
84 ~~modification of a permit for an existing site shall not exceed \$1,000 and shall be charged only for~~  
85 ~~permit actions initiated by the permit holder. Fees collected under this section shall be exempt from~~  
86 ~~statewide indirect costs charged and collected by the Department of Accounts and shall not supplant or~~  
87 ~~reduce the general fund appropriation to the Department.~~

88 F. There is hereby established in the treasury a special fund to be known as the Sludge Management  
89 ~~Permit Fee Fund~~, hereinafter referred to as the fund. The fees required by this section shall be  
90 transmitted to the Comptroller to be deposited into the fund. The income and principal of the fund shall  
91 be used only and exclusively for the ~~Department's~~ direct and indirect costs associated with the  
92 processing of an application to issue, reissue, amend or modify any permit to land apply, distribute or  
93 market sewage sludge, ~~as well as the administration and management of the Department's sewage~~  
94 ~~sludge land application program.~~ The State Treasurer shall be the custodian of the moneys deposited in  
95 the fund. No part of the fund, either principal or interest earned thereon, shall revert to the general fund  
96 of the state treasury.

97 G. All persons holding or applying for a permit authorizing the land application of sewage sludge  
98 shall provide to the Department written evidence of financial responsibility, which shall be available to  
99 pay claims for cleanup costs, personal injury and property damages resulting from the transportation,  
100 storage or land application of sewage sludge. The Board of Health shall, by regulation, establish and  
101 prescribe mechanisms for meeting the financial responsibility requirements of this section.

102 H. The Department, upon the timely request of any individual to test the sewage sludge at a specific  
103 site, shall collect samples of the sewage sludge at the site prior to the land application and submit such  
104 samples to a certified laboratory. The testing shall include an analysis of the (i) concentration of trace  
105 elements, (ii) coliform count, and (iii) pH level. The results of the laboratory analysis shall be (a)  
106 furnished to the individual requesting that the test be conducted and (b) reviewed by the Department.  
107 The person requesting the test and analysis of the sewage sludge shall pay the costs of sampling, testing,  
108 and analysis.

109 I. At least 100 days prior to commencing land application of sewage sludge at a permitted site, the  
110 permit holder shall deliver or cause to be delivered written notification to the chief executive officer or  
111 his designee for the local government where the site is located. The notice shall identify the location of  
112 the permitted site and the expected sources of the sewage sludge to be applied to the site. This  
113 requirement may be satisfied by providing a list of all available permitted sites in the locality at least  
114 100 days prior to commencing the application at any site on the list. This requirement shall not apply to  
115 any application commenced prior to October 10, 2005. If the site is located in more than one county,  
116 the notice shall be provided to all jurisdictions where the site is located.

117 J. The Board and the Department, in consultation with the Department of Environmental Quality, the  
118 Department of Conservation and Recreation, the Department of Agriculture and Consumer Services,  
119 Virginia Polytechnic Institute and State University, and the Virginia Agricultural Extension Service, shall  
120 establish and implement a program to train persons employed by those local governments that have  
121 adopted ordinances, pursuant to § 62.1-44.19:3, to test and monitor the land application of sewage

122 sludge. The program shall include, at a minimum, instruction in: (i) the provisions of the Virginia  
123 Biosolids Use Regulations; (ii) land application methods and equipment, including methods and  
124 processes for preparation and stabilization of sewage sludge that is land applied; (iii) sampling and chain  
125 of custody control; (iv) preparation and implementation of nutrient management plans for land  
126 application sites; (v) complaint response and preparation of complaint and inspection reports; (vi)  
127 enforcement authority and procedures, (vii) interaction and communication with the public; and (viii)  
128 preparation of applications for reimbursement of local monitoring costs disbursed pursuant to subdivision  
129 H 3 of § 62.1-44.19:3. To the extent feasible, the program shall emphasize in-field instruction and  
130 practical training. The completion of training shall not be a prerequisite to the exercise of authority  
131 granted to local governments by any applicable provision of law.

132 The Department may:

133 1. Charge attendees a reasonable fee to recover the actual costs of preparing course materials and  
134 providing facilities and instructors for the program. The fee shall be reimbursable from the fund  
135 established pursuant to § 62.1-44.19:3; and

136 2. Request and accept the assistance and participation of other state agencies and institutions in  
137 preparing and presenting the course of training established by this subsection.

138 K. Surface incorporation into the soil of sewage sludge applied to cropland may be required when  
139 practicable and compatible with a soil conservation plan meeting the standards and specifications of the  
140 U.S. Department of Agriculture Natural Resources Conservation Service.

141 L. The Board shall develop regulations specifying and providing for extended buffers to be employed  
142 for application of sewage sludge (i) to hay, pasture, and forestlands; or (ii) to croplands where surface  
143 incorporation is not practicable or is incompatible with a soil conservation plan meeting the standards  
144 and specifications of the U.S. Department of Agriculture Natural Resources Conservation Service. Such  
145 extended buffers may be included by the Department as site specific permit conditions pursuant to  
146 subsection D, as an alternative to surface incorporation when necessary to protect odor sensitive  
147 receptors as determined by the Department or the local monitor.