435 Williams Court, Suite 100
Baltimore, MD 21220
www.synagro.com

SYNAGRO

JUNE 2, 2017

Chairman Daryl Metcalfe
House State Government Committee
PA House of Representatives
Room Number 144 Main Capitol
Harrisburg, PA 17120

Subject: June 6, 2017 Regulatory Review Hearing Testimony

Thank you for providing Synagro Technologies, Inc. (Synagro) with the opportunity to provide testimony regarding the risks of the Pennsylvania Department of Environmental Protection's (DEP) use of its General permits to make significant regulatory changes. Synagro acknowledges that general permits are a useful tool by which the regulatory burden can be reduced on some projects while also reducing the DEP's review time and saving tax-payer dollars. However, the authority to develop General Permits can be abused when new statewide regulatory requirements are imposed without a public vetting of the science and balancing of the costs and benefits as required by the Regulatory Review Act. Such balancing is necessary for the Governor and General Assembly to effectively develop the state budget. To the members of the public which constitute the 'regulated community' the practice forces the choice between accepting the dictates of the General Permit or accepting the long and laborious 'individual' permit process.

My name is Layne Baroldi and I am the Vice President of Legislative and Regulatory Affairs for Synagro. Synagro is the largest recycler of organic by-products in the United States. Providing the last step in the essential public service of wastewater treatment to over 600 public and private water and wastewater treatment facilities in the municipal and industrial sectors, Synagro operates in every part of the nation, including Pennsylvania, and employs more than 850 people nationwide. Synagro's direct land application and reclamation program is a proven, time-tested environmentally-sensitive management approach, ensuring the beneficial use of biosolids and other suitable residuals products.

Synagro currently provides biosolids management services to 20 municipalities in Pennsylvania averaging approximately 200,000 tons of biosolids safely managed each year. We work in 25 counties in the Commonwealth, providing our land application services to approximately 200

family farms. The US Environmental Protection Agency (EPA) has recognized that biosolids are primarily organic materials produced during wastewater treatment and which are suitable for safe and beneficial use.

Recycling biosolids through land application serves several important purposes. Biosolids application supplies basic nutrients essential for increased crop growth, including nitrogen and phosphorous, as well as some essential micronutrients. Numerous reputable soil scientists and researchers have found that land application of biosolids also replenishes much-needed organic matter to the soil. Biosolids also improves soil properties, such as texture and water holding capacity, which make conditions more favorable for root growth and increases the drought tolerance of vegetation. Biosolids provide a slow release nitrogen source for crops, which is far more beneficial to the crops and protective of groundwater compared with commercial fertilizer.

Recycling biosolids to soil also mitigates effects on nutrient use and climate change. Recycling nutrients, rather than importing new nutrients into the Chesapeake Bay watershed provides a more sustainable approach to protecting the bay. Each pound of nutrient recycled reduces new fertilizer input by the same. Climate change benefits include carbon sequestration in the soil and less use of fossil fuel-based inorganic nitrogen fertilizer. Almost a quarter of a gallon of fossil fuel is required to produce every pound of inorganic nitrogen fertilizer. Thus, for every acre of land for which a crop needs 200 pounds of nitrogen, approximately 50 gallons of fossil fuel can be saved. Landfilling biosolids also results in the production of significant amounts of methane emissions that contribute to climate change. Many states are banning landfilling of organics, including biosolids to help protect the environment from greenhouse gas emissions.

In fact, biosolids have proven to be a valuable resource not just for agricultural use, but also in forestry, promoting rapid timber growth, and in mine reclamation, promoting re-vegetation by providing essential nutrients and organic matter essential in the soil regeneration process. The alternative to recycling is landfilling. Assuming capacity exists; landfilling approximately triples a municipalities' cost to manage their biosolids. In Pennsylvania, the added costs to only the 20 municipalities we serve could total an additional $12,000,000 in costs to their existing biosolids management budget which would be passed on to the citizens of those municipalities in the form of higher user fees.

The EPA and the DEP enforce clearly defined regulations on the land application of biosolids that are designed to protect human health and the environment. The comprehensive regulatory program is based on decades of research that examined all aspects public health and the environment. Federal and state regulations ensure the safety and benefits of recycling biosolids to the soil. The EPA developed a comprehensive risk and technology-based, scientifically peer-reviewed regulations following a lengthy public process, known as the "Part 503 rules." (40 C.F.R. Part 503). The safety of land application through compliance with the Part 503 rules has also been endorsed by two studies by the National Academy of Sciences (NAS) (1996 and 2002). In fact, the 2002 NAS report concluded that "there is no documented scientific evidence that Part 503 has failed to protect public health."

In addition, the DEP permit program includes stringent biosolids quality standards and testing requirements; site selection criteria, public comment opportunities; operational and reporting requirements; inspection and enforcement provisions; and mandatory operator training.

To land apply biosolids in Pennsylvania, the generator of the biosolids may use a general permit from DEP. These general permits, GP-07, -08, and -09, are issued for a maximum of five years, at which time they may be renewed. The biosolids general permits require the generator to demonstrate that the biosolids are produced at a facility which meets all the quality standards for pollutants and for reduction of pathogens and vector attraction. The generator also must demonstrate that each application site meets strict standards for application rates, site suitability and management practices, and must secure written permission from each landowner where land application is proposed. Permittees must also keep detailed records of biosolids quality testing results and land application data such as agronomic loading rates and cumulative pollutant loading rates at each application site. The safety of the biosolids is assured through product testing and monitoring to verify that the requirements for pathogen reduction, vector attraction, and pollutants are met. Any wastewater solids that do not meet these environmental standards must either be incinerated or taken to a landfill for disposal.

The General Permits are available to biosolids generators and land appliers. To receive coverage under the General Permit, the person seeking must submit a Notice of Intent (NOI) for Coverage under the General Permit. The NOI must then be approved by DEP. Once coverage is obtained, the permittee is then responsible for locating sites that meet the specific site criteria spelled out in the regulations and the General Permit. Notice must then be provided to the land owners adjacent to the site, DEP and county conservation districts thirty days prior to the first time the site is used. Once DEP receives the notice, the site is reviewed and typically deemed suitable or unsuitable within 30 days. This approach was developed after extensive studies by the EPA and public review in Pennsylvania found land application is environmentally safe and beneficial to the soil. The regulations have been endorsed by the Solid Waste Advisory Committee, the Pennsylvania Water Environment Association.

Why we are here today:

We are now being told by the DEP that in the upcoming renewal of General Permits 07, 08 and 09, there will be a Phosphorous Index requirement and other changes. We are not being told the exact Phosphorous Index to be utilized, only that one will be coming and will be included as part of a renewal of the general permits impacting biosolids.

The inclusion of a Phosphorous Index is a substantive policy change that, if the policymakers at DEP think a necessary measure, should be vetted using the Regulatory Review Act's requirements by the Independent Regulatory Review Commission. During this review, DEP would need to calculate the costs and benefits of using the Phosphorus Index. Direct costs, savings, or revenue changes to state and local governments would be known and could be weighed against the benefits to the environment to make informed decisions about the risks of the policy. Furthermore, the regulated community would have the chance to weigh additional

regulatory burdens against the business opportunities within the Commonwealth By circumventing the Regulatory Review Act process, DEP is essentially cutting out legislative and constituent input.

Synagro welcomes fully vetted, science based; regulations but without knowing the extent of requirements under an unknown Phosphorous Index, Synagro is placed in a position of great uncertainty which translates into a need to assume the cost in the product. Synagro is a service provider to numerous municipal waste authorities all around Pennsylvania. We will be forced to pass on our cost to municipal authorities that will in turn pass their cost on to the taxpayer.

In fact, without the Regulatory Review Act process, DEP could unilaterally impose extremely draconian standards that could make it universally impossible to land apply in Pennsylvania necessitating that we haul all biosolids out of the state of Pennsylvania or find landfill disposal options. Ultimately, the taxpayer would be left with the significant rate increase.

From our company's position this circumvention of the regulatory process creates a playing field with changing rules and an uncertain future for all players, not just taxpayer but future Pennsylvania citizens.

Consider for a moment, if in future years, we have a new Administration that decides to eviscerate that general permit and removed all protections afforded to the environment. Are we creating a scenario here in Pennsylvania where an Administration can rule through permit? If so, we will all be subject to the whims of whomever is in charge at DEP from year to year or Administration to Administration.

Thank you for your consideration,

Layne Baroldi
Vice President of Legislative and Regulatory Affairs
Synagro Technologies