

BAY RESTORATION FUND ADVISORY COMMITTEE

Maryland Department of the Environment

Aqua & Aeris Conference Room

1800 Washington Blvd.

Baltimore, Maryland 21230

September 25, 2006

1:00 p.m. to 4:00 p.m.

Mr. Robert Warfield, Chair

Meeting Minutes

Welcome/Introduction:

- Dr. Summers welcomed the committee and other attendees.
- Committee members and other attendees introduced themselves.

Review of Minutes

- No changes were made to the proposed minutes from the April 27, 2006 meeting and the committee approved the minutes as presented.
- The minutes and handouts from the meeting were to be posted on MDE's website.

Discussion

I. Update on ENR Implementation and Upcoming Events – Bob Summers:

- Dr. Summers informed the Committee that Walid Saffouri has left the Department and introduced Rajiv Chawla who has taken over Walid's duties and responsibilities.
- Dr. Summers presented the status of the Enhanced Nutrient Removal (ENR) upgrades. We now have two facilities (Celanese and Hurlock) in operation, 10 are under construction, 9 are in design, 26 are in planning, and 19 are in pre-planning.
- A groundbreaking for the Indian Head wastewater treatment plant is scheduled for Oct 5, 2006 @ 1:30 p.m. and a groundbreaking for Brunswick was being scheduled.
- On August 30, 2006, the Board of Public Works approved the initial grants for the Back River and Patapsco ENR Upgrades. Back River and Patapsco are number one and number two largest facilities respectively in the State of Maryland.
- To date, MDE has brought to the Board a total of 22 projects totaling over \$70 million for Bay Restoration Fund approval. Of the 22 projects, 19 were for wastewater treatment plant (WWTP) upgrades and 3 for sewer system rehabilitation projects. Together, when completed the 19 WWTP projects that have been initiated will remove over four and half million pounds of nitrogen from the Chesapeake Bay, which is over 60% of the goal towards the loading reduction that will be achieved when all of the 66 major plants are upgraded.

- Dr. Summers briefed the committee on MDE's response to a recent article published in the Baltimore Sun titled "Flush Funds Enable Building". The article was misleading and gave the impression that the Bay Restoration Fund is being used to finance growth. MDE's response to the editor clarified the fact that Bay Restoration Funds, by law are only allowed to fund upgrades to the approved design capacity of the facility, and not for new growth. A copy of MDE's response letter to the editor of the Baltimore Sun was given to the committee members and attendees.
- Dr. Summers presented the data, which showed dramatic reduction in the nutrient loading from the point sources in the state of Maryland as a result of initial efforts starting in 1984 with Biological Nutrient Removal (BNR) program as well as working with industrial sources around the State. The data showed that over 50% reduction in Nitrogen loads has been achieved from about 32 million pounds in 1985 to about 15.5 million pounds in 2004. Once the ENR upgrades are fully implemented another 7.5 million pounds in reduction of Nitrogen loads will be achieved. Over time the Nitrogen loads are expected to cap out at 10.5 million pounds due to approved design flows. This should accommodate growth for the next 10 years. Any further upgrades & expansion of the facilities beyond their approved design capacity would have to occur through either further improvements in technology or through some sort of trading or offset of nutrient loads to achieve no net increase in nutrient pollution.
- MDE is working to develop a trading and offset policy for Maryland and a preliminary draft proposal for discussion purposes has been circulated widely in the point source regulatory community, environmental community and the Chesapeake Bay tributary teams. There have been a number of listening sessions held around the State with various organizations.
- In response to a request, data for phosphorus loading cap will be presented in the next meeting. The next meeting will also host a presentation from Air Management in response to a request regarding efforts being made to reduce Nitrogen Loads from Atmospheric Emissions.

II. Update on Fees Collected to Date – Thad Russell & Committee Members:

- Mr. Russell reported the distributions of Bay Restoration Fees through the end of August 2006. To date \$75.8 million have been distributed to MDE from sewer and water bills. This consists of \$7 million from fiscal year 2005, \$57.7 million from fiscal year 2006 and \$11 million so far this year. The total distributed from Septic fees to date is \$9.6 million. Of the \$9.6 million, \$3.8 million has gone to MD Department of Agriculture and \$5.7 million has gone to MDE.

- Both the Comptroller's office and MDE are looking into any outstanding active accounts that have not paid the BRF fees. Notices have been sent to these owners. The comptroller's office uses business license renewals and tax clearances to make sure owners comply with the tax code and pay the BRF fees. MDE ensures that BRF fees are paid before issuing any type of discharge permits to a facility.
- Baltimore, Anne Arundel and Montgomery Counties have not yet collected from OSDS users on individual wells, which was supposed to start October 1, 2005. These monies are expected to come in as property taxes through the property tax billing cycle that was just instituted.

III. Update on Cover Crops Program – Doug Scott, Maryland Department of Agriculture:

- Department of Agriculture's budget was doubled from last year. \$4.8 million was projected from Bay Restoration Fund and the Governor approved another \$4 million in general funds. The legislature however cut \$1 million of that amount.
- To market the Cover Crop Program aggressively, the 500-acre cap on the traditional cover crop was raised to 1000 acres. A commodity cover crop program with a 500-acre cap was also instituted, where a farmer who is growing winter grains anyway can enter that into a cover crop program, if they agree not to put any nitrogen fertilizer on the crop before March 1.
- With the changes instituted in the cover crop program to market it aggressively, there was more demand resulting in \$17 million in requests than the funds available. Even with a two-thirds implementation rate \$12 million would be needed to fully fund the program. In order to meet the \$7.65 million budget, and still keep the participation in the program at a high level, it was decided to pro-rate the acreage enrolled, so that every applicant approved would be able to participate. The acreage for the traditional cover crop program was prorated at 75%, while the acreage for the commodity cover crop program was prorated at 50%.
- The Bay Program gives credit for up to 8 ½ pounds of nitrogen removed per acre. It costs about \$40 an acre for the traditional cover crop program, which equates to approximately \$5 per pound of Nitrogen removed.

IV. Proposed Onsite Sewage Disposal Systems (OSDS) Awards – Jay Prager & Committee Members:

- In response to the Request for Proposals to outsource BRF monies, 10 proposals from local governments were received prior to the deadline requesting a total of \$15 million. Based on the 10 proposals that were accepted, \$9 million was obligated to the ten counties to upgrade approximately a total of 700 septic systems. These funds will be obligated over almost a three- year period, which will cover through June 30, 2008. Formal approval of these awards from the Board of Public Works is expected in the near future.

V. Onsite Disposal Systems Proposal Overviews - Jay Prager

- Mr. Prager presented the project area/watershed within each of the 10 selected counties as well as the criteria used to evaluate these proposals to figure out the percentage of funding each jurisdiction would receive. The criteria used to evaluate these projects included addressing failing systems in the critical area, other environmentally or public health sensitive areas and onsite sewage disposal systems needing upgrade.

VI. BRF Next Steps- Jay Prager & Committee Members

- Efforts are ongoing to identify the Best Available Technologies (BAT) for nitrogen reducing on-site disposal systems (OSDS). Six systems with various technologies have been evaluated by the EPA/Environmental Technology Verification (ETV) program as eligible under the Bay Restoration Fund program. A review team has been formed within MDE to evaluate these technologies to ensure they have been third party evaluated with the same rigor as the EPA/ETV program. Five of these six systems have expressed interest in marketing in Maryland. Another four systems have sent in information to be evaluated.
- A geographic information system (GIS) is being proposed that would identify the location of every septic system in the State. All of the Counties have sent a letter to each of the properties that has a septic system. A statewide database could then be developed from this information. This database could then be used to identify the number of septic systems in a given watershed and it's modeling.

Future Meeting

- The fourteenth meeting will be held on November 1, 2006 @ 1:00 p.m. in the Aqua & Aeris Conference Rooms – Lunch for members @ 12:00 (noon). *(This date was later changed to November 20, 2006 @ 1:00 p.m.)*

Materials Distributed at the Meeting

- Meeting Agenda
- 12th Meeting Minutes (December 5, 2006)
- ENR Status Update
- Distribution of Bay Restoration Fee through August 31, 2006
- Bay Restoration Fee- By County YTD through August 31, 2006
- Bay Restoration Fee- By County 2006 2nd Quarter through August 31, 2006
- Copy of the MDE's response letter to the Editor of Baltimore Sun
- Maryland Department of Agriculture's Report to BRF Advisory Committee
- Onsite Sewage Disposal Update

Attendance

Advisory Committee Members Attending:

Robert E. Warfield	Chairman
Robert M. Summers, Ph.D.	Maryland Department of the Environment
William P. Ball, Ph.D.	Johns Hopkins University
James L. Hearn	Washington Suburban Sanitary Commission
Douglas Scott	Maryland Department of Agriculture
Gregory B. Murray	Washington County Department of Water Quality
Leland Spencer, M.D.	Kent County Health Department
David Bancroft	Alliance for the Chesapeake Bay

Others in Attendance:

Thad Russell	Comptroller's Office
Julie Pipple	Washington Co. Dept. of Water Quality
Andrew Gray	Department of Legislative Services
Leslie Cook	Department of Legislative Services
Jenn Aiosa	Chesapeake Bay Foundation
Karen H. Oertel	Queen Anne's County Commissioners
Michael Spiker	City of Hagerstown
Nancy Hausreth	City of Hagerstown
Donald Barton	City of Hagerstown

Maryland Dept. of the Environment (MDE) Attendees:

Rajiv Chawla	Jay Prager
Ta-Shon Yu	Elaine Dietz
Eric Dougherty	Robert Ballenger
Jag Khuman	John Morris
Marie Ford	