

BAY RESTORATION FUND ADVISORY COMMITTEE

Maryland Department of the Environment
Aqua/Aeris Conference Rooms (MDE Lobby Area)

1800 Washington Boulevard

Baltimore, Maryland 21230

June 11, 2015

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

Meeting Minutes

Welcome/Introduction

- The meeting was opened by Mr. Greg Murray, Chairman of the Bay Restoration Fund Advisory Committee and Administrator for Washington County.
- Mr. Murray welcomed the committee members and other attendees

Review of Meeting Minutes

- Previous meeting minutes from the March 12, 2015 meeting were handed out to the committee members for their review and comments. An electronic copy of the meeting minutes was also e-mailed to the committee members prior to the meeting.
- Mr. Saffouri noted one correction to the meeting minutes since the time it was sent out by email. The change was that Cheryl Lewis, a Committee Member, was added to the attendees list. The corrected meeting minutes were approved.

Discussion

I. Update on Major WWTPs ENR Implementation

- Mr. Saffouri referenced the Wastewater Treatment Plants ENR Upgrade Status handout. To date there are 41 facilities in operation, 18 under construction, 6 in design, and 2 in planning, for a total of 67 facilities. Aberdeen, Patuxent, Maryland City, and Broadneck have requested O&M grants, and are therefore in ENR operation. The City of Frederick and Freedom District have just started construction. There are a few facilities that have been close to 99 percent for awhile, and should be finishing up. There may be 2 or 3 more done by next meeting. Also, of the 6 facilities in design, Leonardtown upgrade and Salisbury corrective action projects are getting ready to start construction.

- Mr. Bouxsein asked whether we are still on target to complete all majors by Fiscal Year 2018. Mr. Khuman indicated that we may miss Hampstead. Mr. Saffouri added that Princess Anne may miss the deadline also. Mr. Khuman mentioned that on volumetric basis 99 percent of the flow will be ENR by 2017.

II. Update on Minor WWTPs ENR Upgrades

- Mr. Saffouri indicated that the list is getting longer. Since the last time, we added Preston, Hancock, and Chesapeake City, but we lost Rock Hall. Rock Hall has a new mayor and council, and voted to put the project on hold. The Town of Secretary has just started the design.
- Mr. Bouxsein asked if all of these minors on the list are getting BRF money. Mr. Saffouri answered, yes; except Eastern Correctional, Boonsboro, and Worton. They were completed with other fund sources. Mr. Khuman indicated that Smith Island is being considered, but is not on the list because they have not signed the agreement yet.
- Mr. Khuman indicated that thus far, BRF funding has been on a first come, first served basis. There are 65 or so plants that MDP and MDE rated and ranked based on several factors. The priorities are not really meaningful because currently, there is enough money for anyone ready to proceed.
- Ms. Donoho asked what percentage of the total funding is BRF. Does it vary from facility to facility? Mr. Saffouri answered, yes. Mr. Khuman added that it varies based on what they are doing. The statute states that BRF money is used to bring the plant up from BNR to ENR level, 8 mg/L to 3 mg/L total nitrogen. If the plant was not previously upgraded to BNR, it can get 50% State grant funding toward the upgrade from secondary to BNR level and 100% BRF to get from BNR to ENR. Also, the cost of any capacity increase is totally covered by local money. Mr. Saffouri added that USDA is getting involved with many of these projects with their grants and loans. Ms. Donoho added that USDA money can cover expansion. Mr. Khuman added that USDA funds can cover whatever is not covered by BRF and BNR grants.

III. Update on Cover Crops

- Mr. Astle provided the update on the cover crop activities. He indicated this has been a record year, and right now MDA is processing close to 400,000 acres of planting. This time of the year we are completing the FY-15 program and beginning the FY-16 by promoting to approximately 5,000 farmers. The program is being advertised to farmers via banners in prime agriculture locations throughout the state, and farm publications. Mr. Astle indicated that this year has been a success.

- Mr. Khuman indicated that \$1.35 million was taken out of the BRF/Department of Agriculture money and diverted to the General Funds to reduce the FY15 deficit by Gov. O'Malley before he left office.
- Mr. Bouxsein asked if the Committee could get a summary chart for the last 3 to 5 years showing acreage by type of crop and average spending cost per acre.

IV. Update on Onsite Sewage Disposal System (OSDS)

- Mr. Khuman indicated that the FY16 grant awards to the counties were approved by the BPW on June 3rd for a total of \$14 million. It is down from \$15 million last year because HB 12 allocated 10%, or \$1.5 million to the counties for operating expenses to implement the new regulations. He added that we will have a report ready for the next meeting in terms of use of money for FY15. For the past three years there has been a steady increase of expenditure of the awarded grants because the counties are improving in implementing OSDS upgrades.
- Mr. Flatley provided an overview and update on the OSDS program, and indicated that they have expanded the definition of onsite Best Available Technology (BAT) to include some soil distribution disposal systems. He further added that full detail is provided on the Bay Restoration Onsite Systems website, and it lists what systems are approved, what is needed to get approved, and what needs to be evaluated, etc...
- Mr. Flatley further explained that the BAT is broken down into five categories: Class I: field verified units; Class II: units undergoing field verification; Class III: lesser performing units that must be paired with Class IV; Class IV: soil dispersal units, sand mound systems, at-grade systems, and shallow placed low pressure dispersal systems; Class V: any of the technologies that will mitigate the impact of nitrogen that are not included in any of above classes such as waterless toilet. Mr. Khuman mentioned that this may not directly impact the BAT grants, but it is more to do with all the septic systems that are being installed statewide by developers and others.
- Mr. Prager mentioned that these classes may offer more cost effective options to achieve the same level of nitrogen removal.
- Mr. Leocha asked about which of the above classes the grant money has been awarded to so far. Mr. Khuman indicated that at this point money has only been awarded for Class I BATs. Class I is the only category that has been field verified at this point. As this moves to other classes, we may look at a grant based on a cost per pound reduced.

- Mr. Khuman mentioned that we have a request from Worcester County to hook up sewers to two churches outside of the PFA. So under HB 11, from two years ago, other than Kent Island, we've had our first application to hook up properties to an ENR plant from properties outside of the PFA. The public notice for comments is on MDE's home page and is open until July 15th. Based on those comments, we will then pursue a PFA exception if warranted.
- Mr. Bouxsein commented that it looks like Prince Georges County is still unable to unclog its system. Mr. Khuman added that since we delegated the program to local governments, they have not installed one system with BRF money. Mr. Prager commented that the Director of Environmental Health at the last Environmental Health Directors meeting was saying that she believes they have unclogged their system and they may have some success shortly..
- Mr. Prager stated that MDE has entered into a formal multi-based state agreement for data sharing with Virginia, Delaware, Pennsylvania, West Virginia, and New York. This agreement is making it easier for vendors and manufacturers to get through our BAT approval process. Before the agreement, we required 12 installations in Maryland before we can go through the field verification process. Now, to get Maryland approval, six of those installations can be in Maryland, and the other six can be in the other states sharing the data with us.

V. Update on BRF Fee Collection and Budget

- Mr. Khuman presented the fee distribution data from the fee program's inception through the end of May 30, 2015 shown on the last two pages of the handout from the Comptroller's office. The total fund distribution to date is as follows: approximately \$707.6 million to MDE Line 1 (Wastewater Fund), \$99.4 million to MDE Line 2 (Septic Fund), and \$75.0 million to MDA Line 2 (Cover Crop Fund).
- Mr. Khuman noted that from the last two pages of the deposits, you can see that we are on target on the wastewater side in terms of the three quarters of data with \$87 million already coming in and we have one more quarter to go. We think that we will once again be in the same ballpark between \$105 and \$110 million for FY15 in terms of total wastewater fee deposits. On the septic side, we collected cumulatively \$26.6 million with one more installment to come in for the year. The total collection for the year should be \$27-\$28 million, the same as last year.

- Ms. Donoho asked when we were going to be done with all of the majors. Mr. Khuman answered, possibly by the end of 2017, except for one or two stragglers. Ms. Donoho commented, so then we venture into the large minors. Mr. Khuman responded, we're already talking to 12 of them, you can see on the list. Ms. Donoho asked how many total. Mr. Khuman answered the total is about 60. Those plants are 40,000-500,000 gallons per day. Ms. Donoho asked how many years will this take. Mr. Khuman indicated we should be able to do 5 a year. So, 10 years to do 50 of them.

VI. Water Quality Project Priority Ranking System

- Ms. Elaine Dietz gave a presentation on how projects are currently rated by MDE when they apply for funding.

VII. Other Updates on Legislative Session

- Mr. Murray asked if there were any legislative updates.
- Mr. Khuman mentioned there were two bills with some impact on the Bay Restoration Fund. Senate Bill 133 essentially says that starting with FY18, after funding the WWTP upgrades, the Department can fund based on the best water quality and public health benefit, any of the following: combined sewer overflow, sewer rehab, septic systems, sewer extensions, or stormwater projects. The second one is Senate Bill 863, which was to repeal the rain tax.

Next meeting and other administrative issues to be discussed with the committee

The next meeting was scheduled on Thursday, September 10th.

Materials Distributed at the Meeting

- Meeting Agenda
- Previous Meeting Minutes (June 11, 2015)
- Wastewater Treatment Plants ENR Upgrade Status (June 11, 2015)
- OSDS Classification Handout
- Integrated Project Priority System for Water Quality Capital Projects (Point and Nonpoint Sources) PowerPoint Presentation Handout
- Program-to-Date BRF Fee Collection Report (through October 31, 2014)
- BRF Year-to-Date Collection Report (through May 31, 2015)
- BRF Quarter-to-Date Collection Report (through May 31, 2015)
- BRF Fee Distribution Report (through May 31, 2015)

Attendance

Advisory Committee Members or Designees Attending:

Greg Murray, Washington County, Chairman
Walid Saffouri, MDE
Jag Khuman, MDE
J.L. Hearn, WSSC
Cheryl Lewis, MML/Town of Oxford
Peter Bouxsein, Chesapeake Bay Foundation
John Leocha, Maryland Department of Planning
Fiona Burns, Department of Budget and Management
Chris Murphy, Anne Arundel County DPW
Gabe Cohee, Department of Natural Resources
Norm Astle, Maryland Department of Agriculture

Others in Attendance:

Kelly Duffy, RK&K
Candace Donoho, Maryland Municipal League
Julie Pippel, Washington County

Maryland Department of the Environment (MDE) Attendees:

Janice Outen	Elaine Dietz	Chris Mentzer
Teresa Wong	Joe Bieberich	Joshua Flatley
Dan Laird	Joe Bratchie	Jay Prager
Rajiv Chawla	Cheryl Reilly	Marya Lelevel