

BAY RESTORATION FUND ADVISORY COMMITTEE

Maryland Department of the Environment
Aqua/Aeris Conference Rooms (MDE Lobby Area)
1800 Washington Boulevard
Baltimore, Maryland 21230
September 14, 2017

Meeting Minutes

Welcome/Introduction

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

Review of Meeting Minutes

- Previous meeting minutes from the June 1, 2017 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. Murray asked if anyone had any questions, comments, or a motion to approve. The minutes were approved.

Discussion

I. Update on Major and Minor WWTPs ENR Implementation:

- Mr. Saffouri referenced the Wastewater Treatment Plants ENR Upgrade Status handout. To date there are 53 major facilities in operation, 11 under construction, 2 in design, and 1 in planning, for a total of 67 major facilities. There is no change in status since the last meeting.
- As was previously requested by the Committee, Mr. Saffouri provided an update specifically on the status of Back River and Patapsco.
- **Patapsco:** The construction of the project is 93% complete. The City and the contractor are in dispute mainly over the quality control of some items, which prevented testing and start up of the new equipment and unit processes. In August 2017 the City issued an emergency contract for approximately \$8 million to allow another contractor to correct the items in question. Concurrently and independently, the City will continue its dispute and litigation with the original contractor. This may allow the City to complete the project by mid-2018 and be in ENR operation by the end of 2018.

- **Back River:** The overall project construction is 89% completed. However, the ENR portion of the project was completed in May or June 2017. Due to the complexity of the biological process, ENR optimization may take 6 months to a year. Back River should be fully ENR operational by the end of 2017 or in the spring of 2018.
- Mr. Bouxsein whether Patapsco and Back River can achieve any interim reduction before the upgrades are completed. Mr. Saffouri responded that Back River was previously upgraded to BNR and is achieving that in the interim. Patapsco was not upgraded to BNR so it cannot achieve any nutrient reductions until the upgrade is completed.
- Mr. Bouxsein asked whether we know the reason why Frederick and Leonardtown also have significant delays. Mr. Saffouri responded that at this time we are not aware of any special conditions that caused the delays. They could be delayed by the usual issues facing the construction of any ENR upgrade.
- Mr. Saffouri provided an update on minor WWTPs. There are a few status updates for minor facilities. Greensboro has completed the upgrade and initiated ENR operation, Betterton started construction, and Deep Creek Lake started design.
- Mr. Bouxsein asked whether any of the minor facilities have expressed interest in the 2017 HB 384, which allows BRF to fund BNR cost, and SB 1190, which allows BRF to retroactively fund ENR upgrades occurred before July 1, 2013 without receiving any BRF funding. Mr. Khuman responded that all minor facilities starting construction after July 1, 2017 will benefit from HB 384 and get 100% funding toward the BNR cost instead of the current 50% or 75%. In addition, Hampstead is the only major facility that will benefit from this legislation because they have not started construction and they are the only major remaining with a BNR component. As for SB 1190, Boonsboro was determined to be the only facility that can benefit from this legislation. Worton could have qualified if they were currently meeting ENR.

II. BRFAC Annual Report (January 2018):

- Mr. Saffouri advised the Committee that a copy of the draft report was forwarded to MDP and MDA so all the agencies can update their portion of the report concurrently. We should be done with the first draft and send it to the Committee before the next meeting.

III. Update on Cover Crops Activities:

- Mr. Astle provided an update on cover crops program. This year's sign-up was concluded on July 18th with 637,000 acres, which is approximately 50,000 acres less than last year. This reduction is possibly due, in part, to the discontinued of funding for commodity crops.
- Mr. Boussein asked whether the exact impact of discontinued funding for commodity crops has been determined. Mr. Astle responded that this information can be obtained from MDA files, but he does not have it readily available at this time.
- Mr. Astle confirmed that based on the Chesapeake Bay model, each acre of cover crops provides 6 lbs. of nitrogen reduction and 0.2 lbs. of phosphorus. However, these values are subject to change based on any update to the model.
- Mr. Boussein asked whether these values are the same regardless of the crops (e.g. barley, oats, wheat, rye). Mr. Astle answered yes, but the model may be taking these variations in consideration and provide one number that is as accurate as possible to the actual reduction.
- Mr. Boussein asked about the software that was developed by Towson University, which the committee was previously briefed on. Mr. Astle responded that it is running relatively smoothly and we hope that it will continue to run as good during the upcoming fall certifications.

IV. Update on Onsite Sewage Disposal Systems (OSDS):

- Mr. Khuman updated the committee on Septic grant awards. In July, the Board approved \$15 million to be awarded to the counties for BAT upgrades and septic sewer connections. August 31st was the date for everyone to submit their final payment requests to MDE. Currently, we have \$1 million of unspent grant, which an increase from last year's amount of only \$750,000. We will go to the Board again in January 2018 to reallocate the \$1 million where it is needed.
- Mr. Boussein asked whether this increase in unspent funds could be due to the recent change in regulations requiring BAT upgrade only in critical areas instead of statewide. Mr. Khuman responded that this is unlikely. The increase could be due to over allocations of funds by the counties. Also, this could be just a normal variation because at one time the unspent amount was \$2 million, and then went down to \$1.5 million, then \$1 million and \$750,000, and now it is back to \$1 million.

V. Update on BRF Fee Collection and Budget:

- Mr. Khuman updated the committee on the BRF fee collection using the Comptroller's report for July 31, 2017, which has the total FY 2017 revenues. Mr. Khuman advised the committee that FY 2017 revenues are on target. The Wastewater Fund (Line 1) revenue is close to \$116 million and as expected it is down from FY 2016, which was \$124 million due to the on-time error correction by Baltimore City. Septic Fund (Line 2) is also on target with \$28.5 million total, which represents only 1% variation from the previous year. It was \$28.8 million in FY 2016. Septic revenues have been almost the same since 2014 and reflect approximately 460,000 septic systems statewide, which is 40,000 higher than MDP's estimates of 420,000 septic systems. It is possible that some septic systems are being billed twice, through the water bill and through the tax bill.

VI. Update on Clean Water Commerce Act Regulations:

- Mr. Khuman updated the committee on the progress of the regulations development for the Clean Water Commerce Act. The stakeholders group, assembled by MDE Secretary, had their first meeting on August 22nd essentially to discuss the proposed regulations. The regulations will set the baselines to allow MDE to use up to \$30 million in BRF to purchase nitrogen, phosphorus and sediment loadings.
- Mr. Bouxsein asked whether anyone has expressed interest in selling. Mr. Khuman responded not yet. Also, we cannot enter into any contract until the regulations are issued.
- Mr. Murray asked whether minor WWTPs would be allowed to sell their load reductions through this program. Mr. Khuman responded yes, there are two different baselines for loading from WWTP with BRF funded upgrade versus not funded upgrade.

VII. Next Meeting:

Mr. Murray reminded the committee that the next meeting will be on December 14th .

Materials Distributed at the Meeting

- Meeting Agenda
- Previous Meeting Minutes
- Wastewater Treatment Plants ENR Upgrade Status
- Program-to-Date BRF Fee Collection Report (Comptroller Report)

Attendance

Advisory Committee Members or Designees Attending:

Greg Murray, Washington County
Walid Saffouri, Maryland Department of the Environment
Jag Khuman, Maryland Department of the Environment
Norman Astle, Maryland Department of Agriculture
Peter Bouxsein, Chesapeake Bay Foundation
Angela Butler, Maryland Department of Planning
Fiona Burns, Department of Budget and Management
Christopher Murphy, Anne Arundel County DPW
Sara Lou Trescott, Washington County Health Department

Others in Attendance:

Andrew Gray, Department of Legislative Services
Joe Sowinski, Hazen and Sawyer
Julie Pippel, Washington County

Maryland Department of the Environment (MDE) Attendees:

Sunita Boyle
Teresa Wong
Susan Iaconangelo
Robin Pellicano
Cheryl Reilly
Janice Outen