

BAY RESTORATION FUND ADVISORY COMMITTEE

**Maryland Department of the Environment
Aqua/Aeris Conference Rooms (MDE Lobby Area)
1800 Washington Boulevard
Baltimore, Maryland 21230
September 10, 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 June 11, 2015 meeting were handed out to the committee members for their review and comment. An electronic copy of the meeting minutes was also e-mailed to the committee members prior to the meeting.
- Mr. Ball requested clarification regarding the wording on the second page, fourth bullet about doing BNR. Mr. Saffouri noted that he will correct that paragraph. Mr. Murray asked if there were any other items. Hearing none, he indicated, the minutes are approved with this minor correction.

Discussion

I. Update on Major WWTPs ENR Implementation

- Mr. Saffouri referenced the Wastewater Treatment Plants ENR Upgrade Status handout. Salisbury and Leonardtown started construction. To date there are 41 facilities in operation, 20 under construction, 4 in design, and 2 in planning, for a total of 67 facilities. Mr. Saffouri added that when plants are in construction, the progress is like a bell shape curve. Construction starts off slow, then picks up speed, and slows down again at the end. That's why many of the plants in construction have been around 90% complete for a while.

II. Update on Minor WWTPs ENR Upgrades

- Mr. Saffouri indicated that the only change is Greensboro, which started construction. He also added that by the next time we meet, the list of minors will be longer, because since we updated the list, we have received a few signed agreements from different towns.
- Mr. Leocha asked just to clarify, of the three minors on the list at 100%, none of them used BRF money to upgrade. Mr. Saffouri answered, yes. Mr. Khuman confirmed none of the three received any Bay Restoration Fund money. The state money they received was from another program, and was not from the Bay Restoration Fund.

III. BRF Annual Status Report

- Mr. Saffouri mentioned that the first draft for the status report should be ready early November, maybe mid October for the committee to review.
- Mr. Leocha suggested that analysis of Mayo ENR project needed to be included in the annual report. Mr. Saffouri stated that based on the law, the analysis of this project should not be included until the construction is done and operational for one year.
- Mr. Saffouri mentioned that we have just gone to the Board and got O&M funding for the plants that are meeting ENR. Most of the upgraded plants are meeting the ENR goals.

IV. Update on Cover Crops

- Mr. Astle provided the update on the cover crop activities. He indicated that we have had another good sign up this past June and July. It has been a record sign up, 1,849 contracts were signed for 656,000 acres, which are 15,000 more acres than last year. Farmers must be in compliance with nutrient management before they're eligible to participate in the Cover Crop program.
- In addition, MDA is working with Towson University to develop a software for the Cover Crop program to make it a web-base program. The goal is to make it easier for the local soil conservation districts that administer the Cover Crop program to work with the farmers in administering the program. We are hoping to have this available for next year Cover Crop program.

V. Update on Onsite Sewage Disposal System (OSDS)

- Mr. Flatley provided an overview and update on OSDS, and indicated that we are closing fiscal year 2015. He indicated that the next time we meet, they will have a spreadsheet like the one last year that shows where all the money went to the counties, how many were BATs, how many were sewer connections, how many inside the PFA, how many outside the PFA, etc.... The spreadsheet will also be included in the annual report.
- Mr. Flatley also presented the new database for BATs including funded, non funded, sewer connections, and everything reported to MDE. He added that the new database is up and running. We have all 23 counties in the database and at least one person for each of the vendors. We are working with the IT staff to get service providers application up and running so they can start entering and adding information in on the service requirement side. Mr. Khuman indicated that he will provide the annual data so we can see what the BRF grant did.
- Mr. Flatley mentioned that we may soon have two more technologies to add the current list of 5. Also, we should have at least two others moving up to Class I Technologies (successfully completed the Maryland field verification).
- Mr. Flatley also mentioned that we have just signed 3-year grant agreements for the operation and maintenance (under House Bill 12) with all the counties except Prince George's County.

VI. Update on BRF Fee Collection and Budget

- Mr. Khuman presented the fee distribution data from the fee program's inception through the end of August 31, 2015 shown on the last two pages of the handout from the Comptroller's Office. He mentioned that the fiscal year 2015 revenue is within only 1% of fiscal year 2014 (\$109.7 million last year versus \$110.6 million this year). The total fund distribution to date is as follows: approximately \$730.3 million to MDE Line 1 (Wastewater Fund), \$100.8 million to MDE Line 2 (Septic Fund), and \$75.9 million to MDA Line 2 (Cover Crop Fund).
- Mr. Khuman noted that even though financial hardship exemption was mandated and every billing authority now has one, it does not seem to have had much of an impact on revenues. Very few people are seeking the exemption, either applying for it or being approved based on hardship. Septic revenues seem to be slightly higher. Fiscal year 2014 was \$28 million, and fiscal year 2015 came up to \$29 million.

- Mr. Khuman also mentioned that we will be selling bonds in November because cash is down to \$10 million due to payments coming in, especially from Back River, which has a \$265 million contract. We will be going to the BPW on September 16th for the approval for the bond sale. It will be a competitive bond sale. We will put it out to bid in mid November, and we expect interest rates to be under three percent. The bonds will be for \$180 million with maximum maturity of 15 years. We should have the final results at our next meeting in December.

VII. Proposed Amendment to the BRF Regulations

- Mr. Khuman summarized that the goal essentially is to make the regulations consistent with the statute. Senate Bill 133 expanded the use of BRF-Wastewater fund with plants upgrade having first priority, and then sewer rehab, septic, and stormwater projects compete for priority ranking.
- The second Bill being considered in the proposed regulations amendment is Senate Bill 863. The stormwater fee is no longer required by State law, but local jurisdictions may elect to continue with the fee. Also, if the fee is required by a local government, and a nonprofit is unable to pay the fee due to hardship, the local government could require the nonprofit to do stormwater remediation in lieu of the fee. Then the nonprofits can apply to the state for BRF money for the projects.

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

The next meeting will take place on Wednesday, Dec. 16th.

Materials Distributed at the Meeting

- Meeting Agenda
- Previous Meeting Minutes (June 11, 2015)
- Wastewater Treatment Plants ENR Upgrade Status
- Title 26 Department of the Environment, Subtitle 3 - current
- Title 26 Department of the Environment, Subtitle 3 – proposed action
- Program-to-Date BRF Fee Collection Report (through August 31, 2015)
- BRF Year-to-Date Collection Report (through August 31, 2015)
- BRF Quarter-to-Date Collection Report (through August 31, 2015)
- BRF Fee Distribution Report (through August 31, 2015)

Attendance

Advisory Committee Members or Designees Attending:

Greg Murray, Washington County, Chairman
Fiona Burns, Department of Budget and Management
J.L. Hearn, WSSC
Peter Bouxsein, Chesapeake Bay Foundation
Cheryl Lewis, MML
Kevin Barnada, Health Department
Gabe Cohee, Department of Natural Resources
Norm Astle, Maryland Department of Agriculture
Angela Butler, Maryland Department of Planning
Bill Ball, Johns Hopkins University
John Leocha, Maryland Department of Planning
Chris Murphy, Anne Arundel County DPW
Walid Saffouri, MDE
Jag Khuman, MDE

Others in Attendance:

Julie Pippel, Washington County
Andrew Gray, DLS
Sarah Spracher, Washington Gas
Lesley Cook, DLS
Mary Vitale, Hazin Sawyer

Maryland Department of the Environment (MDE) Attendees:

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| Janice Outen | Elaine Dietz | Chioya Li |
| Pamela Harris | Joe Bieberich | Joshua Flatley |
| Linda Pryor-Polinski | Joe Bratchie | Susan Iaconangelo |
| Rajiv Chawla | Cheryl Reilly | Ariane Kouamon |
| Jennifer Harris | Matt Keenan | Kasarachi Oma-Osagie |
| Matt Braiterother | Heather Hepburn | |