

BAY RESTORATION FUND ADVISORY COMMITTEE

Maryland Department of the Environment

Aqua & Terra Conference Room

1800 Washington Blvd.

Baltimore, Maryland 21230

February 20, 2008

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

Meeting Minutes

Welcome/Introduction:

- Dr. Summers welcomed the committee and other attendees.

Review of Minutes

- The Committee approved the minutes of the previous meeting (November 6, 2007).
- The minutes and handouts from the meeting will be posted on MDE's website.

Discussion

I. Update on ENR Implementation and Upcoming Events:

- Dr. Summers provided an update on the status of the 66 plants targeted for ENR upgrade.
- To date, there are 8 facilities completed and in ENR operation. One facility (Dorsey Run, in Anne Arundel County) was added to this category since the last Committee meeting.
- Construction started at Federalsburg Wastewater Treatment Plant. A groundbreaking will be scheduled in April.
- Snow Hill moved back to the pre-planning category because the developer cannot afford the upgrade. The town is pursuing MDE funding.

II. Update on Legislative Session:

- During the special legislative session, the Green Fund legislation was substituted with the Chesapeake Bay 2010 Trust Fund, which will be using revenue from existing sources/taxes. The new Trust Fund legislation did not specify how the funds will be distributed or used.
- House Bill 581 was introduced during this session. This bill would authorize the use of Bay Restoration Fund from both wastewater and septic users for planning, design and construction of new collection systems to connect existing communities with failing onsite sewage disposal

systems to wastewater treatment facilities. In the past MDE has opposed a similar bill.

- House Bill 734 was introduced to switch the shares of the BRF between cover crops and septic systems from 40/60 cover crops/septics to 60/40. In the past MDE has opposed a similar bill. Also, with the new Trust Fund legislation, more funds will be available for cover crop activities.
- Senate Bill 155 would modify the current BRF law to allow Dorchester County to apply unpaid Bay Restoration Fee as a lien against the property being billed. The current BRF law does not allow any local government or billing authority to use a lien to enforce collection of BRF fee.
- Senate Bill 688 would prohibit the use of foreclosure for water and sewer charge collections, which include the BRF fee.
- Senate Bill 382 would repeal various provisions relating to upgrading wastewater treatment plants (WWTPs) in the Patuxent River Watershed with enhanced nutrient removal (ENR) technology. Instead, the bill would require sewage treatment plants that discharge over 150,000 gallons per day (gpd) into the Patuxent River or any of its tributaries to upgrade to ENR by January 1, 2011. Under the bill, those plants must be given priority for funding under the Bay Restoration Fund, and that fund must be used to pay for the upgrades.

III. BRF Fee Collection and Budget:

- Mr. Jag Khuman presented the program to date, year-to-date, and 4th Quarter through January 31, 2008, fee collection amounts, which are approximately \$200 million, \$70 million, and \$16 million respectively.
- Mr. Khuman also provided total fund distribution to date: Approximately \$166 million to MDE Line 1 (Wastewater Fund), \$20 million to MDE Line 2 (Septic Fund), and \$13 million to MDA Line 2 (Cover Crop Fund).
- The Comptroller's Office investigated the unusually low amounts reported for Montgomery County Septic fee, and have found that the county has been entering the amounts on the wrong line. Comptroller's Office made the appropriate adjustment and the correct amounts are included in the presented report.
- In the previous meeting, the committee questioned why Baltimore City was paying a significant amount in Septic fee. The Comptroller's office found that there are many businesses in Baltimore City are actually on septic.
- Mr. Khuman informed the committee that MDE will soon be issuing BRF Bonds.

IV. Final Annual Status Report (January 2008):

- Dr. Summers informed the committee that the final Annual Status Report (January 2008) was submitted to the Governor's Office, the Senate Education, Health, and Environmental Affairs Committee, and the House Environmental Matters Committee as required by the law.
- Copies of the final report were provided to the committee members and other attendees.

V. Proposed Regulations For ENR Upgrades:

- Mr. Walid Saffouri presented the draft regulations for wastewater treatment plant ENR upgrades.
- The committee members will need to review the draft regulations and provide their comments before March 5, 2008, after which, the document will be forwarded for comments for the 66 impacted facilities.

VI. Onsite Sewage Disposal Systems (OSDS) update:

- Mr. Jay Prager provided an update on OSDS upgrades.
- \$9 million have been obligated to date for OSDS upgrades within several counties. Some grant applications were submitted through the counties including: Anne Arundel, Calvert, Caroline, Charles, Frederick, Kent, Queen Anne's, Talbot, Wicomico and Worcester. In addition, many home and business owners submitted their applications for funding directly to MDE.
- To date, MDE has received 581 grant applications, of which, 157 systems have been installed.
- MDE is also evaluating the performance of upgraded systems to determine the system effectiveness in nitrogen removal.

VII. Update on Cover Crop Activities:

- Ms. Michelle Esch, of Maryland Department of Agriculture updated the committee on cover crops planting during the year 2007.
- 204,000 acres were planted, of which, 156,000 acres were traditional cover crops and 48,000 acres were commodity cover crops that involve harvesting.
- Approximately \$7.8 million in Bay Restoration Fund will be paid for cover crop activities in 2007.
- The year 2007 experienced a slight decrease in cover crop activities possibly due to the drought.

VIII. Next Meeting:

Next meeting will be scheduled between April 1 and 20.

Materials Distributed at the Meeting:

- Meeting Agenda
- Bay Restoration Fund (BRF) OSDS Grant Awards, Installations, and Requests
- BRF Proposed Regulations
- Wastewater Treatment Plants ENR Upgrade Status (February 20, 2008)
- Program-to-Date BRF Fee Collection Report (through January 31, 2008)
- 2007 Tax Year Year-to-Date BRF Fee Collection Report (through January 31, 2008)
- 2007 Tax Year Fourth Quarter BRF Fee Collection Report (through January 31, 2008)
- BRF Fee Distribution Report (as of September 28, 2007)

Attendance

Advisory Committee Members Attending:

Robert M. Summers	Maryland Department of the Environment
Jay Sakai	Maryland Department of the Environment
James L. Hearn	Washington Suburban Sanitary Commission
Michele Esch	Maryland Department of Agriculture
Larry Fogelson	Maryland Department of Planning
Karen Harris Oertel	W.S. Harris Seafood
David Bancroft	Alliance for the Chesapeake Bay
Julie Pipple	Washington County
Greg Murray	Washington County

Others in Attendance:

Theresa Burton

Maryland Dept. of the Environment (MDE) Attendees:

Joshua Flatley	Ray Anderson	John Boris
Jay Prager	Jag Khuman	Andrew Sawyers
Renee Matthews	Shawn Abeywickrama	Hilary Bell
Walid Saffouri	Marya Levelev	