

BAY RESTORATION FUND ADVISORY COMMITTEE

Maryland Department of the Environment

Aqua & Aeris Conference Room

1800 Washington Blvd.

Baltimore, Maryland 21230

April 18, 2007

1:00 p.m. to 3:30 p.m.

Dr. Robert M. Summers, Acting Chair

Meeting Minutes

Welcome/Introduction:

- Dr. Summers welcomed the committee and other attendees.

Review of Minutes

- Previous meeting minutes from the February 21, 2007 meeting were handed out to the committee members for their review and comments. No changes were suggested or made to the meeting minutes by the committee members.
- The minutes and handouts from the meeting will be posted on MDE's website.

Discussion

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

- Dr. Summers presented the status of the Enhanced Nutrient Removal (ENR) upgrades. ENR upgrades of these 66 facilities are proceeding. There are now three facilities (Celanese, Hurlock and Aberdeen Proving Ground) in operation, 10 are under construction, 13 are in design, 23 are in planning, and 17 are in pre-planning. Percentage completion for the 10 facilities under construction was also provided in the ENR upgrade status report. Dr. Summers informed the committee that the Department of Defense (DoD) paid for the ENR Upgrade of the Aberdeen Proving Ground (APG) Wastewater Treatment Plant as per the Memorandum of understanding signed between the Department of Defense and MDE.
- Dr. Summers discussed Governor O'Malley's new initiative known as Bay stat. Bay Stat is based on the principles of City Stat, which the Governor used when he was Mayor of Baltimore to improve efficiency and effectiveness of City's operations. The Bay Stat initiative establishes an accountability process for measuring and evaluating efforts to restore the Chesapeake Bay. The Bay Stat Committee plans to meet on a monthly basis. Additional information on the implementation of the Bay Stat will be provided in the upcoming meetings.
- Dr. Summers informed the committee that only one bill related to the Bay Restoration

Fund actually passed this legislation session. The bill requires that starting January 1, 2009 the Bay Restoration Fund Advisory Committee's Annual Report include information on growth within the municipality or county in which the wastewater treatment plant being upgraded is located.

- Dr. Summers introduced MDE's new legislation and Policy Director, Heather Barthel to the committee members. Ms. Barthel assisted MDE in the latest legislative session.

II. WWTP ENR Status Map and Informational Fact Sheets – Elaine Dietz

- Ms. Dietz gave a presentation on the ENR Upgrade Status Map and Informational Fact Sheets for the 66-wastewater treatment plants that appears on MDE's website. The map shows general location and status of each of the 66 facilities to be upgraded to ENR and links the user to the associated fact sheet for each facility. The fact sheets provide information for each facility including design capacity, project cost, construction schedule as well as historical information on Nitrogen and Phosphorus loads from 1984 through present and projected loads to 2015 along with their ENR load caps. Ms. Dietz explained to the committee members that the 2015 projected loads were calculated using ENR concentrations along with 2004 flow data and Maryland Department of Planning's population projections from 2005 to 2015. The ENR Upgrade Status Map and Informational Fact Sheets are product elements of the Bay Stat reporting effort.
- Suggestions were made by some committee members that the fact sheets for the facilities should also indicate the amount of offsets that would be required if a wastewater treatment facility needed to expand to a certain capacity and exceed its ENR nutrient loading cap to accommodate the population growth within its service area. MDE will explore the type of available data needed to incorporate this information in the Fact Sheets.

III. BRF Cash Flow Projections– Jag Khuman

- Mr. Khuman presented two BRF Cash Flow Projections scenarios for funding over \$1Billion in total estimated capital costs for the ENR upgrades of 66 major wastewater treatment plants. The two funding scenarios projected BRF cash flows to the Year 2014, when all projects including Blue Plains would have completed construction. Under the first scenario, \$822 million in ENR capital improvements can be funded with the current fee structure of \$30/EDU and funding needs can be met until the Year 2012 at which point the deficit occurs. Under the second scenario, over \$1Billion in ENR capital improvements can be funded if the current fee structure is raised 33 percent from \$30/EDU to \$40/EDU, and the funding needs can be met until the Year 2014. These preliminary scenarios will be finalized as part of the BRF Advisory Committee's Annual Report to the Governor and the Maryland Legislature. The legislature does not need to take any immediate actions since the deficit is not projected to occur until the Year 2012 at the earliest.

IV. Update on 2007 Cover Crops Program Rollout – Michelle Esch

- Ms. Esch reported that the Cover Crop Program has changed very little from the previous year, since the budget is about the same, although some acreage changes were made to both the traditional and commodity cover crop programs due to high number of applications received for the program. The commodity cover crop program has been limited to 250 acres per application and the traditional cover crop program has been limited to 700 acres per application. These programs correspond to an overall program spending of about \$8.5 million with some increased grant funding.
- Ms. Esch also discussed the two-subset cover crop programs that are being implemented. One of these programs is the hull less barley grant, which provides an incentive for producers to plant hull-less barley, with the anticipation that an ethanol plant will be built in the future. Although the anticipated ethanol plant may not be built, the Maryland Grain Producers are contributing an additional \$12 per acre for this program. The other program allows transitional organic growers to plant legume mix in addition to their cover crop so they can get additional benefits. The Maryland Department of Agriculture is in the process of putting together a brochure, which explains these programs, which they expect to present at the next meeting. Additional information on the benefits of both traditional and commodity cover crops in terms of nitrogen removal will also be presented in subsequent meetings.

V. Bay Restoration Fund Onsite Sewage Disposal Systems (OSDS) Update – Jay Prager

- Mr. Prager reported on the implementation efforts to upgrade the septic systems. 152 applications for upgrade of the septic systems were received in the first quarter of this year, with majority of those applications coming from Anne Arundel, Worcester and Calvert Counties. Two grants were awarded for the first two systems to be upgraded, which are located in St. Mary's County. The actual low bid for one of these systems was \$7,500 and \$17,000 for the other system. These low bids were from the three qualifying bids for each system as per State purchasing requirements. The big difference in the low bid price for these two systems was due to the type of approved systems bid. The bid prices for the first 12 systems being installed also includes the cost of composite sampling in order to ascertain and compare the actual performance of the various approved systems being installed.
- Mr. Prager gave update to the committee on the development of the GIS database that would identify the number of septic systems and their location in a watershed and in Maryland. MDE has two contracts, one with Salisbury University for the collection of data and development of database for the identification and location of the septic systems, and the other with Towson University for web-based application user-friendly interface that can be used by both the counties and MDE to update their systems.
- Mr. Prager informed the committee that a letter was sent under Governor Ehrlich's

signature on November 29, 2006 to the US Dept of Agriculture and to the US Treasury, asking them to certify that the tax code will have no effect on individuals who receive BRF grant funding for upgrade of their septic systems. No response to this request has been received by MDE. MDE will send a follow-up letter to these Federal agencies informing them that in the absence of a response it will be assumed that this is not a taxable income and the recipients of these grants will be advised as such.

Future Meeting

- The seventeenth meeting will be held on July 9, 2007 @ 1:00 p.m. in the Aqua & Aeris Conference Rooms – Lunch for members @ 12:00 (noon).

Materials Distributed at the Meeting

- Meeting Agenda
- 16th Meeting Minutes (February 21, 2007)
- Wastewater Treatment Plant ENR Update Status (April 18, 2007)
- Projected Cash Flow Scenarios 1A and 2A
- Program-to-Date BRF Fee Collection Report (through March 31, 2007)
- 2006 Tax Year-to-Date BRF Fee Collection Report (through March 31, 2007)
- Tax Year BRF Fee Collection Report (2006 4th Quarter through March 31, 2007)
- BRF Fee Distribution Report (as of March 31, 2007)

Attendance

Advisory Committee Members Attending:

Robert M. Summers, Ph.D.	Maryland Department of the Environment
David Bancroft	Alliance for the Chesapeake Bay
James L. Hearn	Washington Suburban Sanitary Commission
William P. Ball, Ph.D.	John Hopkins University
Leland Spencer, M.D.	Kent County Health Department
Veronica Chenowith	Harford County Council
Michell Esch for Douglas Scott	Maryland Department of Agriculture
Gregory B. Murray	Washington County Department of Water Quality
Jenn Aiosa	Chesapeake Bay Foundation

Others in Attendance:

Sonia Oton	Hazen and Sawyer
Sarah Broadwell	RK&K
Ronald Hartman	Anne Arundel County
Valerie Nielsen	Maryland Department of Budget and Management
Tracy Mayet	Office of Legislative Audits
Robert Waller	Straughan Environmental Service
Jim Kerchvall	Washington County Government
Julie Pippel	Washington County Government
Nicole Hanson	Office of Delegate Jill P. Carter

Maryland Dept. of the Environment (MDE) Attendees:

Jag Khuman

Andrew Sawyers

Jay Prager

John Boris

Shawn Abeywickrama

Shawna Berry

George Keller

Mary Dela Dewa

Kevin Coyne

John Lewis

Ta-Shon Yu

Rajiv Chawla

Elaine Dietz

Heather Barthel

Marya Levelev