

# **BAY RESTORATION FUND ADVISORY COMMITTEE**

Maryland Department of the Environment  
Aqua & Terra Conference Room  
1800 Washington Blvd.  
Baltimore, Maryland 21230

Meeting Minutes  
April 28, 2005  
1:00 p.m. to 4:30 p.m.  
*Mr. Robert Warfield, Chair*

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## **Welcome**

- Dr. Summers welcomed the committee and other attendees and thanked them for their work on this important program.

## **Review of Minutes**

- Minutes from the March 24, 2005 meeting were approved.
- All of the handouts from the meetings will go up on the web.

## **Discussion**

### **Presentation #1: End of Legislative Session Briefing and the Tributary Team Meeting on April 16, 2005 - Bob Summers**

- Both the House and Senate have passed the \$3 million cut to the BNR Program. With this cut, the Governor's original request was reduced from \$18 to \$15 million.
- BRF pays for enhanced nutrient removal (ENR), which depends upon our ability to achieve BNR. In the short-term basis, this \$3 million cut will not have a significant impact on the program. However, if these cuts continue in the future, they may delay the implementation of enhanced nutrient removal.
- MDE lost \$1 million from its \$5 million request in the supplemental assistance grant program. Part of the supplemental assistance grants go to jurisdictions with low median household income to provide further assistance in the BNR upgrade. Cutting this program will also in the long-term have an impact on the BNR upgrades and ultimately the ENR implementation.
- *ENR upgrade status:* (4) four facilities are under construction, (11) eleven are under design, and (28) twenty-eight are in planning. Things are moving along quite well.

- *Upcoming events:* The Governor's Office is very interested in this program. We are having signing events and groundbreakings (list was provided).

**Discussion #2: Update on the BAT Workgroup (Jay Prager and Committee Members):**

- Many counties have expressed interest in this new fund source (Septic Systems Upgrade).
- A grant proposal was received from Calvert County to use BRF to install new denitrifying septic systems, and/or to upgrade existing septic systems. BRF money would be used as a federal match. We predict that will receive many similar proposals.
- During its monthly meeting, Talbot County is discussing how to capture some of the OSDS so that they can use the fund in areas of the county where there is a large concentration of OSDS around sensitive estuaries and make best use of the fund.
- Corsica River watershed is attempting a similar approach as Talbot County.
- Anne Arundel County is also moving forward with its plans and recently has had a very productive meeting with MDE. The county has initiated modeling activities of their watershed to further study and identify the source of nitrogen in the watershed. Currently, the main focus is on the Severn River.
- Given that there are approximately 420,000 on-site systems in Maryland with 700 of which can be upgraded per year, we must focus these resources to make the most impact.
- **Action Item: Jay will develop a priority system process for the committee's review and endorsement.**

### **Discussion #3: OSDS Fee Billing/Frequent Q&A (Jag Khuman and Committee Members):**

- The Assistant Attorney General for MDE has determined that Counties can start the billing come July 1, 2005, even though the septic fee does not go into effect and it is not due until October 1. Basically, there are now two options for OSDS fee billing.
- *The First Option:* The counties would do the septic billing with their property taxes. On July 1, 2005, they can bill for the first three quarters of the fiscal year, and thereafter bill on a fiscal year cycle.
- *The Second Option:* The counties can have an entirely new billing system completely separate from the property-tax billing.
- The subject OSDS Fee Billing Frequent Q&A were accepted by the committee and they will be published on the web. The committee will be updated as the inevitable, additional questions come up.
- There are about 97 water systems that do not have any formal billing authority. These systems were found to be exempt from collecting the fee because they are not the billing authorities. Eventually, the county will collect the septic fee from the users of these systems and other onsite system users.
- On the wastewater side, MDE has received over 30 exemption requests from wastewater facility owners claiming that they are achieving the ENR goals of 3 mg/l total nitrogen and 0.3 mg/l total phosphorus. The majority of these facilities were found to be not meeting the criteria and are not exempt. There are approximately five requests are still pending decisions.
- MDE will sort the list of exemptions by county and let the county governments know which water systems are not collecting the septic fee so that the county can bill accordingly.
- In addition to above exemption requests, MDE has been getting between 30 and 50 calls a day from businesses and citizens. These calls fall into two main categories: (1) "I have nothing to do with the Bay" (about 80% of the calls). (2) businesses that need assistance in calculating the fee.
- Mr. Russell, of the Comptroller's Office provided a brief update on the fee collection. To date, the Comptroller Office has received 175 Bay Restoration fee forms out of the total mailed out of 454. From those 175 forms that were filed, we collected \$7.1 million. The gross expenses claimed are \$353,716.52. And the 5 percent expense that we will be processing through the general accounting division, probably within the next couple of days, is \$217,234.53. The gross expenses claimed were \$353,000, but you can only get reimbursed

up to 5 percent of the collections for each billing authority. The projected annual fee to be collected is estimated to be \$60 million.

- Mr. Khuman provided an update on hardship-based exemptions. There have only been four entities that have applied to MDE to create a hardship exemption program (Baltimore City, Smithsburg, Middletown and Brunswick).
- **Action Item: MDE will obtain more accurate estimates by contacting each utility.**

**Discussion #4: Revised ENR Upgrade Cost Estimates (Walid Saffouri & Committee Members):**

- In a previous committee meeting, Gannett Fleming and GMB presented a study titled Refinement of Nitrogen Removal from Municipal Wastewater Treatment Plants (WWTP). The purpose of this study was to take a sample of 20 WWTPs and estimate the cost of upgrading them with enhanced nutrient removal in order to allow MDE to extrapolate and estimate the cost of the remaining plants out of the 66-targeted facilities.
- Based on this study, other estimates done by other engineers, and actual bid amount for plants currently under construction, MDE has developed a cost curve to estimate the cost of upgrade for other facilities that have no full-scale engineering estimates.
- An estimated \$917 million would be needed to upgrade all of the 66 with ENR. This is approximately 24% increase from the August 2004 estimates of \$740 million. In the short term (3-4 years) this will not present a problem for funding upgrades since all of the money will not be needed up front, however, to fully complete construction any funding deficit will have to be addressed. To do this, in the future, the committee may have to consider reducing BRF cost share, increasing our fee, or allow longer time for implementing ENR upgrades.
- These estimates should be included in the interim status report due January 2006.

**Discussion #5: Update on MDE Discussions with Federal Facilities Regarding the BRF Fee (Bob Summers & Committee Members):**

- MDE continues its discussions with the Federal government. However, we have not received a formal response from them yet to the AG's letter, which was sent on beginning of March. Most federal facilities and offices that are connected to POTWs are just paying their bills like they pay the water and

sewer bills. However, Andrews Air Force Base (major federal facility) is not paying its fees to WSSC.

### **Future Meeting**

The seventh meeting will be held on June 15, 2005 @ 1:00 in the Aqua & Aeris Conference Rooms – Lunch for members @ 12:00

### **Adjournment**

Dr. Summers thanked the members of the Advisory Committee and all guests, for their participation.

### **Materials Distributed at the Meeting**

- Minutes of the March 24, 2005 meeting.
- Meeting Agenda
- OSDS Fee Billing/Frequent Q&A
- Revised ENR Upgrade Cost Estimate

### **Attendance**

#### **Advisory Committee Members Attending:**

Robert M. Summers, Ph.D.	Maryland Dept. of the Environment
James T. Noonan	Maryland Dept. of Planning
William P. Ball, Ph.D.	Johns Hopkins University
Veronica L. Chenowith	Harford County Council
James L. Hearn	Washington Suburban Sanitary Commission
Gregory B. Murray	Director, Washington Co. Dept. of Water Quality
Leland D. Spencer, M.D.	Maryland Assoc. of Co Health Officers Health Officer for Kent & Caroline County
Karen Harris Oertel	W.H. Harris Seafood
Mayor Kevin Dayhoff	Mayor of Westminster
Represented by Michael Ensor	
Senator Paula C. Hollinger	Maryland Senate
Represented by Ryane Necessary	
E. Keith Menchey	Maryland Dept. of Agriculture
Represented by Doug Scott	
Thomas H. Stoner	Trustee of the Chesapeake Bay Foundation
Represented by Kim Coble	

#### **Committee Members Absent:**

Robert E. Warfield	Chairman
Bernie Marczyk	Policy Advisor to Governor Ehrlich

William Bryan Icenhower, M.D.	St. Mary's Co. Health Dept.
David Bancroft	Executive Director, Alliance for Chesapeake Bay
Charles Evans	Dept. of Natural Resources
Ron Crites	Dept. of Budget & Management
Delegate Barbara Frush	Maryland House of Delegates

**Others in Attendance:**

Krista McKim	RK&K
Linda Bonner	National Onsite WW Recycling
Ron Hartman	Anne Arundel County
Bonnie Kranzer	Consultant
Thad Russell	Dep. Director Revenue Adm.
Beverly G. Warfield	PG County
Linda Watts	Howard County
Jackie Winkelman	Charles County
Charles Zeleski	Carroll County Health Dept.
John Sotten	Harford County
Frank Wise	PG County
Donna Zane	Cecil County

**Maryland Dept. of the Environment (MDE) Attendees:**

Jag Khuman  
Walid Saffouri  
George Keller  
Jay Prager  
Don Wilson  
Janet Hamilton  
David Seaborn