

CHESAPEAKE BAY AND WATER RESOURCES POLICY COMMITTEE WEBINAR SUMMARY-DRAFT

January 21, 2022

LINK TO ALL MEETING PRESENTATIONS AND MATERIALS:

<https://www.mwcog.org/events/2022/1/21/chesapeake-bay-and-water-resources-policy-committee/>

DECISIONS & ACTIONS:

- There will be an orientation for new members of the CBPC on March 4, 10:00-11:00
- The CBPC formed a legislative tracking team that will meet weekly on Fridays during the height of the legislative session. It will start on January 28.
- The CBPC supported writing a letter to EPA Region 3 recommending prioritizations for the new funding for the Chesapeake Bay Program.

1. CHAIR'S WELCOME

Amy Jackson, CBPC Chair

Chair Jackson, Vice Chair Mackie, and new members introduced themselves. Chair Jackson announced an orientation webinar for new members scheduled for March 4.

2. CBPC MEETING SUMMARY APPROVAL

Members approved the draft summary of November 2021 CBPC Meeting.

3. LEGISLATIVE PRIORITIES

A. COG's Legislative Priorities 2022

Heidi Bonnaffon, COG Senior Planner

Ms. Bonnaffon provided an overview of the COG 2022 Legislative Priorities, the only significant change from 2021 water priorities was to change the language of the first Priority to include grants for water utilities as well as local governments. Chair Jackson invited interested CBPC members to join the CBPC's legislative tracking team, which will meet weekly. The legislative tracking team makes determinations of bills to track and recommends positions.

B. General Assembly legislative preview

Dominic Butchko, Associate Director, MACO, and Mitchell Smiley, Transportation and Natural Resources Policy Manager, VML

Dominic Butchko's Maryland overview:

- Most hearings are virtual until mid-February for the Senate, and whether the house will return to meeting in person is still to be determined.
- Mr. Butchko focused on two bills:
 - SB 221 is a massive bill initiated by the Attorney General to increase MDE's enforcement authority, under for the Clean Water Act, including leveraging administrative and civil penalties, against even individual utility operators.
 - Another bill to watch for—not yet introduced—is the Climate Solutions Now Act from Senator Pinsky. It is a broad bill, mostly focused energy and emissions, as well as environmental justice. It would speed up greenhouse gas reduction goals: zero by 2045 and an interim goal of 60% reduction by 2030.

Member discussion:

- Councilmember Dyballa asked whether MD SB 221 will impact stormwater authorities as well as water and wastewater utilities. Dominique Butchko said he thought so, but he would be further analyzing.
- Shannon Moore said that MAMWA/MAMSA will further review and summarize SB 221.
- Steve Bieber asked if the bill was motivated by the recent news of MDE being understaffed and at threat of losing primacy. Mr. Butchko said it was politically motivated.
- Councilmember Davis said the fiscal impact of SB 221 needs to be considered.
- Ms. Bonnaffon said COG will share a synopsis of the bill.

Mitchell Smiley's Virginia overview:

- After the election, the Virginia House of Delegates has Republican control by two votes, and the Senate has Democratic control by one vote, but the Senate's tie votes are broken by the Republican Lieutenant Governor. In other words, decisions could fall along party lines or on narrow margins.
- This is a long session (60 days).
- Virginia has a biennium budget. It is expected that Governor Yunkin will be amending the budget from former Governor Northam, and the chambers will be introducing new biennial budget proposals.
- Northam's budget included a 2.6-billion-dollar surplus, and it mandates certain deposits. For example, a \$300 million deposit to the water quality improvement fund, with almost all of it directed toward agricultural best management practices.
- Virginia's participation in the regional greenhouse gas initiative (REGGI) has generated \$180 million for the Community Flood Preparedness Fund. Governor Yunkin has voiced interest in pulling out of REGGI.
- Mr. Smiley does not foresee the Senate agreeing to Virginia pulling out from REGGI.
- HB 148 (Runion) is a beneficial bill for utilities, particularly smaller utilities, with tax exemptions for pollution control equipment.
- Controversial bills will probably not move either direction, but the budget amendments will be significant. February 16th is crossover and there will be a reconvened session in April to address the governor's amendments and budget amendments.

Member discussion:

- A member asked what ought to be the top priorities for February 3rd lobbying days. Mr. Smiley replied advocating for staying in REGGI, and support for HB 148.
- A member voiced concerns over the appointment of Andrew Wheeler as Secretary of Natural Resources.
- Mr. Smiley gave an example of nominee Andrew Wheeler asking for the combined sewer overflow project in Richmond to be sped up without additional funding. A member said this could be of concern for Alexandria as well. As long as the funding remains, Alexandria will be on schedule.
- A member noted that the state's surplus is not as big as it sounds, since funding is owed to local governments.

4. INFRASTRUCTURE INVESTMENT AND JOBS ACT

Karyn Riley, Intergovernmental Relations Director, WSSC Water, and Kishia Powell, Chief Operations Officer, DC Water

- Kishia Powell, DC Water, is President of the National Association of Clean Water Agencies (NACWA), which advocated for significant water infrastructure funding in the Infrastructure Investment and Jobs Act.
- The Infrastructure Investment and Jobs Act (IIJA) reauthorized the clean water state

revolving fund (SRF), increased the base funding for the drinking water SRF (under different bill), and added separate additional funding via the SRF.

- The infrastructure act has \$55 Billion allocated for water for the next five years allocated for water infrastructure, which is a historical level. There are some specific policy requirements in the Act, such as \$15 Billion allocated for lead service line replacement, \$4 Billion for PFAS grants, and 49% of the funds must be in the form of grants and principal forgiveness; a prioritization of funds dedicated to disadvantaged communities; funds for the Low-income Household Water Assistance Program (LIHWAP); the Minority Business Development Act; and Buy American/Build American.
 - NACWA is advocating for LIHWAP to have its own separate dedicated funding.
 - The Administration is prioritizing equity and environmental justice, as seen by linking this Act to the Minority Business Development Act of 2021.
 - The Buy American/Build American provisions could be a challenge for some supplies.
- To put the funding in perspective, that amounts to \$355 million over five years to DC Water which is less than one year of CIP projects. DC Water's project plans include Lead Free DC Program (including the private property external portion), and the DC Clean River's program to address combined sewer overflow, and clean energy including solar and renewable natural gas. DC Water will have to compete for funding for the grant funds, outside of the SRF.
- Ms. Riley, WSSC Water, reinforced that the IIJA's funding is not at a level to cure all water infrastructure funding needs, but will help. Water partners will advocate for additional federal water infrastructure funding as part of reconciliation bill. Federal investment in water is significantly down compared to the 1970s.
- WSSC Water is one of the largest utilities in the nation, as Maryland's largest water and wastewater utility, serving Prince George's and Montgomery Counties.
- WSSC Water is entirely rate payer funded. Covid-19 has doubled the number of customer accounts where bill payments are past due, with one in five customers in arrears and Covid-19 has shifted water usage. This has resulted in a combined FY '20 and FY '21 revenue shortfall of \$130 million and while they maintain a triple A bond rating, it has been negatively affected by this shortfall. Being a non-governmental agency, WSSC Water has not qualified for CARES Act or ARPA funding.
- \$844 million of the IIJA has gone to the entire state of Maryland, with some SRF funding dedicated for the removal of lead service lines and some earmarked for separate sewer overflows. WSSC Water needs to compete for the SRF funding, so it remains to be determined how much they will receive. Previously, WSSC Water has been reliant on bonds more so than SRF.
 - WSSC Water is working with the state to see whether the IIJA funding could help private property owners with lead lines, since WSSC Water already completed their lead line replacements.
- WSSC Water's top projects they would like to fund with the infrastructure funding include the Piscataway Bioenergy Program, Travilah quarry study, septic system conversions, facility upgrades due to age and to increase climate resiliency, solar panels, and cyber security enhancements,
- WSSC Water is in communication with EPA and the state of Maryland for maximum flexibility on how utilities utilize the funds, and in how they define underrepresented and underserved communities, because they exist even in relatively wealthy counties.

Member discussion:

- Councilmember Dyballa asked Ms. Powell whether the \$1.4 B for separate sewer overflow funding was through the SRF program. Ms. Powell said yes, they are competitive grants, within in the SRF.

- Councilmember Dyballa inquired whether the lead service line replacement funds could be used to replace the portion of the lead service line on private property? Ms. Powell said yes, EPA clarified that funds can be used for the private portion of the lead line—not internal plumbing; however, Water Infrastructure Investment for the Nation funding has more applications. EPA is thinking about technical hubs as a way to redistribute dedicated lead funding to areas most in need.
- Mr. Ries, DC Water, asked about the change in the bond rating outlook and what fiscal policies have gone into place in response. Ms. Riley said that the capital improvement project schedule has been revised, the change in accounts due to the Covid shifts is being examined, and she will put him in touch with their CFO to answer this question more robustly.

5. CHESAPEAKE BAY PROGRAM FUNDING

Karl Berger, COG Principal Planner

In anticipation of new funding for the Chesapeake Bay Program from the Infrastructure Investment and Jobs Act, Mr. Berger shared funding priorities identified by the Water Resources Technical Committee (WRTC) and asked CBPC members if were in support of a letter to Administrator Ortiz, EPA Region 3, recommending these science and policy funding priorities for the Chesapeake Bay Program's consideration. A key policy question for consideration is whether to recommend directing funds to communities in need (i.e., Pennsylvania), versus equitably across states as has been done historically.

Member discussion:

- Members voiced support for writing a letter to EPA and said they had confidence in the leadership and staff to determine the details of the letter. Mr. Berger said he would draft a letter for review by Chair Jackson and Vice Chair Mackie.

6. MEMBER AND STAFF UPDATES

Members, and Heidi Bonnaffon, COG staff

- A. Staff Updates from the General Updates (see the General Updates document for details and links)
 1. Paper Competition: Councilmember Stehle has produced a video to explain the impetus for the Paper Competition and it posted on COG's Paper Competition webpage. Ms. Bonnaffon shared social media graphics during the meeting and via email for members to use to promote the paper competition to universities, particularly professors who could assign the paper as part of their course work.
 2. COG's local watershed map has been updated to show more detail and Heidi will give a demonstration on the March 4th orientation webinar.
 3. Winter salts will be on the March agenda; the General Updates has a link to social media winter salts educational messaging and graphics.
 4. COG staff have been meeting with Living Classrooms Foundation to develop a water workforce development program, so more to come on that.
- B. Member Updates
 - Vice Chair Mackie said that her community has been able to preserve Gilford Woods from development thus far, which is good for stormwater management and flooding and would welcome other resources. She also announced that College Park has posted the Paper Competition to their website.
 - J. Davis said that if College Park can annex Gilford Woods, you could look at the Greenbelt's forest preserve ordinance. It requires that the city owns the land first.

7. MEETING ADJOURNMENT

Chair Jackson announced the Orientation on March 4 and the next meeting on March 18, and adjourned the meeting at 12:00.

ATTENDANCE

Members and Alternates:

Aimee Dailey, Charles County
Amy Jackson, Chair, Alexandria
Cindy Dyballa, City of Takoma Park
Christina Cornwell, Laurel
J. Davis, City of Greenbelt
Jon Stehle, City of Fairfax
Keith Levchenko, Montgomery County
Kenny Boddye, Prince William County
Kristen Umstatt, Loudoun County
Libby Garvey, Arlington County
Maria Mackie, Vice Chair, College Park
MC Keegan-Ayer, Frederick County
Penny Gross, Fairfax County
Robert Love, Laurel
Allison Deines, Alexandria Renew Enterprises
Beth Forbes, Gaithersburg
Heather Gewandter, City of Rockville
Joel Caudill, WSSC Water
Jonathan Champion, DOEE
Karen Pallansch, Alexandria Renew
Matt Reis, DC Water
Michelle Russell, Prince George's County DEP

Nasser Kamazani, Montgomery County DEP
Shannon Moore, Frederick County DEP
Steve Shofar, Montgomery County DEP
Tiffany Wright, City of Bowie

Guests:

Apera Nwora, DC Water
Dominic Butchko, MACO
Jennifer Starr, Alliance for the Chesapeake Bay
Karyn Riley, WSSC Water
Kishia Powell, DC Water
Mitchell Smiley, VML
Monica Johnson
Niccole Rodriguez-Hernandez, Montgomery County

COG Staff:

Christine Howard
Chuck Bean
Heidi Bonnaffon
Karl Berger
Katie Dyer
Steve Bieber
Tom Gates