



CHESAPEAKE BAY AND WATER RESOURCES POLICY COMMITTEE MEETING SUMMARY-DRAFT

November 16, 2018

LINK TO ALL MEETING PRESENTATIONS AND MATERIALS:

<https://www.mwco.org/events/2018/11/16/chesapeake-bay-and-water-resources-policy-committee-meeting/>

ACTIONS:

- Members approved the FY 2019 Regional Water Fund Work Program and Budget
- Members will provide feedback to Heidi Bonnaffon on the proposed 2019 Legislative Priorities for water.
- The CBPC would like a progress update from MDE in 1-2 years about Maryland's Trading Program, which was launched this July.

1. OPENING REMARKS

Chair Garvey opened the meeting at 10:05 a.m., announcing that Cindy Dyballa, Takoma Park, has accepted the recommendation to the COG Board for becoming CBPC Chair, and Jon Stehle, Fairfax, and Elissa Silverman, District of Columbia, have accepted nominations as Vice Chairs.

Chair Garvey thanked the committee and staff for a productive year.

2. MEMBER AND STAFF ANNOUNCEMENTS

A. COG Water Staffing Updates

Steve Walz announced that upon Tanya Spano's retirement, Steve Bieber has been appointed Acting Water Programs Director. The COG water program addresses water holistically from drinking water to wastewater and stormwater. COG has open a position for Principal Engineer for Wastewater Programs and is accepting applications, with plans to fill the position by the beginning of the year.

B. WRTC Report out

Karl Berger shared climate change highlights from a Chesapeake Bay Program presentation to the WRTC on November 9. States will be required to plan for climate change numerically by 2022. Climate change is expected to have a negative impact to the Bay, adding approximately 9 M pounds of nitrogen to the Bay-wide 199 M pound Phase III WIP Planning Target Besides being a Bay issue, climate change has the potential to be a localized flooding issue. Additional analytical work is needed to know if different stormwater BMP design standards might be needed to mitigate the threat of higher rainfall events.

C. Member Announcements

- Craig Rice said Montgomery County's grants program is factoring greenhouse gases and climate change into their grants programs for non-profits to implement innovative environmental approaches. He gave an example of the Conservation Corps which offers job training to at-risk youth while doing environmental projects. It engages underserved and communities of color.

3. CPBC APPROVALS

Libby Garvey, CBPC Chair

- A. The Summary from September's CBPC Meeting was approved.
- B. The FY '19 Regional Water Fund Work Program and Budget was approved.

4. TRADING PROGRAMS

Lynn Buhl, Assistant Secretary, Maryland Department of the Environment

Chris Pomeroy, President, AquaLaw/VAMSA/MAMSA

Matthew Espie, Stormwater Trading Program Manager, Regulatory Review Division, DOEE

The panelists briefed members about the trading programs in Maryland, Virginia and the District of Columbia. The District of Columbia's program is focused exclusively on stormwater, whereas Maryland and Virginia allow nutrient trading between the agriculture, wastewater and stormwater sectors. The presentations focused on how the trading programs provide flexibility in meeting Bay TMDL nutrient and sediment reductions, and stormwater and other permit requirements. The trading programs have mechanisms in place to safeguard local water quality and wastewater capacity.

Here is a [link to the Trading presentations](#), which provide technical detail. The notes below are intended to capture additional points that were stated.

A. Lynn Buhl presented Maryland's Trading Regulations, noting:

- The regulations are new, completed in July 2018, after two and half years of work.
- Maryland is late in creating a trading program because (a) Maryland did not feel the pressure from the wastewater sector: The Bay Restoration Fund helped fund wastewater treatment plant upgrades, and (b) there was not legislation to create a program.
- Included in the regulations are mechanisms to true the credits, including an Edge of Tide ratio to compensate for natural reductions in pollutant loads as they travel to the Bay, a five percent credit reserve ratio, and an uncertainty ratio to account for inaccuracies in measuring pollutant reductions.
- MDE does not approve trades, or set prices, just verifies credits. Wastewater permits will have to be amended to allow for trading. Right now, Prince George's, Ann Arundel, and Baltimore counties are all interested in wastewater-stormwater trading.
- Septic systems are included in the trading program.
- Oyster growers are expressing interest in joining the trading market.
- The State Highway Administration may be a big buyer; they could stimulate market activity.
- There could be private sector involvement in the Trading Program.
- It is hoped that trading will stimulate innovation.

B. Matthew Espie presented the District of Columbia's Stormwater Retention Credit Trading Program. Here are few points that he made:

- The Stormwater Retention Credit (SRC) program is intended to accelerate stormwater practice implementation and watershed restoration efforts.
- 43% of the District of Columbia is impervious. Runoff from impervious surfaces carries pollutants including nutrients, chemical compounds, and litter. DOEE's stormwater program

is encouraging the use of green infrastructure to reduce runoff to area waterbodies. There are green infrastructure co-benefits as well, such as mitigating heat island effects.

- Redevelopment requires the use of green infrastructure, so redevelopment has better stormwater controls than older development.
- Developers have a choice: Include green infrastructure onsite to meet DC's retention requirements, or up to 50% of the green infrastructure practices can be done offsite. DOEE is directing projects to the MS4 areas of the city.
- There are SRC generators who install green infrastructure on voluntary sites, generating credits to sell to regulated developers. SRC generators can also sell to DOEE if they meet DOEE's specifications (see slides for details).

C. Chris Pomeroy provided an overview of Virginia's Water Quality Trading Program, making the following points:

- The Virginia trading program is in its 13th year, so he can present actual trading data.
- The trading program is intended to create efficiencies, because it is costlier to reduce a pound of nutrients in the stormwater sector compared to wastewater and agriculture.
- The Bay TMDL is driving the wastewater and stormwater trades (since 2012). With 105 wastewater treatment plants it is a large market.
- In the Potomac watershed there are a lot of wastewater credits generated compared to those being used. This creates a buffer and is a testament to the successful wastewater upgrades in Virginia.
- There have been 15 trades between wastewater and MS4s. The cost of phosphorus is low compared to in the District of Columbia (location matters).
- To protect watersheds trading programs can restrict the use of credits or can put in more rigorous limitations. For example, the James River watershed has been divided into two distinct geographic trading areas to focus restoration efforts.
- To protect wastewater treatment plants, trades are voluntary. and there are not permanent modifications made to waste load allocations, so no allocation is taken away from a wastewater treatment plant. Trades are also limited to 5-year terms.

Member discussion:

- A member pointed out that years ago a professor in Virginia espoused the idea of selling excess wastewater treatment plant capacity, but that now we recognize that the capacity must be preserved for future growth. She was wondering whether this thinking still existed.
- A member asked whether for stormwater the trading programs essentially help to "buy time" to implement the projects that take longer such as stream restoration. The panelist replied yes.
- A member asked for clarification on how credits are weighted based on their location in the watershed. For example, does a septic upgrade in a critical area generate more credits than a septic upgrade elsewhere? Ms. Buhl replied that yes, credits are generated based upon their delivery to the tide waters of the Bay so location in the watershed is a factor in credit generation.
- A member asked Matthew Espie whether there is incentive for developers to buy SRC credits if DOEE is buying them. Matthew said yes because DOEE offers a fixed price and credits must meet certain criteria. Developers can purchase credits in a different tier than DOEE does. Also, if there are site constraints for developers it would benefit them to purchase off-site

credits because they would be cheaper than trying to install green infrastructure onsite. Credit purchase is on the rise as regulated development has expanded.

- The District has eight LLC credit generators. The District held three workshops to stimulate market interest. If DOEE could catch developers early in their process more might choose to purchase credits in the MS4 areas than install onsite.
- A member asked for the Maryland program what are the incentives for farmers to enter the credit market? Ms. Buhl said that credits are a source of income. Farmers are credit generators versus purchasers.
- Future trading policy consideration is to be protective of the wastewater capacity; that it cannot be traded away or taken by the state.
- Member would like to get an update from Maryland next year on how trading is working in Maryland.
- Members would like to include wastewater treatment plant communities and military bases in future trading discussions.

5. A PREVIEW OF NEW OPPORTUNITIES TO BETTER MANAGE WINTER SALT

Heidi Bonnaffon, COG staff

Ms. Bonnaffon provided an overview of how salts are posing a water quality issue for streams, where monitored, and for drinking water systems. She highlighted the Virginia DEQ's process for developing a Northern Virginia Salt Management Strategy, noted other regional salt management developments, and said that the CBPC would have a more in-depth discussion about salts next spring.

Member discussion:

- One member stated a regional communication strategy to equalize public expectations and expectations of businesses about "business as usual" during storm events would be welcomed.
- A member stated that salt is a balance of public safety and environment.

6. STAFF UPDATES

A. 2019 CBPC Meeting Schedule and Proposed Topics

Heidi Bonnaffon asked whether there were major member conflicts with the listed dates and noted that the July date is shifted back one week to accommodate the COG Board Retreat. Members did not note any major conflicts with the dates, so these dates will be put on Outlook for CBPC members. She also highlighted topics for 2019 including COG's Potomac Report, climate resiliency, and salts.

Member discussion:

Members requested that staff include the following items in the 2019 topics:

- Draft Phase III WIP review during the public comment period
- Tree canopy reporting from CEEPC subcommittee
- For climate resiliency/flooding discussion include:
 - stormwater volume control versus water quality BMPs
 - Include military bases (such as Quantico)

Ms. Bonnaffon said the above issues can be incorporated into the meeting schedule.

B. 2019 Legislative Priorities (draft)

Heidi Bonnaffon presented the proposed edits to the 2018 water Legislative Priorities to update them for 2019. She said the changes were not substantial and primarily involved simplifying the text and building support for funding. Members were asked to provide Heidi with comments to pass along to Cindy Dyballa who will be representing the CBPC on the legislative committee. The 2019 Legislative Priorities will be approved the COG Board in January.

C. General Updates

Heidi Bonnaffon drew attention to the General Updates for Chesapeake Bay Program updates, noting the November 29th invitation to meet with LGAC in DC. She also mentioned that the America's Water Infrastructure Act passed with bipartisan support, and now must get appropriations, but this is a very positive first step for water. A discussion of how metropolitan Washington could benefit from the funding will be at the January meeting.

7. ADJOURNMENT OF MEETING

Chair Garvey adjourned the meeting at 12:00 p.m.

ATTENDANCE

Members and Alternates:

Tim Lovain, Alexandria
Libby Garvey, Chair, Arlington County
Elissa Sliverman, District of Columbia
Sam Rosen-Amy, District of Columbia
Jon Stehle, Fairfax (phone)
Penny Gross, Fairfax County
Dan Sze, Falls Church
Laurie-Anne Sayles, Gaithersburg (phone)
J. Davis, Greenbelt (phone)
Craig Rice, Montgomery County
Cindy Dyballa, Takoma Park
Karen Pallansch, Alexandria Renew (phone)
John Deignan, DC Water
Pam Kenel, Loudoun Water (phone)
Patty Bubar, Montgomery County

Mark Charles, Rockville (phone)

Guests:

Chris Pomery, AquaLaw (phone)
Tiffany Wright, Bowie (phone)
Matthew Espie, DOEE
Bill Goddard, Laurel
Lynn Buhl, MDE
Basil Borisov, WMATA (phone)

COG Staff:

Heidi Bonnaffon, COG DEP
Karl Berger, COG DEP
Steve Walz, COG DEP