



***WV Phase II Watershed Implementation Plan (WIP)
Wastewater Work Group
Kick-off Meeting***

Wednesday, May 11, 2011 1:00 p.m. – 2:30 p.m.

A G E N D A

- I. Introductions**
- II. Presentation: Overview of the WV Phase I and II WIP**
- III. Expectations of Local Partners for Phase II WIP**
 - A. Understand level of effort expected to meet Bay TMDL allocations
 - B. Describe their plans, measures, and strategies to reduce loads
 - C. Identify assistance, resources, and authorities needed to implement the plans, measures, and strategies to reduce loads
- IV. Discussion of WIP Issues (See attached list)**
 - A. What plans, measures, and strategies have you put into practice to address Bay issues in the past five years?
 - B. What plans, measures, and strategies have you decided to enact or put into practice in the next two years (or what obligations are you addressing in the near-term)?
 - C. What plans, measures, and strategies are being discussed or considered for the future?
 - D. What compliance issues or best management practices do you need information on or have questions about?
 - E. How will your plans, measures, or strategies be implemented?
 - 1. Physical infrastructure installation or upgrades (point sources)
 - 2. Onsite structures for stormwater management
 - 3. Ordinances
 - 4. Public Education/Outreach
 - 5. Collaboration and coordination
 - 6. Other

F. What resources are needed for implementation?

1. Technical Assistance
2. Collaboration
3. Public Education and Outreach
4. Staffing
5. Funding

G. From the findings above:

1. Which compliance issues of significant concern? Prioritize
2. Which strategies are of significant importance? Prioritize
3. What issues are missing from the list?

V. Upcoming Strategy Meetings and Summit

- A. Schedule
- B. Objectives

VI. Wrap-up

Wastewater Work Group: WIP Issues

- I. NPDES Allocations**
 - A. For Significant Municipal Facilities, load allocations are equal to Tributary Strategy Expectations
 - B. TMDL Compliance by 2017
 - C. Opportunities for load reduction
 - D. Combined Sewer Overflow
 - E. Upgrades and improvements needed?
 - 1. Nature of upgrades and improvements
 - 2. Precipitating factors
 - 3. Costs
 - 4. Funding sources (who pays)

- II. Accounting for Growth**
 - A. Capacity (have excess capacity or full capacity)
 - B. Accepting load from failed septic systems
 - C. Combining/accommodating smaller systems
 - D. Planning process to anticipate new development and growth
 - E. WIP targets 100% offset for growth
 - F. Nutrient Credit Trading Program

- III. Tracking and Reporting – continued use of the Permit Compliance System**
 - A. Self-monitoring versus DEP inspections
 - B. Maintain a working group of stakeholders



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TO: Carol Goolsby, Executive Director
Region 9, Eastern Panhandle Regional Planning & Development Council

FROM: Troy Truax, Vice President

SUBJECT: **Wastewater Work Group Meeting Summaries, May 11, 2011 and June 1, 2011**
Region 9 Chesapeake Tributary Strategy Development (P.11036.00)

DATE: June 28, 2011

Wastewater Work Group Kick-off Meeting May 11, 2011

The purpose of the Kick-off Meeting of the Wastewater Work Group, held on May 11, 2011, was to welcome and introduce work group members, define their respective roles and responsibilities, provide an overview of West Virginia Department of Environmental Protection's (WVDEP) Chesapeake Bay Total Maximum Daily Load (TMDL) Phase I Watershed Implementation Plan (WIP), and discuss concerns and opportunities associated with the U.S. Environmental Protection Agency (EPA) Chesapeake Bay TMDL mandate. Another primary goal of the meeting was to set the course for the work group to subsequently conduct strategy sessions to develop specific work plans for inclusion in the Phase II WIP.

The meeting lasted from 1:00 p.m. until 2:45 p.m., and the following were in attendance:

- Steve Knipe, City of Martinsburg
- Joe Hankins, The Conservation Fund and Jefferson County PSD
- William Rohrbaugh, Berkeley County PSSD
- Rodney Hovermale, Warm Springs PSD
- Susanne Lawton, Jefferson County PSD
- Frank Welch, Town of Shepherdstown
- James Williams, Harpers Ferry/Bolivar PSD
- Keith Allison, Berkeley County Health Department
- Andy Blake, City of Ranson
- Alana Hartman, West Virginia Department of Environmental Protection (WVDEP)
- Carol Goolsby, Region 9
- Christina Mellors, Tetra Tech
- Troy Truax, Delta Development Group (Delta)
- Lisa Byers, Delta Development Group

Summary of Key Issues

The following summarizes the meeting discussion and the key outcomes:

- The meeting began with a presentation by Troy Truax and Alana Hartman. Troy overviewed the convening of work groups to ensure their collective interests, concerns, and future efforts are well coordinated to formulate a comprehensive approach to achieve the TMDL standards and included in the Phase I WIP's implementation process. Alana summarized Chesapeake Bay activities and the significant findings and goals of the Phase I WIP.

- The group thought the nonsignificant municipal facilities load allocations need to be more widely publicized and that there may be a bank of loading that could be used elsewhere.

Response: Wasteload allocations are given in Appendix A.4, Nonsignificant Municipal Facilities, of the Phase I WIP. Eleven facilities are individually permitted and the remaining are regulated under two General WV National Pollutant Discharge Elimination System (NPDES) permits. New or expanded discharges must be offset 100 percent. Nonsignificant municipal facilities may secure offsets by improved treatment of existing discharges and/or by assimilation of existing onsite systems and other existing wastewater treatment systems for which wasteload allocations have been provided.

- The City of Martinsburg asked if any credit can be obtained due to its progress of surpassing the Phase I WIP goal of 85 percent reduction of loading to achieving 100 percent reduction of loading. It is now able to treat 100 percent of its stormwater, without any overflow. This is done through a second diversion system.

- There was discussion about federal facilities. The group was pleased that the Veteran Administration Medical Center has volunteered to become a MS4. The group questioned how federal facilities addressing their load allocation affects the region's TMDL. Do their load reductions provide a credit that can be used elsewhere? Conversely, there was concern about when federal facilities are negatively affecting the region's load allocation. How can this be determined and addressed?

Response: Federal facilities on public wastewater treatment systems would be managed similar to any other facility. Federal facilities or complexes with their own treatment system are either regulated by an individual NPDES permit or one of the general permits for nonsignificant municipal facilities.

- There were questions about whether college campuses and/or railroads are exempt from MS4 requirements?

Response: They are not exempt from requirements, if they are determined to be a MS4.

- Under a new (2010) rule, all concentrated animal feeding operations (CAFOs) are point sources subject to NPDES permitting requirements. The group questioned whether the CAFOs' loading is lumped with their wastewater load allocation.

Response: CAFOs' loading is tracked as part of the Agriculture Sector's load allocation. Permitting requirements placed on the operation of CAFOs should result in a reduction of loading in the Agriculture Sector, which should benefit all sectors in the region.

- There was discussion of banning phosphorous in laundry and dishwashing products. The state legislature may want to consider this matter.

- WVDEP pointed out that, relative to the load allocation, there are pluses and minuses to adding septic systems to public wastewater treatment systems. There is potential for a reduction of nitrogen, but an addition of phosphorus.
- Some in the group have had experience with both local elected officials and the Public Service Commission (PSC) viewing load allocation goals, and resultant upgrades needed to meet them, as not needing to be met until 2025. The group would like help in communicating the urgency and timeliness of making upgrades and increasing rates.
- They further iterated the timing of the NPDES permit requirements and the consequences of not meeting the requirements must be clearly spelled out and communicated to the PSC. Some in the group have experienced the PSC denying their rate increase request that would have enabled them to make upgrades to meet Chesapeake Bay requirements. This is especially important to the significant municipal facilities, which are not adding new customers, so they need to spend money (incur debt) for the upgrades.
 - The group would appreciate WVDEP's assistance in communicating the time sensitivity of upgrades and rate increases to the PSC.
 - They would also appreciate help in communicating to the elected officials that they must adhere to the requirements of their NPDES permit and that the loading of new growth must be offset by improvements and upgrades.

- What are the consequences if the next two-year goal (2013) is not met?

Response: Regarding Significant Municipal Facilities and other permitted load contributors, their loading goals and resultant consequences are dictated in their NPDES permits. Regarding the nonregulated sectors, if the state does not collectively meet its TMDL goal, then some or all of the contingency actions, referred to as a "Backstop" and points of "Enhanced Oversight" in the Phase I WIP, will be implemented.

- There was significant discussion on a Nutrient Credit Trading Program (NCTP).
 - WVDEP has a draft guidance document available on its website. It will not be finalized until the new TMDL model is published and sufficient information is available to establish a baseline for the sectors. Geo-spatial land use data is needed to help establish the baseline, though assessors have been reluctant to approve the release of such data.
 - Those in the point source community would like to see the NCTP established.
 - With a trading program, there was recognition that valuation will be market-based and can vary greatly. It will not be standardized in the near-term, so a framework for establishing value needs to be set up.
 - There was discussion about trading with the Agriculture Sector. There are significant concerns about such trading until baselines can be established.
 - There was also discussion on trading across state lines. Terms and conditions need to be formalized before this can occur, as well as baselines established.

Next Steps

- To clarify and address some of the points raised during the meeting, a WVDEP representative will be invited to the next meeting.
- The meeting will focus on NPDES permitting, compliance timelines, and justifying capital improvement costs and rate increases to elected officials/taxpayers and the PSC.



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WV Phase II Watershed Implementation Plan (WIP)
Wastewater Work Group
First Strategy Session

Wednesday, June 1, 2011 10:00 a.m.

A G E N D A

- I. Introductions**
- II. WVDEP: Expectations and Assistance Needed with Phase II WIP**
- III. Discussion of WIP Issues**
 - A. Review of Phase I WIP Wastewater Appendices:
 - 1. Appendix A.1: Significant Municipal Facilities
 - 2. Appendix A.2: Significant Facility Compliance/Permitting Information
 - 3. Appendix A.3: Typical Permit Requirements
 - 4. Appendix A.4: Nonsignificant Municipal Facilities
 - 5. Appendix A.5: CSO Facilities
 - B. Compliance with TMDL Wasteload Allocations
 - 1. Two-year milestones: 2011, 2013, 2015, and 2017
 - 2. Two-year milestone progress report to the public
 - 3. Contingencies – should future two-year milestone assessments demonstrate inadequate progress
 - 4. Latest expected compliance date: December 31, 2015
 - C. Requirements vs. Goals:
 - 1. Justifying the cost of capital improvements to elected officials/taxpayers
 - 2. Justifying rate increases to Public Service Commission
 - D. Meeting Requirements and Goals:
 - 1. Opportunities where education can make a difference
 - 2. Opportunities where elected officials/ordinances can make a difference
 - 3. Capital improvements needed to meet requirements and goals:
 - a) Nature of upgrades and improvements
 - b) Costs
 - c) Funding sources (who pays)

4. Combined Sewer Overflow
 - a) Compliance issues
 - b) Capital improvements needed
5. Impact of nonsignificant municipal facilities loading
6. Impact of goals non-attainment in other sectors
- E. Accounting for Growth
 1. Capacity (have excess capacity or at full capacity)
 2. Accepting load from failed septic systems
 3. Combining/accommodating smaller systems
 4. Planning process to anticipate new development and growth
 5. WIP targets 100% offset for growth
 6. Nutrient Credit Trading Program
 - a) Status of Senate Bill 715 and June 2011 Deadline
 - b) Final TMDL and Baseline Requirements
- F. Tracking and Reporting – continued use of the Permit Compliance System
 1. Self-monitoring versus DEP inspections
 2. Maintain a working group of stakeholders

IV. Upcoming Strategy Meetings and Summit

- A. Schedule
 1. Strategy Meetings: (Wednesdays)
 - a) First Strategy Meeting – June 1
 - b) Second Strategy Meeting – July 13
 - c) Third Strategy Meeting – August 3
 2. Region 9 Summit: August 31
 3. DRAFT Phase II WIP due December 1, 2011
 4. FINAL Phase II WIP due March 30, 2012
- B. Objectives
 1. Understand current capacity
 2. Define goals and objectives
 3. Develop strategies and action steps
 4. Prioritize strategies
 5. Mitigate EPA-imposed oversight

V. Wrap-up

Wastewater Work Group First Strategy Session June 1, 2011

The purpose of the First Strategy Session of the Wastewater Work Group, held on June 1, 2011, was to begin to develop a work plan for inclusion in the Phase II WIP. The work plan will outline the group's goals, objectives, and action strategies for refining the Phase I WIP strategies and will identify solutions for mitigating the Phase I EPA-imposed backstop and oversight measures.

The meeting lasted from 10:00 a.m. until 12:00 p.m., and the following were in attendance:

- Steve Knipe, City of Martinsburg
- Joe Hankins, The Conservation Fund and Jefferson County PSD
- Rodney Hovermale, Warm Springs PSD
- Susanne Lawton, Jefferson County PSD
- Frank Welch, Town of Shepherdstown
- Keith Allison, Berkeley County Health Department
- Jane Arnett, Charles Town Utility Board
- Curtis Keller, Berkeley County PSSD
- Bill Zaleski, Jefferson County Health Department
- Tim Stranko, Steptoe & Johnson
- Rick Hertges, WV State Health
- Scott Mandirola, WVDEP
- David Montali, WVDEP
- Carol Goolsby, Region 9
- Troy Truax, Delta Development Group
- Steve Hoffman, Delta Development Group
- Lisa Byers, Delta Development Group

Summary of Key Issues

The following summarizes the meeting and the key outcomes:

- Troy Truax, Delta, gave a brief recap of the Kick-off Meeting and some of the issues presented at that meeting, then David Montali, WVDEP, outlined Phase I WIP wastewater goals, wastewater issues associated with the WIP, and opened up the meeting to questions.
- WVDEP asked for feedback on the methodology it used in developing the goals of the Phase I WIP.
- The EPA Phase I TMDL was provided at the state level. The Phase II TMDL will be provided at a county or local level.
- There was significant discussion on a Nutrient Credit Trading Program.
 - The group, made up of representatives from Significant Municipal Facilities, asked if there was a baseline in their sector that could be used for trading purposes.

Response: A baseline for significant municipal facilities begins with the location, loading, and Bay delivery information of Appendix A.1 and A.2 of the Phase I WIP. WVDEP stated that it is not in a position to accept trading credits to bring a facility into compliance with its NPDES permit. A facility must go over and above its TMDL requirement before it can trade.

- It was asked if a facility has to achieve the 5 mg/l N and 0.5 mg/l P requirements before it can trade.

Response: The answer is theoretically “no,” but practically “yes.”

- It was also asked whether the point sources as a sector can consider themselves to have a bucket of performance requirements and credits, such that there can be trading among the facilities of the sector to meet the overall performance standard?

Response: WVDEP cautioned that there are still issues associated with the trading program that need to be addressed and WVDEP has not fully established and instituted the program yet. Trading between two traditional point sources may be possible if the two entities considering the trade discuss it with WVDEP. There will not be trading between sectors until baselines in each sector are well-established.

- There was discussion on the Agriculture Sector’s BMPs. The Agriculture Sector needs to document BMPs that are already in-place, as well as those that are newly implemented.
- There may be permit holders that will not be in compliance by certain milestone dates. What are their options? Conversely, there may be some facilities that are upgraded beyond the required amount.

Response: WVDEP clarified that the significant municipal facilities must absolutely meet their TMDL wastewater goals as soon as possible, but no later than December 31, 2015. WVDEP is working with the wastewater plants on an individual basis and many of these facilities will reach their goal well in advance of the 2015 date.

- The wastewater representatives reiterated that the PSC sees meeting TMDL requirements as having a 2025 deadline and it questions why rates need to be increased so well in advance of that date. The sector representatives would like to see WVDEP communicate with PSC.

Response: WVDEP has discussed permit and TMDL expectations and timelines with the PSC and will continue to do so as necessary.

- The amount of funding support that will be provided by Senate Bill (SB) 245 is not currently known and cannot be stipulated yet as part of PSC testimony. Though not addressed by SB 245, it was pointed out that there will be increases in operational costs associated with the capital improvements.

Response: WVDEP will discuss SB 245 internally. It is important that the significant municipal facilities submit their capital funding plan to the Infrastructure Council soon (do not wait until the June 30, 2012 deadline).

- The wastewater representatives expressed concern that the Agriculture Sector may not meet its TMDL goals, in which case, one of the contingencies of the Phase I WIP requires additional reductions from wastewater treatment plants.

Response: It is very unlikely that this contingency will be implemented. Other sectors cannot count on point sources to compensate for their nonattainment of goals. Point sources impact a smaller portion of the total TMDL, so a wastewater sector load reduction can only have so much impact. It was clarified that EPA, at the two-year mark, will look at the big picture of whether the sectors have collectively met the goal.

- It was pointed out that the Phase I WIP addresses growth by requiring a 100 percent offset for any new loading. It was also noted that new MS4 designations and their resultant requirements will offset growth in other parts of the county and the region. There

was concern expressed that the MS4 requirements in the high density areas may drive growth to the low density areas.

Response: EPA is drafting language and may soon mandate (anticipated by the end of 2012) Stormwater Management Plans with post construction requirements that will apply to areas outside of MS4s. Local governments can enact ordinances with requirements similar to the MS4 permit to counteract the perceived incentive for developers to target new activity in non-MS4 areas.

- Wrap-up: It was noted that the new TMDL model does not change much for the Wastewater Sector. The fundamental issue with the significant municipal facilities is that their NPDES permit compliance must be achieved by December 31, 2015.

Next Steps

- WVDEP emphasized that what it needs most from the Wastewater Sector stakeholders is feedback on the policies and goals delineated in the Phase I WIP. The WIP can be found at this web site <http://www.wvca.us/bay/documents.cfm>. The section of the Phase I WIP that applies to the Wastewater Sector's Significant Municipal Facilities is found on pages 17 to 20.
- This work group will not meet again until Wednesday, August 3, 2011. During this meeting, the Wastewater Sector section of the Phase I WIP will be discussed. Also discussed will be the new TMDL model.

cc: Alana Hartman



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WV Phase II Watershed Implementation Plan (WIP)
Wastewater Work Group
Third Strategy Session

Wednesday, August 3, 2011, 1:00 – 2:30 p.m.

A G E N D A

- I. Introductions**
- II. Agriculture/Forest Work Group Update** – WV Department of Agriculture and Tetra Tech
- III. Scenario Builder and MAST Demonstrations**
 - A. Impact of one priority versus another
 - B. The role of efficiencies in BMPs
- IV. Comments/Opportunities for Input into the Phase II WIP** **Attachment A**
 - A. Suggestions of revisions or additions
 - B. Non-significant facilities considerations
- V. Region 9 Chesapeake Bay Summit**
 - A. Logistics
 - 1. Date & Time: Wednesday, August 31, 2011, 8:30 AM to 4:30 PM
 - 2. Location: Byrd Health Science Center, Martinsburg
 - B. Invitees
 - C. Draft Agenda **Attachment B**
 - D. Post-Summit Activities



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TO: Carol Goolsby, Executive Director
Region 9, Eastern Panhandle Regional Planning & Development Council

FROM: Troy Truax, Vice President

SUBJECT: **Wastewater Work Group – Meeting Summaries, August 3, 2011 and August 17, 2011**
Region 9 Chesapeake Tributary Strategy Development (P.11036.00)

DATE: September 30, 2011

Wastewater Work Group – Second Strategic Session August 3, 2011

The purpose of the Second Strategy Session of the Wastewater Work Group, held on August 3, 2011, was to be briefed on the work of the Agriculture Sector and on Chesapeake Bay scenario and reporting tools and discuss any comments on or desired revisions to the Phase I WIP.

The meeting lasted from 1:00 p.m. until 2:30 p.m., and the following were in attendance:

- Keith Allison, Berkeley County Health Department
- Joe Hankins, The Conservation Fund and Jefferson County PSD
- Rodney Hovermale, Warm Springs PSD
- Larry Johnson, Chester Engineers
- Curtis Keller, Berkeley County PSSD
- Steve Knipe, City of Martinsburg
- Susanne Lawton, Jefferson County PSD
- Matthew Pennington, Berkeley County Planning
- Matthew Piepenburg, Jefferson County PSD
- Frank Welch, Town of Shepherdstown
- Jeff Wilkerson, City of Martinsburg
- Alana Hartman, West Virginia Department of Environmental Protection (WVDEP)
- Rick Hertges, West Virginia Bureau of Public Health
- Christina Mellors, Tetra Tech
- Troy Truax, Delta
- Lisa Byers, Delta

Summary of Key Issues

The following summarizes the meeting and the key outcomes:

- Troy Truax gave a brief overview of the agenda for the session. Next, Matt Monroe, WVDA, outlined the Phase I WIP list of goals for the Agriculture Sector and described the efforts and activities occurring in Region 9. He also answered questions from the participants.
 - It is important to note that all goal activities are voluntary.
 - A central focus of the effort is nutrient management planning. One of the goals is to have nutrient management plans for 95% of the Berkeley and Jefferson County agricultural operations.
 - Goal: Move a portion of the poultry litter out of the Chesapeake Bay watershed.
 - Goal: Fence 40% of the pastureland to prohibit livestock gaining access to waterways.
 - Goal: Establish 12,000 acres, of 35-foot wide buffers, along waterways running through agricultural lands.
 - Goal: Establish 813 acres of wetland restoration on agricultural lands.
 - Goal: Facilitate widespread education among the agricultural community on the importance of cover crops and no-till operations.
 - The reporting of agricultural BMPs is changing. Formerly, credit for BMPs lasted forever, now their duration is five years.
 - It has been relatively easy to track agricultural BMPs that were funded by West Virginia's Cost-Share Program. There is now a greater effort to track agricultural BMPs that have not been funded by the Cost-Share Program. A key partner for this effort has been the county conservation districts. This is a huge data verification effort.
 - Agricultural BMPs must be documented by visiting the site, verifying the BMP, and collecting GPS readings. The tracking of agricultural BMPs is just beginning and is labor intensive and time consuming. The question was posed as to whether there is a more efficient/effective way to encourage implementation of agricultural BMPs and to track them. No suggestions or improvements were offered.
 - The question was asked if implementing the non-Cost-Share Program BMPs generates a nutrient credit that can be traded?

Response: Since a Nutrient Credit Trading Program has not been worked out, that question cannot be answered at this time. Also, the objective of tracking the BMPs is to meet stated goals.
 - Determination is being made on how to credit agricultural BMPs, especially those that may not meet Natural Resources Conservation Services' standards but are functionally equivalent or almost functionally equivalent to those standards.
 - Currently, most of the farms/agricultural producers in Region 9 have not developed and implemented a Nutrient Management Plan (NMP). When a farmer is interest in developing a NMP, the WVDA does most of the work of developing and writing the plan.
 - The question was asked about what happens when a farmer/agricultural producer undoes or counteracts an installed BMP. Currently, there is no process to address

- this occurrence. Concerns about the environmental impacts of the management of a property can be reported to WVDEP or WVDA.
- Mini-demonstrations were made by Christina Mellors and Alana Hartman on the Scenario Builder modeling tool, MAST scenario tool, and the ChesapeakeStat reporting website.
 - Scenario Builder is a computer tool that can generate simulations of the past, present, or future state of the watershed to run through the Chesapeake Bay Watershed Model (CBWM). The tool allows for the exploration of potential impacts based on management actions and use of various BMPs. The simulations are based on factors from a wide range of land uses and activities.
 - MAST, Maryland Assessment and Scenario Tool, is a planning tool that allows the user to experiment with and test the impact of the use of various BMPs. By inputting the use of one or several BMPs, MAST can determine if the inputted combination of BMPs for a defined area will meet loading goals and which BMP or combination of BMPs gives the greatest load reduction. (The MAST tool has been adapted to be used by all the Bay jurisdictions and is now known as CAST.)
 - CAST can be especially useful in West Virginia when a local government considers which BMPs to incorporate into a new or updated ordinance.
 - The ChesapeakeStat website is a program management tool that shows the current status for a selected Bay jurisdiction. It also identifies responsible parties and provides specific, time-bound objectives and transparent reporting of progress.
 - CAST and ChesapeakeStat are tools that can empower decision-makers to experiment with the relative effectiveness of various BMPs and ordinance requirements.
 - There was discussion about septic systems (also referred to as “onsite sewage systems”) and the impact of failing systems.
 - Periodic pumping of septic systems helps to avoid their failure.
 - The Phase 1 WIP requires “holding the line” on septic system installation compliance.
 - The WV Department of Health and Human Resources’ Public Health Sanitation Division has developed a Subdivision Approval Application Form, ES-76 Form. One of the requirements of the form is the submittal of the percolation test report and results for each proposed lot. The required use of this form is being implemented in Berkeley, Jefferson, and Morgan counties.
 - Officials check the plat plans submitted with the ES-76 Form to ensure there is adequate area for the installation and repair of individual onsite sewage systems, specifically a 10,000 square foot sewage system reserve area.
 - Septic systems are addressed in the Phase I WIP in the Developed Lands and Industrial non-regulated section.
 - Consideration should be given in the Phase II WIP to the growth of septic systems and their impact on the pollutant loading of the region. New loads should be offset.
 - A participant commented that non-used load allocations within the Wastewater Sector should be added to the Significant Municipal Facilities allocation. This could be accomplished directly or a broker could buy the extra credit.

- Participants also commented that they would like to see Senate Bill 715 clarified in the Phase II WIP.
- The participants expressed a strong desire to see a Nutrient Credit Trading Program established for their point source sector. They also voiced the viewpoint that, even if a Nutrient Credit Trading Program is not fully developed at this time, it should still be possible to evaluate credit trading on a case-by-case basis.
- The participants expressed concern that the pre-determined loading cap may be too difficult to sustain over many years of growth pressure.
- The participants asked for a follow-up meeting to continue the discussion on the development of a Nutrient Credit Trading Program. This meeting was scheduled for August 17, 2011.

Next Steps

- A meeting was scheduled on August 17, 2011 for the Wastewater Work Group to further discuss the steps that should be taken to set-up a Nutrient Credit Trading Program for the wastewater or point source community.
- A major next step is the Region 9 Summit. Speakers are being confirmed and presentations are being developed.

cc: Alana Hartman



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***WV Phase II Watershed Implementation Plan (WIP)
Wastewater Work Group
Nutrient Credit Trading Strategy Session***

Wednesday, August 17, 2011, 1:00 – 2:30 p.m.

A G E N D A

- I. West Virginia Nutrient Credit Trading Strategy – Current Situation**
 - A. WV DEP Nutrient Credit Trading Guidance ***Attachment 1***
 - B. WV Code Chapter 22-11-30, Chesapeake Bay Restoration Initiative (SB 715) ***Attachment 2***
 - C. Phase I WIP Nutrient Trading Objective

- II. EPA Phase II WIP Guidance** ***Attachment 3***
 - A. EPA Chesapeake Bay TMDL Offsets ***Attachment 4***
 - B. Nutrient Credit Trading/Offset Questionnaire ***Attachment 5***

- III. Eastern Panhandle Nutrient Credit Trading Program**
 - A. Purpose and Need
 - B. Feasibility Evaluation (Example) ***Attachments 6 and 7***

- IV. Next Steps**
 - A. Phase II WIP Wastewater Sector Input
 - B. August 31 Summit Discussion with DEP
 - C. Strategy Formulation and Implementation

Wastewater Work Group – Special Strategic Session August 17, 2011

The purpose of the meeting was to convene the Wastewater Work Group members to discuss their concerns and recommendations regarding a West Virginia Potomac River Basin Nutrient Credit Trading Program, and to prepare to discuss this topic in more detail at the Region 9 Chesapeake Bay Summit on August 31, 2011.

The meeting was held at the Berkeley County Public Sewer Service District (PSSD), 65 District Way, Martinsburg, WV. The meeting lasted from 1:00 p.m. until 3:15 p.m., and the following were in attendance:

- Joe Hankins, The Conservation Fund and Jefferson County PSD
- Rodney Hovermale, Warm Springs PSD
- Susanne Lawton, Jefferson County PSD
- Matthew (Susanne) Piepenburg, Jefferson County PSD
- Curtis Kelly, Berkeley County PSSD
- Frank Welch, Town of Shepherdstown
- Troy Truax, Delta Development Group (Delta)

Summary of Discussion Items

The following summarizes the meeting's key discussion points and outcomes:

- Troy distributed a meeting agenda along with a packet of materials to aid in his facilitation of the meeting. The materials included the following:
 - Appendix A, West Virginia Potomac River Basin Water Quality Nutrient Credit Trading Program (August 5, 2009)
 - Guide for Chesapeake Bay Jurisdictions for the Development of Phase II Watershed Implementation Plans (March 30, 2011)
 - Appendix S, Offsetting New or Increased Loadings of Nitrogen, Phosphorous, and Sediment to the Chesapeake Bay Watershed
 - [EPA] Offsets and Trading Program Review Questionnaire
 - Lycoming County, PA, Chesapeake Bay Nutrient Management Strategy, Phase I and Phase II Feasibility Evaluation reports
- The Wastewater Sector acknowledges the Chesapeake Bay TMDL requirements and has accepted its responsibilities under the West Virginia Potomac Tributary Strategy. However, this Sector believes that a West Virginia Nutrient Credit Trading Program is an essential financing mechanism to enable them to meet their nutrient loading requirements.
- The group agreed that while the 2009 Nutrient Credit Trading Program was developed prior to the EPA TMDL requirements, the program as defined therein provides a solid framework for implementing a WV trading and offset program.
- The existing Nutrient Credit Trading Program framework will need to be further developed to address the TMDL requirements. It was recommended that the EPA Offsets and Trading Program Review Questionnaire be used to determine gaps in the existing framework.

- The Trading Program must be implemented to provide an alternative cost effective approach for the Point Source Sector to achieve compliance according to their nutrient cap loads. The problem cannot be achieved through capital improvements projects alone at the expense of the rate payer.
- The Trading Program not only helps the State achieve its environmental regulatory obligations, but it also helps the State, Regional Councils and local jurisdictions achieve their economic development goals.
 - Region 9 should take a leadership role on the Nutrient Credit Trading Program from an economic development perspective.
 - Specifically, Region 9 could utilize the Lycoming County, PA, Chesapeake Bay Nutrient Management Strategy to analyze the entire region's nutrient loading and volumetric capacities and determine how the region's sectors are capable of meeting their respective loading reduction requirements.
- The Jefferson County Public Service District utilized a nutrient credit trading program via Red Barn Trading Company to meet certain Chesapeake Bay Nutrient Reduction Requirements for its newly designed Flowing Springs wastewater treatment facility.
- A West Virginia Nutrient Credit Trading Program should ultimately include the non-point sector, but the program's near-term objective should focus on the point source sector, which largely has established baselines according to their nutrient allocations as defined in their respective NPDES permits.
 - The Trading Program needs to clearly define if the Point Source Sector's baseline is defined in terms of pounds per day or by milligrams/liter.
 - The Trading Program should allow the Point Sector facilities to group their individual facility permit nutrient loading allocations as a single loading allocation. This would enable a PSD/PSSD to bring individual facilities into compliance (through credits generated by an over performing facility) and not require DEP to issue a consent order for non-compliance. Such non-compliance is often based on the high capital costs of improvements and the Public Service Commission (PSC) rate increase approvals needed to finance the improvements.
 - The PSC must also become more attuned to the problem and work with PSD/PSSDs to address Senate Bill 215 and rate increase challenges.

Next Steps

- To clarify and address some of the points raised during the meeting, a breakout session will be added to the Region 9 Chesapeake Bay Summit agenda. WVDEP representatives will be asked to participate in the session.
- The Summit session will focus on NPDES permitting, compliance timelines, and justifying capital improvement costs and rate increases to elected officials/taxpayers and the PSC.

cc: Alana Hartman