

## Accounting for Growth Work Group Summary

Meeting #2: 2/15/2013

### In Attendance:

Work Group Members: Steve Harper, Jon Laria, Alison Prost, Mike Powell, Lynne Hoot, Sandy Coyman, Ann Swanson, Cathy Drzyzgula, Shannon Moore, Pat Langenfelder, Katie Maloney, Erik Michelson, Dru Schmidt-Perkins, Yates Clagett, Josh Tulkin

Support Team: George Chmael, Kate Culzoni, Brigid Kenney, David Costello, Joe Tassone, Julie Pippel, Steve Stewart, Doug Lashley, George Kelley, Les Knapp, Candace Donoho, Dusty Rood, Dave Goshorn, John Rhoderick, Dave Nemazie, Darrell Brown

Presenters: Lee Currey (MDE)

### Absent:

Work Group Member: Mary Ann Lisanti, Tom Ballentine

Support Team: Jeff Corbin, Dan Nees, Dan Baldwin

### Public Attendees:

Dinorah Dalmasy (MDE), Paul Emmart (MDE), Jim George (MDE), Elizabeth Burdick (Water Stewardship), David Foster (Chester River Keeper), Claudia Friedetzky (Sierra Club), Marya Levelov (MDE), Susan Payne (MDA), James Hearn (WSSC), Rosewin Sweeney (Venable), Mark Symborski (Montgomery Co.), Bevin Buchheister(?)

### Welcome and Overview

Facilitator, George Chmael, welcomes everyone to the second AfG Work Group meeting and notes that this meeting will have the Work Group (WG) begin talking about AfG program components such as what nutrients, loads and loading factors should be included in the program. He states that presentations from Support Team members are meant to provide background, context of past activities and discussions, and information that the WG can use to discuss and develop recommendations. Mike Powell notes a request that fee-in-lieu and grandfathering be discussed at today's meeting because, if fee-in-lieu could be resolved to the satisfaction of the development sector, it might build good will and make it easier to resolve other issues. George Chmael notes that these two topics were moved up in the schedule to April following the discussion on the issue at Meeting #1.

George states that the State's Guiding Principles have been updated, and sent to the WG, based on WG comments and suggestions in Meeting #1. If WG members wish to submit information or recommend presentations for future meetings, please let the Support Team know at least 3 weeks before said meeting and send all materials in PDF format to Kate. The Support Team will vet submitted materials before sending them out to the WG. The [AfG website](#) is live and organized by meeting. Materials will be placed online in a timely manner.

A discussion ensues on the idea of members bringing position statements to meetings to share with WG members. George Chmael notes there are no constraints on bringing position statements to the meeting and that the [materials](#) from MDE's earlier outreach process on the development of an AfG program are on MDE's website with comments from stakeholder groups.

### Presentation on Nutrients to Offset, Loads and Loading Factors

Lee Currey (MDE) presents information on nutrient allocations, contributing factors and addressing new loads and notes that additional background information is included in [MDE's Background Memo](#) provided to WG members. Specific nutrient offsets discussed include nitrogen (N), phosphorus (P) and sediment (TSS) and the presentation highlights that additional pollution from growth would come from wastewater treatment plant sewage that goes above the allocated nutrient cap as well as septic loads, stormwater and new vehicle emissions that have no allocation in the Watershed Implementation Plan (WIP). Mr. Currey's presentation also notes that sediment load reduction would be more than achieved if the strategies for reducing N and P target loads are implemented.

Work Group members ask clarifying questions and discuss the scale at which nutrients will be offset. Some in the environmental community note that the inclusion of P is essential in any AfG program to ensure local water quality is upheld. Members from the building community highlight that the task at hand is to devise a plan for accounting for additional pollution resulting from growth. One member highlights the fact that MDE's Background Memo indicates that EPA guidance suggests that N and P should be included in any AfG program, although the guidance hasn't been finalized. Lee Currey reiterates that the need for P and N offsets does vary by local water body and that is something the Work Group may want to look at.

George Chmael suggests that an AfG Program may require more than a "one size fits all" solution and the WG may want to develop recommendations accordingly. The WG will need to come back to this discussion and ensure it has the clarifying guidance from EPA as it considers recommendations.

**ACTION:** WG asks MDE to create maps at smaller scale that include P, N and sediment.

### **Presentation on Nutrient Trading – National, Regional and Local Examples**

Three nutrient trading presentations are given:

1. George Kelley provides a presentation on nutrient trading case studies from around the country, at a regional level (Ohio basin), and a state level (VA and NC).
  - Virginia:
    - Combine N and P in trading
    - P is primary market
    - Practice-based system
    - Limited BMPs to create credits
    - Components have significant impacts on price
  - North Carolina:
    - N is primary market
    - Performance-based system
    - Limited BMPs to create credits
    - Components have significant impacts on price
2. Doug Lashley provides a presentation on the value, obstacles and tools to offset pollution from growth with a focus on nutrient trading.
3. John Rhoderick provides a detailed program overview and status on MDA's nutrient trading program.

Work Group members discusses issues such as the permanency of offsets and the role of aggregators in a nutrient trading program. Members recognizes the importance of clearly defining where the responsibility and risk lay in a nutrient trading program, specifically discussing if a credit purchaser should be liable for obtaining substitute credits where a broker or credit generator fails to deliver the contracted credits. John notes that additional discussion and demonstration of MDA's online Nutrient Trading Tool will take place in Meeting #3.

**Next Steps**

George Chmael states that Meeting #3 will be held on March 22, 2013 at 12:30 p.m. at DNR and thanks all attendees for their commitment and hard work.

**Public Comment:**

Claudia Friedetzky of Sierra Club notes that all EPA guidance and other relevant information should be made clear and provided upfront so the WG process is effective and efficient.