



Trading and Offsets Workgroup

Conference Call

Wednesday, February 15th, 2017

10:00 AM to 11:00 AM

Meeting Summary

BAT Systems and Nutrient Trading Tools -- Karen McJunkin, Regional Partner with the Elm Street Development

KAREN MCJUNKIN is a Regional Partner with Elm Street Development, a privately held real estate development company with a 38-year history operating in the Baltimore-Washington region. Elm Street focuses its efforts and capital on urban in-fill and redevelopment as well as suburban development in Priority Funding Areas. Karen is responsible for directing all land acquisition, investment and development activities in Washington, DC, Anne Arundel County, Charles County and the Eastern Shore of Maryland.

- Susan Payne: I would like to note that this is not a trading tool; it's a best management practice.
 - Karen McJunkin: I appreciate that comment, but I am simply not in your world.
 - Susan Payne: Trading tools facilitate trading; this does not provide calculations, registries, or marketplaces. It's a BMP and is treated as such under the CBP.
- Karen McJunkin noted the BAT system assumes a retrofit of an existing system.
- Paul Emmart noted that HB281 is a new bill in the state of MD to require BAT systems be applied across the state.
 - David Foster: If that bill passes, would that move the ability to generate credits from the BAT system?
 - Karen McJunkin: Part of my assertion was the fact that it's requirement limited its ability to be used as credits. By taking that requirement off the table, it helped BAT systems as a BMP.
- Question on what the benefit to homeowners would be. Karen replied that if the product is sold as an insurance policy against failed leach fields.
- David Foster: If Karen had presented this as a BMP, how would MDE have responded?
 - Paul Emmart: It's very interesting as a potential saver; the cost of BAT is quite expensive, but with the roll-back of regulations, it seems like the focus will be on critical-area development and connecting BAT to wastewater treatment plants. If this trading opportunity made the system cost-effective, it would be very interesting. We're looking to go into the Phase III WIP in 2018, and will be seeking strategies to ensure the septic sector's load reductions are addressed.
 - Marya Lelev: I agree with Paul; I think there's an opportunity for this BMP to be used as a credit.
- David Foster: With this approach, are you saying the site would no longer have to percolate as would a conventional septic system?
 - Karen McJunkin: No – it would still require the same site requirements, etc. However, the water quality coming out of our system is good enough to be used as grey-water in Brazil. And because of market factors and demographic changes, our industry doesn't see much growth in the demand for large-lot, single-family homes on septic systems. So I think the pressure on the states in the future will be less on new septic systems.

10:50 AM **Jurisdictions Roundtable** -- Pat Gleason, EPA, TOWG Coordinator

- No updates from Pennsylvania.

- **Maryland:** MDE is still in the process of responding to the EPA comments on the trading manual, and they are working to update the document to reflect those changes. Many of the comments requested clarification, and we will be sending it to EPA. We hope to finalize the manual in the next couple of months. MD has also had discussion at their Trading Advisory Council and held a hearing during the legislative session on SB314.
- **Virginia:**
 - VA is in the middle of wrapping up the 6th year of trading among point sources, and are working to approve new non-point source banks on their website. Most are land conversions, and there is one stormwater BMP. They're being sold as permit offsets associated with new development. They are also working to wrap-up regulations on the certification of new point-source credits.
 - There are currently two bills in the state senate related to the nutrient trading offset fund and credits. The first bill calls for a reevaluation for allocations given to industrial wastewater to maintain nutrient cap and allow for additional growth within watershed. The second bill, likely to pass, modifies the nutrient offsets fund. This bill makes changes to allow for advice from the Secretary of Commerce and Trade on use of any credits that may be available.
- Bob Rose noted that EPA wrapped up a workshop and will likely be putting out a discussion piece on stormwater trading in the near future.
- David Foster requested MD and PA present on their trading approaches in the future.
- Group could see draft proposed regulations to establish the trading program in MD.

Next Meeting: Conference Call Wednesday, March 15th, 10:00 AM – 12:00 PM

Participants:

Name	Affiliation
David Foster	Kent County
Pat Gleason	EPA
Kyle Runion	CRC
Lindsey Gordon	CRC
Bobby Johnson	PA DEP
Doug Goodlander	PA DEP
Hassan Misajidi	DNREC
Tyler Monteith	DNREC
Paul Emmart	MDE
Marya Levelev	MDE
Susan Payne	MDA
Russ Baxter	VA DEQ
Allen Brockenbrough	VA DEQ
Matthew Espie	DOEE
Bob Rose	EPA
Kelly Gable	EPA
Olivia Devereux	Devereux Consulting
Lana Sindler	MWCOG
Karen McJunkin	Elm Street Development
Ridge Hall	Chesapeake Legal Alliance
Robert Boos	PennVEST
Chris Condit	Chesapeake Energy
Jeremy Rowland	Bion Environmental Technologies