

Issues Identified

Priority Category 1

1. Implementation

- Determining Nutrient Reduction Technology Implementation Needs
 - Optimization Options
 - Capacity Issues
 1. Use of capacity for nitrogen reduction
 2. Use of capacity for future connections
 3. Zero net load for new facilities or expansion of existing facilities
 4. Compliance linkage to other programs (NRT vs CSO requirements)
- Bank of credits needed for use by point source entities
 - Existing protocols and requirements vs what we want to accomplish
 - How big a bank is needed?
- Re-run of computer models in the 2007 to 2009 timeframe
- Relationship of the Tributary Strategy with existing regulations (Chapter 91, 94 and Act 537)
- Timeframe for Implementation
 - Compliance schedules
 - Enforcement
 - Capacity for construction and contracting
 - Existence of a Nutrient Trading Program
- 8 mg nitrogen limit and 1 mg phosphorus limit @ 2010 flows
 - How derived (allocation methodology)
 - Methods to meet the limits
 - Implications

8. Costs

- Estimate of total cost
 - Accounting for rate of inflation
 - Need for consensus on basis for numbers
- Estimate of costs related directly to NRT
- Ancillary costs
- Transaction costs
- Future costs
 - Operation and Maintenance

Issues Identified

- Need an economic analysis of impact
 - Projection to the future (15 to 20 years)
 - Economic development
- Impact on rate structure
 - Tapping fees, user rates
 - Reserved capacity

9. Public Education

- Target audience includes all residents of central Pennsylvania
- Need for consistent, accurate updates and progress reports
- What's the message?
- Impact
- Delivery System
- Timing
- Posting on the web?

Priority Category #2

2. Monitoring

- Monitoring requirements to verify nutrient credits
- Nutrient credits based on Discharge Monitoring Reports at the end of the year or established at the beginning of the year based on permit limits and flow?

4. Contracts

- Details of contracts between point source entities and others to achieve reductions, tradable credit contracts, compliance with and needed flexibility
- Contract length for trading purposes vs five year, or more, permit for treatment plants
- Who owns the load?
- Inter-municipal agreements
- Ability to purchase long-term credits

Issues Identified

- When should credits be applied, the definition of when credits are available and the lifetime of the credits
- Capacity for credits vs compliance
- Enforceability
 - Procurement requirements, issuance of bids, bonding
 - Compliance with state law

6. Enforcement

- Program level
- Honoring of a contract
- DEP enforcement discretion vs. EPA authority and requirements under the Clean Water Act.
- Liability of point source permittee

7. Load Elimination and Creation

- How do we handle human activities that may not exist in the future, such as:
 - Elimination of an industrial plant because it goes out of business
 - Septic system goes off line
 - Truck waste or septage
 - Elimination of agricultural activity
- Who owns the credits ... the state, the treatment plant, a separate bank?
- For how long?
- Nutrient bans
- Plant expansion

Priority Category #3

3. Watershed Permit

- Should it be called a "permit"?
- What is it?
- Permit procedure before and after development of the Watershed Permit

Issues Identified

- Relationship to existing permits and those being opened before the watershed permit is issued
- Compliance schedule requirements before and after development of the Watershed Permit
 - What does “compliance schedule” really mean?
- Timing
- Connection to Act 220, the Water Resources Act and the State Water Plan

5. Funding and Financing

- Transaction costs associated with trading
- Financing resources, provision of money for point source infrastructure
- Inclusion of set-aside
- Sources of funding
 - Grants
 - Loans
 - Other
- Eligibility criteria for use of funds
 - Design
 - Construction
 - Trading
- Linkage between contracts and financing
- What are other states doing?

Issues Identified

Meeting Minutes February 6, 2006

Meeting was called to order by Dana Aunkst and John Brosious at 9:00 am.

Nicki Kasi described the proposed business rules. Changes made by the group include the definition of the final product for the workgroup as a position paper or implementation guide. It was also requested that meetings be held outside the downtown Harrisburg area, due to problems with parking. Suggestions for future meeting sites include the PMAA Offices or the SCRO Conference Room. A revised draft of the Business Rules is attached.

The group discussed and revised the list of identified issues provided by the Tributary Strategy Steering Committee. Public Education and Costs were added as other categories of issues. A revised draft of the Issues is attached. The issues were categorized and prioritized as follows:

#1 – Implementation
Costs
Public Education

#2 – Monitoring
Contracts
Enforcement
Load Elimination

#3 – Watershed Permits
Funding and Financing

Prioritization was based on factors such as ability to discuss issue right away, whether another group, such as the Nutrient Trading Workgroup was also working on the issue and whether the necessary information was available to make a discussion productive.

A final issue raised by members of the committee is the need for a realistic timeframe to resolve these issues. Further guidance was requested as to whether the identification of other alternatives beside those identified in the strategy was possible. Emphasis is also needed to also consider the long term social impacts of the tributary strategy and whatever solutions are developed by the workgroup. Dana Aunkst is to look into the possibility of posting meeting agendas, minutes and work products from the various workgroups on the web.

Next meeting – February 13, 9:30 am to 3:30 pm, PMAA Offices