# ACCOUNTING **FOR GROWTH** aka "AfG" – **Growth Offsets**

Presented to Water Resources Coordination Council December 5, 2012





# **ACCOUNTING FOR GROWTH** Section 1.8 of MD Phase II WIP Available capacity in wastewater treatment plants (WWTPs) allotted to new development, provided WWTP is under nutrient cap Other new loads from development to be offset Wastewater over nutrient cap Stormwater 12/6/2012

<b>GROWTH OFFSET OBJECTIV</b>	<b>′E</b>	
Minimizing loads from new development		
Reduces need for offsets		
Helps preserve offsets for economic developme	nt	
Begin to address need to reduce current loadings –	safety	
margin:		
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Nutrient trading policies require to purchase model	ore	
Nutrient trading policies require to purchase model credits than will receive		
<ul> <li>Nutrient trading policies require to purchase model</li> <li>credits than will receive</li> <li>Policy does not account for load reductions from</li> </ul>		
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## **SENATE BILL 236**

 Section 8
 Requires MDE to propose by December 31, 2012, regulations that establish nutrient offset requirements for new residential major subdivisions within Tier III areas that are to be served by septics

MDE shall consult with counties & other stakeholders

MDE shall brief House Environmental Matters and Senate Education, Health, and Environmental Affairs Committees before submitting to Joint Committee on Administrative, Executive, and Legislative Review (AELR)

# LOAD TO BE OFFSET

- Based on delivered loads (use MD land-river segment delivery factors from Chesapeake Bay Program)
- Nitrogen only (phosphorus also)
- 100% post-development load (subtract forest load)
- No credit for pre-development load

Note: Thumbs up or down indicates changes that may help or be detrimental to municipalities. Note: Pale green italicized text represents revision MDE is considering.

#### TRIGGER FOR APPLICABILITY

- Change in land use (base on development activity:
   Alteration of land or structure that intensifies use of land or increases wastewater load OR
  - Any construction or alteration that changes runoff characteristics
  - Will exclude more agricultural activities)
- Not apply to disturbance < I acre (Smaller area of land as</p>



#### CALCULATING POST-DEVELOPMENT LOAD FOR <u>NEW</u> DEVELOPMENT

- Using statewide average loading rates
- Septics assume 50% reduction for BAT
  - (Use field-verified BAT efficiency
  - Use area-specific loading rate based on 3 zones assume 80%,of load reaches stream in critical area, 50% w/i 1,000 ft of stream, 30% for all other areas)
- Stormwater assign 50% reduction for ESD to MEP
  - (Use regional loading rates)
    - Recognize additional reduction for more effective BMPs)

#### CALCULATING POST-DEVELOPMENT LOAD FOR <u>NEW</u> DEVELOPMENT

- Wastewater
  - Septic more for conventional than BAT
  - Wastewater treatment plants
    - No offset required if capacity below cap
    - If above nutrient cap & discharge permit, offset required; offset greater for lower levels of treatment (secondary & BNR)
- Stormwater (using Bay model loading rates) more for impervious than pervious
- Residential Mobile Emissions (remove from calculations) more for lower density areas than higher

#### CALCULATING POST-DEVELOPMENT LOAD FOR <u>REDEVELOPMENT</u>

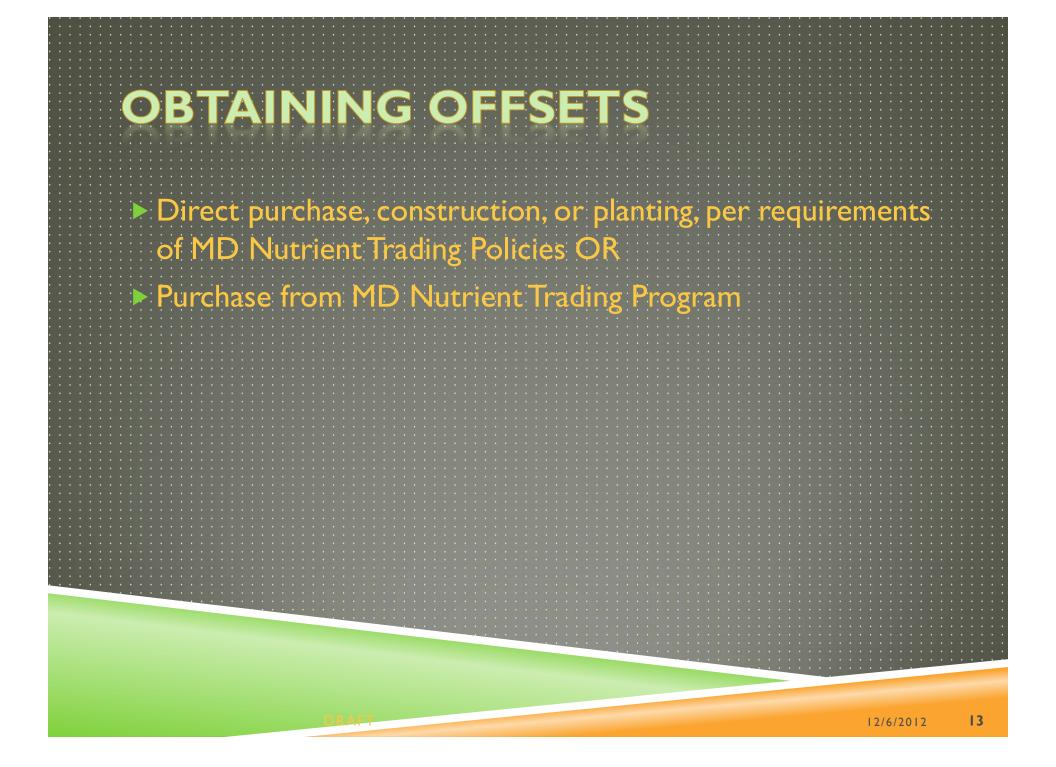
Exempt from stormwater offset if complies with stormwater management regulations (Use more expansive redevelopment definition and exempting infill in a Priority Funding Area (PFA))

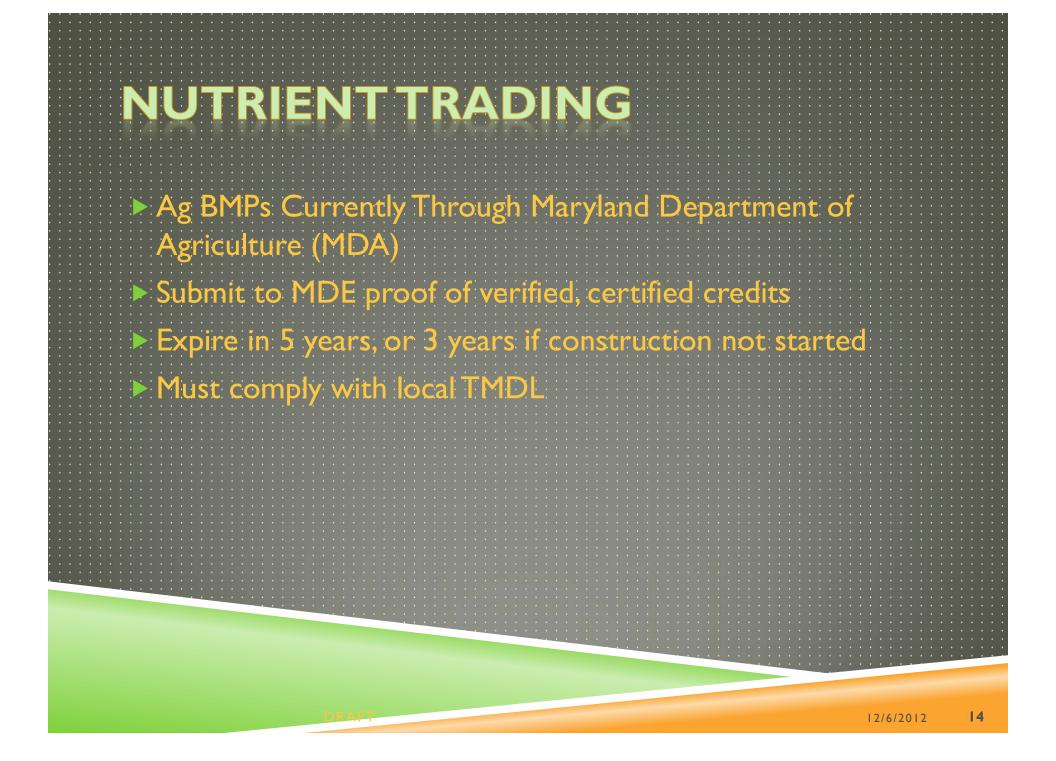
#### MAINTENANCE OF OFFSET BEST MANAGEMENT PRACTICES (BMP)

- Offset BMPs must be in place before State stormwater permit for construction (NOI) issued
  - (BMPs to be installed & generating reductions before postdevelopment load begins;
  - Allow phase of BMPs to match construction schedule if guaranteed w/ contract)
- Offsets must be permanent & guaranteed; local jurisdiction could be responsible for O&M (Offsets to last minimum 30 years w/ broker able to guarantee w/ MDE approval)

## **AVAILABILITY OF FEE-IN-LIEU**

No fee-in-lieu available (Fee-in-lieu for nitrogen only ▶ Payable to Bay Restoration Fund (BRF), w/ projects following priorities in BRF law) 👎 12 12/6/2012





## **OFFSET GEOGRAPHIES**

- Development in Targeted Growth & Revitalization Areas offset anywhere; all other development offset in county
  - ▶ (For Tier III:
    - Offset obtained in same county where development located
    - If watershed is impaired for phosphorus, offset must be in same watershed as development
  - For AfG: to be determined)

EFFECTIVE DATE		
December 31, 2014 for AfG		
(Tier III — one year after adoption of regulations		
AfG – to be determined)		
Implement through State General Permit		
DRAFT	12/6/2012	16

# CONSEQUENCES

After Dec 31, 2025, if Chesapeake Bay is not meeting water quality standards:

Offset requirement increases by 4 times

Unless county implemented actions designed to meet Bay TMDL, then offset requirements same minus forest load

# MDE SCHEDULE (2012): TIER III Nov 8 – Present to Sustainable Growth Commission Nov – Draft regulations complete Nov 28 – Brief House & Senate Committees ► ASAP - Submit to AELR & DLS 15 days later – Submit to MD Register 18 12/6/2012

# MDE SCHEDULE (2013): AFG ► Apr to Jun 2013 – Stakeholder meetings on AfG and trading policies Aug 2013 – Propose regulations Dec 2013 – Have AfG policy and regulations in place 19 12/6/2012

