

Maryland Water Quality Trading Advisory Committee  
Final Meeting Summary  
Maryland Department of Agriculture, Annapolis, MD  
September 22, 2016

**Committee Members in Attendance:**

Tom Ballentine	<i>NAIOP Maryland Commercial Real Estate Development Association</i>
Bevin Buchheister	<i>Chesapeake Bay Commission</i>
Lynn Buhl	<i>Maryland Department of the Environment</i>
Valerie Connelly	<i>Maryland Farm Bureau</i>
Jim Edward	<i>Chesapeake Bay Program Office</i>
Brent Fewell	<i>Earth &amp; Water Group</i>
Patricia Gleason	<i>US Environmental Protection Agency, Region 3</i>
Matthew Holloway	<i>Wicomico County Council, Clean Chesapeake Coalition</i>
Lynne Hoot	<i>Maryland Association of Soil Conservation Districts, Maryland Grain Producers</i>
George Kelly	<i>Resource Environmental Solutions</i>
Les Knapp	<i>Maryland Association of Counties</i>
Steve Lafferty	<i>Maryland House of Delegates</i>
Kate Maloney	<i>Maryland State Builders Association</i>
Erik Michelsen	<i>Anne Arundel County Department of Public Works</i>
Shannon Moore	<i>Frederick County Sustainability &amp; Environmental Resources Office</i>
Doug Myers	<i>Chesapeake Bay Foundation</i>
Dan Nees	<i>University of Maryland Environmental Finance Center</i>
Susan Payne	<i>Maryland Department of Agriculture</i>
Chris Pomeroy	<i>AquaLaw, Maryland Association of Municipal Wastewater Agencies, Maryland Municipal Stormwater Association (Alternate – Julie Pippel)</i>
Mindy Selman	<i>USDA Office of Environmental Markets</i>
Helen Stewart	<i>Maryland Department of Natural Resources (Alternate – Phillip Stafford)</i>
Rob Shreeve	<i>State Highway Administration</i>
Joe Tassone	<i>Maryland Department of Planning</i>
Al Todd	<i>Alliance for the Chesapeake Bay</i>
Lisa Wainger	<i>University of Maryland Center for Environmental Science (Alternate – Dave Nemazie)</i>
Sara Walker	<i>World Resources Institute</i>

**Facilitator:**

Kathy Stecker

**Other Attendees:**

Andrea Baker	<i>Maryland Department of the Environment</i>
Brian Clevenger	<i>Maryland Department of the Environment</i>
Michelle Crawford	<i>Maryland Department of the Environment</i>
Kevin Demosky	<i>Frederick County Division of Utilities and Solid Waste Management</i>
Chandler Denison	<i>Johnson Mirmiran &amp; Thompson, Inc.</i>
Brenda Dinne	<i>Carroll County Department of Land &amp; Resource Management</i>
Aris Evia	<i>Maryland Department of the Environment</i>
Michael Forlini	<i>Funk &amp; Bolton, Clean Chesapeake Coalition</i>
Jim George	<i>Maryland Department of the Environment</i>
Ridge Hall	<i>Chesapeake Legal Alliance</i>
James Hearn	<i>Washington Suburban Sanitary Commission</i>
Christine Holmburg	<i>Maryland Environmental Service</i>
Marya Levelev	<i>Maryland Department of the Environment</i>
Lori Lynch	<i>University of Maryland School of Agriculture &amp; Natural Resources</i>
Craig Neilsen	<i>Maryland Department of Agriculture</i>
Mark Schweitzer	<i>Frederick County Division of Utilities and Solid Waste Management</i>
Jennifer Smith	<i>Maryland Department of the Environment</i>
Ed Stone	<i>Maryland Department of the Environment</i>
Maggie Witherup	<i>Gordon Feinblatt LLC</i>

**Action Items:**

- Review Revised Trading Manual
- Identify fatal flaws and send them and any comments to Ms. Payne and Ms. Levelev by October 7 (flexible date)
- Submit Bay Restoration Fund (BRF) concerns as well
- Distribute Final Accounting for Growth (AfG) Workgroup Report and Environmental Finance Center Report to Advisory Committee

**Meeting Minutes:****1. WELCOME & INTRODUCTIONS**

Ms. Stecker welcomed the meeting attendees and everyone introduced themselves.

**2. REVIEW OF THE MAY 19 MEETING MINUTES**

Ms. Stecker asked the Committee members for corrections or comments on the May meeting minutes. The minutes were approved as written.

### 3. REVIEW OF MEETING GOALS AND NORMS/AGENDA

Ms. Stecker stated that there is a commitment to make water quality trading a reality in Maryland. The Water Quality Trading Advisory Committee (WQTAC) is here to help with that effort and to achieve an outcome that is beneficial for the State of Maryland. The review and revision of the manual is almost complete. As part of the agenda, changes made to the manual after consideration of the submitted comments will be highlighted for the WQTAC. New topics that will be taken up after the work on the manual is finished will also be introduced to the WQTAC. Ms. Stecker requested that comments on the revised Final Draft Manual be submitted by October 7.

### 4. TRADING MANUAL UPDATE – *Highlights and Discussion*

Ms. Payne and Ms. Buhl gave overviews of the changes made to the different sections of the document.

#### *Section I*

Ms. Payne stated that there are now five sections in the draft trading manual. The goals for the overall document were to create consistency, standardize the format, make clarifications and reduce redundancies. The original document was 66 pages long; it has now been reduced to 59 while a whole section was added.

Ms. Payne stated that much of the material in Section I was not changed because it is background information and includes the trading policy statement. Since there were comments regarding the U. S. Environmental Protection Agency (EPA)'s Technical Memoranda (TMs), information on what they are and how they function was added to the document. The full text of the TMs can be found on the EPA's website. An addition was made to the policy statement regarding the protection of farm and forest lands. Information applicable to all of the sections was placed in to the first section to reduce multiple reiterations throughout the document (i.e. pollutants eligible for trading, protection of local water quality, additionality, etc.). A map was added detailing the trading regions, as well as a subsection on trading ratios. Stakeholder involvement and the public process were also more clearly explained. Ms. Maloney asked if the material regarding delivery ratios restated what had been reviewed and Ms. Payne replied that it restated what had been previously discussed.

An attendee asked if there was any provision for public review and comment at the Maryland Department of the Environment (MDE)/Maryland Department of Agriculture (MDA) credit application approval stage. Ms. Payne replied that there was no mechanism on the MDA side since MDA is given the authority by legislation to certify/verify/register agricultural credits. The documents will be posted to the website when the credits are certified. This is done to prevent confusion largely due to the high error rate with individual submissions and the need for some revisions before final certification. Ms. Buchheister stated from the document on page 16 that

“NPDES permits that specifically or conditionally authorize trading ...” will not require additional public process if there is no major modification made. Ms. Buchheister asked if MDE considers the Municipal Separate Storm Sewer System (MS4) permits to authorize trading. Ms. Buhl replied that MDE agreed with EPA’s Region III view that the language allowing trading has to be included in the permits. MS4 permits currently do not explicitly authorize trading and would have to be reopened to include trading. MDE is not currently looking to reopen the permits, but hopes to have regulations which will allow for changes. Ms. Buhl also noted that MDE plans to work with MDA and make pertinent trading information public and available online to ensure transparency.

Mr. Fewell suggested graphs or flow charts for the requests for approval (i.e. guidelines and deadline dates) to make the process more user friendly. Mr. Edward asked for clarification regarding “term” and “permanent” credits. Ms. Payne stated that currently only term credits are available, but when what is now known as Aligning for Growth (AfG) moves forward, permanent credits will be discussed and become available. Mr. Michelsen asked if Phase II permits will be written with the allowance for trading added. Ms. Buhl replied that they would.

Mr. Todd stated that the idea of promoting the preservation of agriculture is a good objective, but inappropriate to have it as an objective of the trading program. Ms. Connelly replied, from the Farm Bureau’s perspective, that farmers will most likely not participate in the program unless it can actively state it will not take productive agricultural land out of production to achieve trading goals. Ms. Stecker stated that the statement can be reevaluated to see if it can be rewritten to satisfy both concerns.

Ms. Buchheister stated that additionality was reduction beyond the baseline in absence of a trade, but for the NPDES permitted facilities, it is being below the Total Maximum Daily Load (TMDL) baseline, which leads to capacity credits. Ms. Buchheister stated that she believed the WQTAC had reached a consensus against the use of capacity credits. Ms. Moore replied that the group never reached consensus. Ms. Stecker stated that clarifying language will be needed. Mr. Myers stated that there were many issues which had never reached consensus with the group but have been added to the final draft of the document. Mr. Myers asked if the document becomes the authority of MDA for trading or if the regulatory process needs to be used. Mr. Myers reminded the WQTAC that there are no regulations making the document legal and consensus has not been reached on many of the points (i.e. trading geography). Ms. Buhl stated that, at best, the document would be policy or guidance, and it will help MDE/MDA identify the aspects which need to be put into regulation. Ms. Payne added that the only new regulations which would be needed would be based on Section V regarding the exchange of credits. Mr. Myers expressed an interest in discussing the details. Ms. Moore expressed a concern of MS4’s regarding the term credit and possibly having to be put through a permit modification.

*Section II*

Ms. Buhl stated that decisions were made on the baselines and permits for the MS4's. The goal was to create a generic trading policy, not one excessively influenced by the current MS4 pressures and timelines. Ms. Buhl suggested holding a separate meeting for those who would like more in-depth information on the wastewater sector. Ms. Buhl stated that MDE is focusing on performance credits. MDE wants to ensure that the general public will be able to verify calculations used in establishing performance credits based on operational achievements of the facility.

Ms. Maloney asked if it was possible to estimate available treatment capacity of the wastewater treatment plants (WWTPs) around the state by comparing current flow with the design capacity. Ms. Buhl stated that the largest points of discussions will be the establishment of the baseline, the floating cap, and the calculation of performance credits. There are already a lot of processes in place and discussions need to be held on whether or not they are adequate. MDE does not envision seeking public input on all proposed trades, but they want individuals to be able to find out if trades are in process or have been proposed and who the key players are. The goal is transparency.

Mr. Michelsen stated that writing the performance limits into the permits for MS4's will be objectionable to many. Ms. Buchheister asked if optimized credits were necessary. Mr. Stone replied that optimized credits could be removed from the document. Mr. Tassone stated with regard to performance credits, that there is nothing written defining who could and could not purchase performance credits, their duration and purpose, and what percentage of an MS4 permit can be met through performance credits versus those on the open market. Ms. Maloney asked if anyone with a discharge permit would be eligible for credits. It was replied that it is a possibility. A meeting attendee, Mr. Hall, stated that in the document, it is mentioned that "EPA has conducted assessments of the Bay jurisdictions programs and found the Maryland Trading Program to be consistent with the Clean Water Act (CWA) and the Chesapeake Bay TMDLs." This statement may be referring to the MDA program and does not seem to have anything to do with what is being discussed by the WQTAC. Ms. Stecker stated that clarification can be added to that section. Mr. Edward stated that an assessment for the trading program was conducted in 2012 and a follow-up assessment was performed this year, which included alignment with the TMs. Mr. Michelsen asked for clarification regarding the retirement of an existing minor WWTP after connecting to an Enhanced Nutrient Removal (ENR) facility with State grants. Ms. Stecker stated that topic can be discussed at the more in depth at the small group meeting. Ms. Hoot asked for clarification regarding farmers and cost shares. Ms. Payne replied that cost-share funds can be used to meet baseline. When the cost-share contract is over, if the practices (BMP's) can be confirmed as having been maintained and still functioning effectively, then they could be recertified to generate credits.

*Section III*

Ms. Buhl stated that the initial stormwater permitting was expanded to include industrial stormwater and private sector participation in the program. MS4 permits would have to be modified to authorize trading. The trading hierarchy was changed from a requirement to a recommendation. Aquaculture has also expressed interest in trading, and language will most likely have to be added to the trading manual to accommodate that.

Ms. Moore asked, regarding trading ratios and credit retirement, if there is an additional 5% retirement on top of the point source retirement ratio. Ms. Buhl stated that the credit retirement is incurred by the party who generated the credit. Ms. Moore asked if retirement would affect receivers and generators, to which Ms. Buhl replied “No.” Ms. Payne stated that the retirement ratio is applied differently in different sectors. For example, for the WWTP, it is a reduction while in agriculture, it is an addition. Ms. Moore suggested that it might be more applicable in another section. Ms. Payne stated that any trade would be subject to the retirement ratio for that sector.

Ms. Buchheister asked if the number of acres listed in table on page 30 were all of the acres or the 20% which is required by the permit. It was clarified that the table on page 30 listed all the acres. Ms. Buchheister also asked about the 10% (actually half) policy for the 20% requirement. Ms. Buhl stated that was removed from the manual based on the theory that the limit on how much which can be traded will be included in the individual permit. Ms. Buchheister expressed a concern that the policy was not expressed anywhere. Ms. Moore asked if there were different verification procedures required for trades with MS4’s and agriculture and MS4’s and WWTP’s. Mr. Clevenger stated that verification of agricultural credits is recorded through the online registry process; for WWTP’s the process is memorialized in the permits. Mr. Myers asked why is it so hard to write permits based on WLA by pollutant. Mr. Clevenger replied that the if stormwater permits are written with numeric effluent limits, wholesale monitoring at tens if not hundreds of outfalls will be necessary to show that loads are being reduced. It essentially is treating a storm drain system like a waste water treatment plant. The accounting guidance makes it easy for the MS4 to convert their acreage into loads. They can do it themselves. The Court of Appeals agreed that the impervious surface is an appropriate way to go with MS4 restoration.

*Section IV*

Ms. Payne stated that not many changes were made to Section IV since much has been codified by regulation regarding the certification, verification, and registration of agricultural credits. The final regulations were adopted on August 29 although that does not mean that they cannot be changed in the future. Category 1 BMP’s were given a clearer definition, as well as their eligibility and relationship to the Chesapeake Bay Watershed Model (CBWM). Tradable credits can be generated from any Category 1 planned agronomic, land conversion, or structural practice. There are three categories, and at present, only Category 1 is allowed to generate credits. The next major issue regarded the question of the confidentiality of farm plans. The

manual reiterates the new regulations, which require the farmer to waive confidentiality for these documents. The online calculation tool generates a farm summary which is prepared using the Nutrient Management Plan (NMP), the Soil and Water Conservation Plan, etc., and recreates the information in a NMP in a more readable format. Ms. Connelly stated that all of the farmers she has spoken with stated they are not taking part in a program which would require the release of that information, and if it is the desire to have farmers use the tool, then there needs to be more confidentiality. Mr. Myers asked for clarification of the language: “Once it has been determined that baseline requirements for the watershed have been achieved.” Ms. Payne stated that the farm assessment is based on the watershed segment in which the farm is located, and the farm needs to meet the more stringent of the Bay or State TMDL for that segment.

#### *Section V*

Ms. Payne stated that much of the material for this new section was drawn from past experiences in securities trading, as well as the guidelines and policies discussed during the development of agricultural policies Phase II-B (2008). The State provides a trading infrastructure to support trading but does not set the price and does not transact trades. Separate markets will be in place for Nitrogen (N), Phosphorous (P), and Sediment (TSS). Ms. Maloney asked if a nutrient credit needs to be bought, would the trader combine them for the user. Ms. Payne stated that nutrients are N and P, and they are calculated independently. A purchaser would either advertise for the specific credits or approach an aggregator to find the needed credits. Regarding credit pricing, without trades it is difficult to give pricing, but the price will be set only through negotiation by the buyer and the seller. It is expected that prices will be higher in the beginning when supply is limited.

Mr. Myers stated that the trading tool was used by the Chesapeake Bay Foundation (CBF) with Clagett Farms to become the first Agriculture Certainty Farm and was a success in terms of being able to quantify the loads coming off of the farms and the load reductions. Ms. Payne stated that credits cannot be generated until baseline has been met. The Chesapeake Bay trading platform can be used by Maryland, Pennsylvania, and Virginia, and the Maryland Nutrient Trading/Tracking Tool (MNTT) is a state-specific tool. The use of the MNTT is mandatory for determining baseline eligibility and credit generation capacity. The registry is the database component which documents, catalogues, and tracks both term and permanent credits and completed trades. The registry will display credit generating projects, verification activities, credits, trades, and credit usage records. Once the credit has entered the registry it is assigned a unique number which is used to track its entire lifespan, from generation through trading and use and retirement. The registry was also designed to display both edge-of-segment and delivered credits. The marketplace is where individuals can post credits once they are certified, or an individual can advertise for certain credits and then be approached by sellers to conduct the trade. Aggregators or brokers can also be used. The final components include an administrative

module which is strictly for the individuals designated as administrators and the interactive mapping feature which is used to draw fields or the parcel.

The next subsection deals with aggregators and brokers and defines their roles. The former assembles credits from multiple projects into a larger package for sale; the latter matches buyers and sellers and negotiates trades. An important distinction is that in contracts signed through brokers, the seller is liable while in contracts signed with aggregators, the aggregator is liable for the credits. Mr. Lafferty asked if certification was required to become an aggregator or a broker. Ms. Payne replied that there is no set certification, but aggregators and brokers have to demonstrate that they have clear path to ownership of the credits, demonstrate they can provide the number of credits required, and need to be in compliance of all state, federal, and local laws. Mr. Lafferty asked if it would be better to limit the marketplace to qualified and certified individuals or have in place a rigorous certification process to become accredited. There are many licenses in the state for brokers of all types and would any be applicable and sufficient, especially when dealing with permanent credits. Ms. Maloney asked about bonding, and it was noted that it is not required but it could be an important element. Ms. Connelly asked if there were something built into the contracts being offered to farmers that made it fair for farmers and offered some level of review for a contract. Ms. Payne stated that MDE and MDA do not impose specific contract provisions and the use of standardized contracts is not required. MDE and MDA do state that all of the issues need to be understood by all parties and have listed key elements which need to be a part of every contract. MDE and MDA do not review the contracts. Ms. Connelly asked if there were any way to generate a list of attorneys who are capable of reading the contracts and advising farmers, to which Ms. Payne replied that there was not. Ms. Connelly stated that currently the Maryland Farm Bureau relies on the University of Maryland's Agricultural Law Program to help identify and solve issues. Ms. Buhl stated that MDE and MDA cannot make that kind of recommendation. An attendee, Mr. Nielsen, suggested that the State Bar Association would be a good place to start.

## 5. UPDATES

Ms. Payne reiterated the update that the MDA regulations were adopted on August 29. Mr. Myers stated that CBF had a pilot trading grant for Montgomery and Queen Anne's County which is still waiting to be implemented. One issue is that the number of credits is based on the current CBWM. Mr. Myers asked how long the credits stay the same. Ms. Payne replied that it depends on whether or not the credits are sold. When the credits are calculated, the comparisons are made to the current baseline. If the credits are not sold, when a new version of the calculation tool comes out, the credits will need to be re-run. Sold credits will be protected for the length of the contract. However, when credits come out of contract, they will have to be recalculated.



6. FALL MEETING TOPICS – *Bay Restoration Fund (BRF) Credit Purchase Legislation/ Aligning for Growth (AfG) Policy*

Mr. George gave a presentation on a proposed BRF legislative amendment and the status of AfG. The proposed BRF legislative amendment will allow the State to purchase nutrient credits on the most cost-effective basis. The WQTAC will most likely have some influence on whether or not it will move forward. AfG is waiting for some of the mechanics of trading to mature or come to fruition since it is partially dependent on them. The Environmental Finance Center (EFC) report influenced the Section 40 report which summarized past and projected State expenditures and provided estimates of the load reductions and a framework for achieving the 2025 Bay goals. The Phase II Watershed Implementation Plan (WIP) acknowledged the shared responsibility across many sectors. The use of the BRF for purchasing credits is an efficient way to pool local resources. It promotes effective use of public funds by lowering the overall cost of the Bay restoration. This approach will exercise the market-based system, reward farmers and WWTP's who have met their baseline and are going further, and promote innovative nutrient reduction options in the future.

MDE is discussing HB325 with various stakeholders. This bill would authorize MDE to purchase cost-effective nutrient credits using the wastewater sewer user fees, beginning in 2018. There were concerns which were raised by stakeholders regarding HB325. Among them are:

- No limits on when & how many credits (\$) may be purchased.
- Questions regarding what the credits apply to (assigning the credits).
- Safeguard the uses of dedicated funds.
- Potential impacts on Agriculture sector ability to meet its Bay goals.
- State involvement in market place pricing.
- Premature given limited understanding of trading program.
- Potential expectation for restoration to occur in urban locale.
- Potential impact on funding stormwater permit obligations.
- Concern small WWTPs will not receive upgrade funding.

Mr. George inquired about questions or concerns regarding HB325. Mr. Nemazie asked for a reminder of when funding will be expended for the major WWTP's. Mr. George replied that the funding has been earmarked, and by 2018, the funds will be spent on debt service while still having some cash flow available. The ratio is roughly 50/50. The notion of bonding any income is an option. Ms. Buchheister asked if MDE has quantified the load which needs to be reduced and funds which need to be spent regarding combined sewer overflows (CSO's). Mr. George replied that it is an important policy issue. MDE has proposed a shift in the BRF prioritization formula which speaks to this issue. The formula would make it more difficult for CSO projects to be ranked as high as they have been previously. The policy is currently up for public

comment. Mr. Myers stated that the public will not be very keen on shifting the funds from public sewers when there are issues of sewage running down the streets of Baltimore.

Mr. Nees stated that it is the States' responsibility to achieve the TDML. This means that for every pound which needs to be reduced between now and 2025, the State has three options: the State can pay, regulate, or use a combination of both options. The WQTAC should remember that it is the State's obligation to achieve Bay TMDL. Half of the required pounds is already regulated, which means that the rest is State's responsibility. The goal is to remove N, P, and TSS from the system, and the way to accomplish this goal is to obtain the most cost-effective nutrient reductions. Mr. Knapp stated that Maryland Association of Counties (MACO) was one of the groups which opposed the legislation because the bill was premature and lacked details. From the county perspective, the BRF is viewed as a state funding mechanism which helps counties to reach targets placed on them by the State. This source of funding has been critical and fairly successful. Local governments are very wary to support any bill which does not have very strict guidelines regarding how much MDE can spend and what MDE can do. If it were a one-time deal to jumpstart the trading program, there would be a greater level of certainty. However, an open-ended amount of time could jeopardize future funding for CSO's, hence the uncertainty. Ms. George invited feedback on the recommendations.

Mr. George stated that MDE is developing a White Paper to address issues and seek inter-agency review. The White Paper will be discussed at the October 17 meeting of the WQTAC with the goal of identifying a subgroup of the WQTAC consisting of individuals who would like to discuss the fine details. It's envisioned that the subgroup and legislators will meet sometime in October or November to discuss the White Paper. At the November 17 meeting, the subgroup will discuss their findings with the WQTAC. Finally, at the December 12 meeting, MDE is seeking closure on the key issues and would like to draft legislation at that time. Mr. Myers asked if the HB325 legislation is seen as the most efficient expenditure of BRF funds. Mr. Nees replied that a series of options were laid out in the EFC report with this legislation as the foundation. Mr. Myers requested that the WQTAC be sent copies of the EFC report. Ms. Hoot asked why the funds would not be placed into the cost-share program for the agricultural sector instead of using trading. Mr. George stated that is a grant approach. Ms. Connelly stated that the agricultural sector does not want to hold the entire burden because it is cheaper. Mr. Nees stated that the agricultural sector does not have to do anything it does not want to. The State is just another buyer and will go elsewhere. Mr. George stated that these are the types of issues which will be discussed moving forward.

Mr. George stated, regarding AfG, that there is an EPA expectation for all of the States in the Chesapeake Bay watershed to put into place operational tracking and accountability mechanisms to ensure that all new or increased pollutant loads are fully offset. In addition, there is an interest in having policies and procedures for tracking and accounting loads among sources as land

develops. In 2012, the State proposed options for addressing AfG, but failed to gain stakeholder consensus. As a result, the State formed a work group tasked with studying the issues related to AfG and it issued a report in August 2013. Afterwards, the State agencies continued to work together intermittently in an attempt to reach a consensus on AfG. In 2015, the Bay cabinet leaders agreed to pursue general trading policies in consultation with the WQTAC; AfG was later added as one of the topics the group would consider.

Regarding the schedule, in September and October, a draft AfG policy is expected to be distributed for inter-agency review. The BRF issue will be the focus at the October WQTAC meeting. At the same time, a subgroup for AfG will also be identified. In October and November, MDE would like to meet with the AfG subgroup to discuss the policy proposal. The AfG proposal will be presented at the November WQTAC meeting. In November and December, further feedback will be requested from the subgroup. At the December meeting, a consensus will be sought if possible. The AfG discussion will be put on hold during the legislative session if closure is not reached in December 2016. Closure on AfG policy is expected in the spring/summer of 2017. Mr. Lafferty asked how much time staff has spent reviewing the notes and information previously generated by the AfG workgroup. Mr. George stated that participants of the workgroup have been consulted moving forward.

Mr. Lafferty asked if the framework for AfG will be available to the WQTAC by the October meeting. Mr. George replied that is possible. Ms. Buhl stated that the previous AfG workgroup had reached a consensus on 80% of the issues. Ms. Maloney stated there is a table available in the final report which shows the consensus which was reached and what was not. Ms. Moore stated that much of what was agreed upon has been incorporated in to the Trading Policy. Ms. Payne stated that the AfG workgroup report from August 2013 would be issued to the WTAC with the meeting minutes. The AfG workgroup report showed significant progress made on a lot of issues although the issues which were left unresolved were the most important ones (i.e. baseline). The report from the EFC and Mr. George's presentation on BRF and AfG will also be distributed to the WQTAC. Mr. Kelly asked if AfG was envisioned as policy or support for legislation. Mr. George stated that it is unknown at this time until the WQTAC can reach a consensus. Mr. Kelly asked about an enabling authority, and Mr. George replied that the TMDL requires an enabling authority. Ms. Buchheister requested that 'geographically targeting funds' be added to the list for future discussions. Ms. Moore pointed out a regional impact and suggested considering removing some of the Chesapeake Bay obligations for jurisdictions located farther away. Mr. George stated that there is a lot of flexibility to make the program work for everybody by finding the right balance.

## 7. PUBLIC COMMENT

Mr. Forlini suggested implementing self-verification and self-certification in certain scenarios to prevent bottlenecks since it has been shown to be helpful in other similar situations. Ms. Payne

stated that standards could be loosened up as the program moves forward, but certification is required by statute and will not change unless the statute is changed.

#### 8. UPCOMING MEETINGS

Ms. Stecker stated that at the next meeting the WQTAC will be discussing and addressing the fatal flaws of the trading manual, as well as progress on the BRF and AfG topics. The goal is to have a final trading document by the November meeting while also continuing discussions regarding BRF and AfG. Ms. Payne reiterated that the use of the term ‘final’ in the Trading Manual document is only for current sections as the document has other parts which need to be added; it should be a dynamic document which can change as necessary as the Trading Program moves forward. Mr. Myers asked what the term ‘consensus’ meant for the document. Mr. Myers suggested product disclaimers on the document as not everyone will be satisfied with everything and would not want to be miscast as supportive of the entire document. Ms. Stecker stated that additional language will be investigated. Ms. Payne reminded the group that the members were invited to join the Committee based on their expertise, not their group affiliations.

*Monday, October 17, 1-4 p.m., MDE, 1800 Washington Boulevard, Baltimore, MD 21230*

*Thursday, November 17, 1-4 p.m., CBF, 6 Herndon Avenue, Annapolis, MD 21403*

*Monday, December 12, 1-4 p.m., MDE, 1800 Washington Boulevard, Baltimore, MD 21230*