

**Clean Water and Flood Abatement Task Force**

**Thursday, November 3<sup>rd</sup>, 2015**

**1:00 p.m. – 3:00 p.m.**

**Sussex County Association of Realtors**

**Meeting Attendance**

**Task Force Members:**

**Present:**

Senator Bryan Townsend  
 Representative Michael Mulrooney  
 Senator Bryant Richardson  
 Representative Ronald Gray  
 Secretary Jennifer Cohan  
 Secretary David Small  
 Holly Porter  
 Robert Baldwin  
 Thom May  
 Howard Morrison  
 Gerard Esposito  
 Paul Morrill  
 Patty Cannon  
 Brenna Goggin  
 Christine Mason  
 Dian Taylor  
 Lew Killmer  
 Gerald Kaufman  
 Jen Adkins  
 Joseph Corrado  
 Michael Riemann  
 Bruce Jones

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**Absent:**

Sam Lathem  
 Harold Godwin  
 William Lucks  
 Thomas Unruh  
 George Haggerty  
 Jeffrey Bross  
 Roy Miller  
 Kent County Administrator

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 N/A

**Staff:**

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 Caitlyn Gordon

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Minutes prepared by Caitlyn Gordon, Legislative Aide

Minutes reviewed by Michelle Zdeb, Legislative Assistant & Task Force Staffer

**Attendees:**

Hans Medlarz  
 Kitty Holtz  
 Ron Fantini  
 Sharon Fatnini  
 Lois Fatini  
 Pat McCamant  
 John McCamant  
 Edward Hallock  
 Chris Brown  
 Mohammad Akhter  
 Jeanette Akhter  
 Kash Srinivasan  
 Barbra Shamp  
 Tom Shamp  
 Sari Rothrock  
 Martha Narvez  
 S. Douglas Hokuf  
 David Baird  
 Heather Warren

**Organization:**

WIAC  
 Delaware Farm Bureau  
 Swann Keys  
 Swann Keys  
 Swann Keys  
 Swann Keys  
 Swann Keys  
 DPH  
 CIB  
 Refuge  
 Refuge  
 Kash Srinivasan Group  
 Dirickson Creek Project  
 Dirickson Creek  
 PDE  
 UD WRA  
 NCCD  
 Sussex Conservation District  
 DPH

The Task Force meeting was brought to order at 1:09 pm.

**Consideration of Meeting Minutes**

Senator Bryan Townsend, Co-Chair, thanked everyone for coming to the Task Force meeting. Next, he read out changes that Holly Porter, member, requested be made to the draft September 23<sup>rd</sup> Meeting Minutes. She asked to change the name of an organization that she misstated during her presentation. Ms. Porter also asked to change numbers in her presentation in regards to cost-share that farmers have received from the Department of Agriculture as opposed to money received from NRCS (National Resources Conservation Service) or the Conservation Districts. Senator Townsend added that her changes are technical in nature in terms of changing around some numbers. He then asked if anyone else has changes that they he would like to see made to the draft Meeting Minutes from September 23<sup>rd</sup> or October 15<sup>th</sup>.

Seeing none, Senator Townsend asked for motions to approve the September 23<sup>rd</sup> Meeting Minutes (as amended by Ms. Porter) and the October 15<sup>th</sup> Meeting Minutes. The first motion to approve both sets of Meeting Minutes was made by Representative Michael Mulrooney, Co-Chair. This motion was seconded by Joseph Corrado. The Meeting Minutes from September 23<sup>rd</sup> and October 15<sup>th</sup> were approved unanimously.

**Review of Current Project Prioritization System**

Senator Townsend moved the discussion onto the second item on the agenda and introduced Hans Medlarz, with the Water Infrastructure Advisory Council. Hans presented *Delaware Water Pollution Control Revolving Fund Project Priority List Ranking Criteria* to Task Force members.

Minutes prepared by Caitlyn Gordon, Legislative Aide

Minutes reviewed by Michelle Zdeb, Legislative Assistant & Task Force Staffer

Please see the presentation Task Force members received below:

Clean Water and Flooding Abatement Task Force

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

November 3, 2015

Hans Medlarz, P.E.  
Vice Chairman  
Water Infrastructure Advisory Council

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Department of Natural Resources and Environmental Control

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

- Standard Operating Procedures for the Delaware Water Pollution Control Revolving Fund (CWSRF Program) define criteria for establishing a Project Priority List (PPL)
- PPL ranking criteria has been periodically amended to reflect DNREC's water quality priorities and for evaluating proposed infrastructure projects for funding through the CWSRF program.
- The PPL ranking criteria was updated in 2015 (for January 2016 implementation) to reflect an increased water quality focus primarily on toxics, and reallocation of possible points
- Development of semi-annual PPLs start with solicitation of Project Notices-of-Intent (NOIs) CWSRF loan applicants
- CWSRF County Workshops are held to educate potential applicants of requirements of CWSRF program NOIs are due in January and August
- Draft PPLs are presented at Public Meetings held by the Water Infrastructure Advisory Council After a 30 day Public Comment Period, Draft PPLs are finalized if there is no adverse public comment

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Department of Natural Resources and Environmental Control

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

Categories and Points

I. Water Quality Protection	0-45 points (0-10 bonus)
II. Targeted Waterbodies	0-20 points
III. Clean Water Priorities	0-20 points
IV. State Strategies	0-10 points
V. Green Project Reserve	0-10 points
VI. Sustainability	30 points
VII. Land Conservation	0 points (10 bonus)
<b>Total</b>	<b>135 pts 20 bonus</b>

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Department of Natural Resources and Environmental Control

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

**Water Quality Protection – (0 - 45 points)**

- Point Source project** - Total pounds of nitrogen plus the total pounds of phosphorus that will be removed from the discharge as result of the project multiplied by a constant - Maximum 45 points  

$$Ex. \frac{(11,400 \#N + 1,600 \#P/year) \times 0.304 \#}{365 \#year} = 10.7 \#pts$$
- Phos Bonus pts for ENR** - additional point for each 10% of allowable pollution load eliminated by project (up to 10 pts), or
- Toxics** - For toxic pollutants, the effectiveness of a given project will be rated based on its ability to eliminate or reduce the severity of Delaware fish consumption advisories, eliminate or reduce the severity of toxic impacts to benthic aquatic life, or otherwise attain numeric toxics criteria for the protection of human health and aquatic life in Delaware Water Quality Standards. Points will be determined for effectiveness by multiplying the percent reduction in impact by 0.5 - Maximum 45 Points, or
- Non-point source project** receive points based on the published efficiencies of the BMP's. Percent efficiency of the project's BMP multiplied by 45 - Maximum 45 points

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Department of Natural Resources and Environmental Control

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

**Targeted Waterbodies – (0-20 points)**

- If the project:
 

- Addresses an existing TMDL	20 points
- Addresses a watershed management plan	10 points
- None of the above	0 points

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Department of Natural Resources and Environmental Control

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

**Clean Water Priorities (0-20 points)**

- Project falls under one of the categories below:
 

- Septic System Elimination Project	15 points
- Wastewater Treatment Facilities and CSO's	20 points
- Other Wastewater Project	10 points
- Wastewater project with I&I correction	15 points
- Surface Water Management Project	15 points
- Surface Water Management Project under MS4 permit	20 points
- Project that eliminates or reduce toxics (WATAR)	15 points
- Project that eliminates or reduce toxics (WATAR) and implements wetland restoration	20 points
- Other Water Quality project (NPS)	10 points

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Minutes prepared by Caitlyn Gordon, Legislative Aide  
 Minutes reviewed by Michelle Zdeb, Legislative Assistant & Task Force Staffer

**Department of Natural Resources and Environmental Control**

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

**Strategies for State Policies and Spending (0-10 points)**

- 212 project
  - Level 1 10 points
  - Level 2 10 points
  - Level 3 5 points
  - Level 4 0 points
  - Out of Play 0 points
- Non-point Source (319) Project 10 points

November 3, 2015

**Department of Natural Resources and Environmental Control**

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

**Green Project Reserve (0-10 points)**

- Project meets definition in one of below categories
  - Green Infrastructure 10 points
  - Water Efficiency 10 points
  - Energy Efficiency 10 points
  - Environmentally Innovative 10 points

November 3, 2015

**Department of Natural Resources and Environmental Control**

**Delaware Water Pollution Control Revolving Fund  
Project Priority List Ranking Criteria**

**Sustainability (0-10 points)**

- Project/System incorporates:
  - Asset Management Implementation 10 points
  - Full Cost Pricing Standards 10 points
  - Climate Change Adaption or Resiliency 10 points

**Sponsorship (10 bonus points)**

- Land Conservation or Water Quality Improvement Sponsorship 10 points

November 3, 2015

**Draft Revised 2015 Project Priority List Process and Ranking**

**Project Notice-of-Intent Solicitation:**

- CWSRF and DWSRF County Workshops – July 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup>
- Due Date for NOIs – August 15, 2015

**CWSRF**

- 11 Project NOIs Received from 2<sup>nd</sup> Solicitation Totaling \$40 million
- 20 Project NOIs Received from 1st Solicitation Totaling \$62 million  
27 Municipal; 3 Private Business; 1 Private Utility; Totaling \$102 million
- 8 Project NOIs From Prior Year Solicitations Pending Loan Closure or Loan Applications Totaling \$48 million
- 39 Overall Project NOIs Totaling \$150 million

**CWSRF Set Asides:**

- \$1.5 million – Non Point Source Projects (Septic Systems, Poultry & Dairy BMPs)
- \$5.0 million – Land Conservation Loan Program
- No Limit – Water Quality Improvement Loan Program

November 3, 2015

**Public Hearing**

**Draft Revised FY 2015 Project Priority List**

Rank	Year	Project Name	Applicant	Project Type	Priority	Score	Comments
1	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	100	
2	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	95	
3	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	90	
4	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	85	
5	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	80	
6	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	75	
7	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	70	
8	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	65	
9	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	60	
10	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	55	

**Public Hearing**

**Draft Revised FY 2015 Project Priority List**

Rank	Year	Project Name	Applicant	Project Type	Priority	Score	Comments
11	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	50	
12	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	45	
13	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	40	
14	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	35	
15	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	30	
16	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	25	
17	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	20	
18	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	15	
19	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	10	
20	2015	Water Pollution Control Plant Upgrade	City of Newark	Water Pollution Control	High	5	

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Public Hearing					
Draft Revised FY 2015 Project Priority List					
Rank	Year	Project Name	Agency/Dept	Priority	Notes
1	2015	...	...	...	...
2	2015	...	...	...	...
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Public Hearing					
Draft Revised FY 2015 Project Priority List					
Rank	Year	Project Name	Agency/Dept	Priority	Notes
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2	2015	...	...	...	...
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During the presentation, the following questions were asked:

Paul Morrill, Committee of 100, asked how the set-asides are established, referring to slide 10. He continued by asking if Council sets them up or if they are linked to a revenue stream.

Mr. Medlarz answered that the set-asides are set up by looking at the historical demand and, for the new projects, they look at the express demand. He continued by stating that there are many possible projects, so a subcommittee discusses the set-asides and then a finance subcommittee vets them. Lastly, the Council makes the recommendation for the set-aside.

Kitty Holtz, attending on behalf of Thomas Unruh, Delaware Farm Bureau, asked what the funding sources are. She wanted to know if it is totally State funded or if federal money is involved.

Mr. Medlarz answered that most of the funding comes from the EPA (Environmental Protection Agency). He continued by saying that it is an annual allocation that is set by Congress, which is just below the \$10 billion range. Additionally, there is a match required by the State, and the General Assembly sets this match. For the majority of years, the match was fully provided. If you look at it roughly, it's 80/20 in addition to interest payments.

Mr. Morrill asked how cover crops and storm water regulations would fit into the priority matrix presented by Mr. Medlarz. He proposed a scenario where the Council implemented a rainy day fund for drainage-type projects. Mr. Morrill followed this scenario by asking how this fund would fit into the matrix.

Mr. Medlarz replied that drainage and flood control do not necessarily fit into this fund. By definition, that is how the money comes from the government. The money that they are receiving is meant for water quality-type projects. He also stated that Best Management Practices do fit into the matrix. Mr. Medlarz added that if a cover crop is a Best Management Practice, then it would be covered in the matrix.

Mr. Morrill referenced the formula on the third slide of Mr. Medlarz's presentation, which covers the reduction of nitrogen and phosphorus. Mr. Morrill asked if anyone has tried to run the agriculture programs through this formula.

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Minutes reviewed by Michelle Zdeb, Legislative Assistant & Task Force Staffer

Mr. Medlarz replied that the formula is a point-source formula, not a non-point formula. He added that if one needed to just compare the two, it would be interesting to compare.

Senator Townsend wanted to confirm the totals on Mr. Medlarz's presentation and asked how much money was available on an annual basis.

Mr. Medlarz answered that the available funding is around \$160 million, on a cash-flow basis. The money left over on a cash-flow basis is about \$28 million dollars. Mr. Medlarz added that he can pull the exact number up at the end of the meeting.

Senator Townsend asked if there was a hard and fast score cutoff.

Secretary David Small, Department of Natural Resources and Environmental Control, answered that it is a combination of cash-flow loan payments coming back into the fund. Additionally, there is a fairly small infusion on an annual basis depending on what Congress sets as the appropriation; probably about \$10 million plus \$1.4 million State match of new money coming in on an average year. He added that the State has about \$160 million of cash available.

Senator Townsend asked whether or not the State can fund all the projects with no score cutoff.

Mr. Medlarz answered that the project has to be within the eligible criteria. He referenced Mr. Morrill's comments about a flooding project, which would not get funding because it does not meet the eligibility criteria of a water-quality project. Mr. Medlarz recalls years when project priority scoring mattered immensely because there was not enough funding available for all of the projects. He said this year is deceiving because there is enough funding for all of the projects.

Mr. Medlarz continued by explaining how the project's ranking does not matter as much. He referenced some of the projects down the list that show up with 2016 numbers, meaning although the project is on the list, it will not proceed in 2015. Going forward, Mr. Medlarz would expect years in which ranking becomes more critical because of limitations of funds. He added that 10 years ago, Council looked at leveraging. If the Council has an income stream, they can consider leveraging if more projects become necessary to complete. Mr. Medlarz stated that the State is in a place right now to fund every qualifying project.

Senator Townsend asked why Delaware has so much funding available this year.

Mr. Medlarz answered that it is not that Delaware has more funding this year, but the State has fewer projects that are qualified to fund this year.

Senator Townsend referenced the projects that are qualified and have a low overall score; he asked if they will still get funded.

Mr. Medlarz answered that it has happened many times, that a low ranking project will move higher than a higher ranking project due to availability to proceed. He added that this instance is not exclusive to 2015, it happens every year.

Senator Townsend proposed a scenario of where there is a low ranked project with committed funding, and a new project arises with significantly higher scores but no funding. The Senator continued to ask how this situation would be balanced.

Mr. Medlarz responded that the Council has not discussed a cutoff during the years when there is funding available. Mr. Medlarz reminded Task Force members that this is a revolving fund. So, the more money that the fund can lend, the better the fund can sustain itself. It is not in the fund's best interest to cut off funding because a project has a lower score.

Mr. Medlarz referenced the Ocean Outfall Project on his Project Priority List, which has 87 points and is a \$20 million project. He added that if a point score of 20 comes in, it will eat up the remaining \$15 million. It would be a bad idea to fund it, because the next year the Rehoboth Beach Outfall Project would be ready to proceed. He added that this is why the Project Priority List is important; it gives you more than a one-year snapshot. Mr. Medlarz added that the State will ask for projects 2 or 3 years out to avoid running into these problems.

Senator Bryant Richardson referenced the Project Priority List and asked if the Coverdale Crossroads Project should be on this list.

Mr. Medlarz responded that Coverdale Crossroads would be a great project to have on the Project Priority List. However, the project needs to have an entity to repay the loan portion of the project in order to apply. He mentioned that he was involved with the Ellendale Project, which included several underfunded areas that could not repay the funding. He added that this is more challenging due to the economic factors, but this does not mean that it cannot be done.

Thom May, Department of Health and Social Services (DHSS), added that the criteria is set by the EPA themselves, it is not a State policy. He continued by saying that the EPA is the one that requires Delaware to have the sub-political jurisdiction in place for a repayment.

Senator Townsend asked if Sussex County would be qualified to be the repaying jurisdiction.

Mr. May answered yes.

Mr. Medlarz also answered that this would be the most logical qualifying jurisdiction. One can have deals with entities that they may not think of in the first round. He added that there are also requirements to provide loan forgiveness. He continued with an example: a project like Coverdale Crossroads would require a significant percentage of loan forgiveness, and would probably require some creative funding. He added that one really has to stack these projects high to become reality.

Senator Richardson asked how these projects would rank, if there was an entity out there that could help fund them.

Mr. Medlarz answered that there would be a septic elimination project, and some water quality aspects. He referenced the Sussex County Project, stating that it is a septic elimination project. He added that Coverdale Crossroads would probably rank slightly above that one, in the high 60s.

Secretary Small added that as Mr. Medlarz pointed out, it is really at its core a loan program, in order to meet the affordability levels for a number of communities (Coverdale Crossroads being one example of that). He continued saying that the Council had talked about additional infrastructure money to leverage loans against grant funding to bring the affordability down to communities who need it. Secretary Small added that even if the State could blow through these dollars pretty quickly, the State would not have anything left. He also stated that the State is very careful to protect this as a State revolving loan fund, from a sustainability point of view.

Senator Richardson asked if anyone was working on it right now.

Secretary Small answered yes. He added that there are some people who have been talking with USDA (United States Department of Agriculture) Rural Development, which also has some funding available for these types of rural water and wastewater projects. Secretary Small stated that utilities have been a part of this discussion to come up with a different way to provide these kinds of services.

Senator Townsend wanted to clarify when Secretary Small said that the State could blow through this money quickly, he means if we hand them out in the form of grants.

Secretary Small answered yes.

Senator Townsend sought additional confirmation that the grant scenario would be as opposed to a revolving fund, whereby if the State lends the money out in the form of loans it will be paid back over time with a relatively low interest rate. He added that this would ensure available funds long-term to do these projects over and over.

Secretary Small answered correct.

Mr. Esposito referenced the Task Force's past discussion about Coverdale Crossroads, and he added that there are two parts to the problem. He stated that Secretary Small has already discussed the O&M (Operations and Maintenance) portion and continued by saying that even if the State gets a project funded, like Ellendale, with grants and loans, 20 years later there will be losses on operating the projects. The dilemma is if the State sets aside money for people who cannot pay their bills, then the people who pay their bills are getting penalized. He added that some people take advantage of the fact that they are not going to pay their bills because there is money set aside.

Joseph Corrado, Delaware Contractors Association, added that there are probably a lot of projects on the list that won't go through because the State cannot follow through with the projects just on a loan basis. He added that these projects might need some sort of subsidy financing to be able to move forward. Mr. Corrado continued by saying they have been finding this issue with many of the outlying municipalities, who would like to do a project but cannot move forward with it on just a loan basis.

Secretary Small added that in some cases communities need to put out a referendum and put this vote out to their citizens to borrow money. There is often a reluctance to do that.

Senator Townsend wanted to know if there is a database that shows the numbers of times that projects did put the referendum out and failed, as opposed to not putting out the referendum at all.

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Secretary Small responded that the State probably does not have that in database form but they could probably put some examples together and share.

Mr. May stated that when Ellendale tried to put in a public drinking water system, it failed because the town voted against it two years ago.

Senator Townsend asked if there is a happy story where the town voted yes.

Mr. May responded that many towns answered yes, such as Selbyville, Georgetown, and Milford. He added that from the drinking water side, towns have been very successful. But with the Ellendale situation, it took several years to put the project together, and the community still voted no.

Senator Townsend asked Mr. May what the margin was on this vote.

Mr. May asked his colleague, Edward Hallock, to address Senator Townsend's question.

Edward Hallock, Division of Public Health, answered that the margin was 2-1 against.

Mr. Medlarz added that on the drinking water side, the vast majority of these referenda have passed. Additionally, the vast majority of citizens who voted honestly wanted it.

Senator Townsend asked if there is a specific percentage of the number of projects involving loan forgiveness, or if it is more a matter of having a few examples.

Mr. Medlarz replied that on smaller projects, Delaware has 100% of loan forgiveness and only pays interest during construction.

Dian Taylor, Delaware Business Roundtable, asked that when these dollars are loaned or granted, have communities done anything to adjust rates so they are building sustainability in their water or wastewater system?

Mr. Medlarz answered that they have seen projects come through when the town did not believe how much their O&M is going to come in.

Secretary Small added that the State has proposed to come up with a system, working with a local political jurisdiction, to look harder at the mean household income level. Then, they seek to identify if there are subsets in the community that fall at the bottom of the affordability scale and adjust the project funding terms accordingly. This way, the State's funding can reflect what the actual economic conditions are within that community. The State is trying to use as many tools as they can to work with communities. It will take a large level of research but it is doable.

Mr. Medlarz confirmed that another way the State can do this is by taking an income survey. The income survey could help avoid long-term delinquencies.

Senator Townsend asked if this approach was ready to go live.

Mr. Medlarz responded saying that it is ready to go. He added that if an entity came in today and said that they would like to identify the subset or know the subset, the State can request that its loan-forgiveness

dollars be targeted to this subset and then have these dollars flow in on a cash basis to subsidize the utility bills.

Senator Townsend referenced the projects on the list. He asked if there would be a modification of the projects on the basis of the income subsets by resubmitting the project application, or by working out the details on the backend as opposed to having to do that on the front end.

Mr. Medlarz answered that one could reinvestigate the subsections and try to identify a certain project. He added that retroactivity has not come up as a question to the Council. Once the project is closed, that ship has sailed.

Senator Townsend added that he was referring to the ones that have not closed yet, the ones that are not on the Project Priority List.

Secretary Small responded that the Council would be open to it. If any of the applicants on the list wanted to do an analysis prior to closure, the Council would be happy to work with them.

Senator Townsend clarified whether or not those applicants have been made aware of that.

Secretary Small answered that the Council needs to do a better job on getting that out.

Holly Porter, Delaware Department of Agriculture, asked if the fund has a threshold for a default amount. She also asked if there had been a set standard of 10% in possible default.

Patty Cannon, Delaware Economic Development Office, referenced the subsets that have been talked about and wanted to know how recent that data has to be. She continued by stating the two entities who do surveys are the Census Bureau and the Delaware Department of Labor. She asked if it would have to be a survey more recent than that.

Secretary Small answered that he does not have a specific answer to that.

Lew Kilmer, Delaware League of Local Governments, also answered that the census data does not go deep enough. He stated that the State needs MHI (Median Household Income) data to identify subsets. Not everyone reports MHI, and that's what the Council needs for us to create this targeted body. He also stated that there needs to be 50% responses for subsets.

Mr. Medlarz stated that over the past 20 years, Council has done a great job by putting the Project Priority List together. He further stated that this list has been recognized by the EPA, and it has been changed to meet current conditions on an annual basis. He stated that he commends the Council for what they have done.

Secretary Small mentioned that he has the list of projects lined up by legislative districts that the Task Force asked for.

Senator Townsend added that two things have come up throughout the course of most meetings. For one, the priority scheme here is extremely nuanced and effective; for those who want to assume or pretend like it is not, it's important to look at the history and the facts. He added that the other important factor is, in terms of the legislative districts, it is only for the projects that have submitted applications. He added that

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there are probably other lists that should be made. The Senator asked members if there are other groups who need to pull the different issues occurring across Delaware of which legislators should be aware. He added that the Delaware Department of Transportation and the Department of Natural Resources and Environmental Control have applied for projects in other areas. He noted that the Task Force should assemble a list like this for the final report.

Mr. Esposito responded that the list the Task Force keeps talking about, the “Strong Community List,” is comprised of water and sewer communities that do not get on this list for lack of sponsorship. He continued by saying that this is why what is not on the Project Priority List is also important because of the concern that the entity who would sponsor it does not want to get stuck with something the entity cannot handle.

Senator Townsend responded that he agrees. The Task Force needs to address issues that might not make it onto the list. He added that a full list would add constitute a comprehensive view of the issues in Delaware.

Ms. Taylor asked if this list could be circulated to all the members.

Senator Townsend replied certainly. He added that he would be happy if this list was a part of the final report, but he hopes this list could be circulated with Task Force members prior to that.

Secretary Jennifer Cohen added that there is a list of roads that have routine flooding issues.

Senator Townsend responded that this issue would be worth a presentation because flooding is one of the issues that the Task Force is dealing with, as is the debate regarding whether it is optimal for Delaware to fund these issues versus alternative projects.

Ms. Porter added that this list might need to be done in layers. Each district would have layers within them revolving around different issues.

Senator Townsend replied certainly. He added that the Task Force has already discussed educating legislators of the issues. He continued by saying that there is also a challenge that some issues are going to overlap in terms of possible sources of funding and the interrelationship of the issues. At the very least, Senator Townsend iterated the importance of making the report as clear as possible. He continued by saying there could be a chart listing each issue by district.

Mr. Medlarz added that the Council and the university are both very proud of the Project Priority List. It has a lot of good data feeding into it, and it’s vetted. He added that he would really hate to see it watered down just because there is a need here, there is no definition of cost and no allocation where the need exists, and there is no number of customers affected. He stated that all of these pieces of interest are compiled to complete this list. He asserted that doing this would be taking a good product and decreasing the effectiveness of it. Mr. Medlarz added that if there is some project that members feel should be on this list, like Coverdale Crossroads for example, the Council could try to rank them for the member.

Senator Townsend thanked Mr. Medlarz for two of his unintended water puns; one was “down the drain” from earlier, and the other was “watered down” just now. He added that the members are not necessarily asking the Council to create a list to fit into the Project Priority List framework. He clarified that he would

like to make a list mapping out the prioritization scheme, then form another list mapping out chronic flooding issues in Delaware that DelDOT takes a look at. Additionally, the Task Force could form a separate list of projects that could be on the Project Priority List but are not. Senator Townsend clarified that there will be several separate lists.

Mr. Morrill added that he thinks there is a level of prioritization that is sort of above this list. He added there has not been an incorporation of agricultural issues. He asked if the Task Force will make a separate level of prioritization for that.

Senator Townsend clarified that he meant in terms of the Project Priority List framework he wants to stay away from forcing everything into it. However, there should be a much broader list addressing other issues.

Secretary Small responded by saying that the Council will take that as a challenge and will have a list of underserved communities too. There's a range of examples that fit on that list. Secretary Small noted that the Task Force needs to consider whose responsibility it is to operate and maintain the project.

Senator Townsend responded that the list may be a little fuzzy, and that is okay.

### **Presentation on Economic Considerations**

Senator Townsend moved the discussion along to the next item on the agenda and introduced Jerry Kauffman, a member, who presented *Economics and Water in Delaware* to Task Force members.

Please see the presentation task force members received below:

## Economics and Water in Delaware

Nov 3, 2015

SCR 30: Clean Water and Flood Abatement  
Task Force

Jerry Kauffman  
University of Delaware



## Delaware

- › 1<sup>st</sup> State to sign the Constitution
- › 1 Congressman
- › 3 electoral votes
- › 2<sup>nd</sup> smallest state
- › 3 counties
- › One of 3 states on a peninsula
- › Lowest state in the U.S.
- › 500-yr floodplain covers 2/5 of State
- › Wetlands cover 1/3 of State

## Delaware

- › 4 basins and 46 watersheds
- › Pop. 897,934 (US Census 2010)
- › Pop. 941,634 (2015)
- › Landuse (2012)

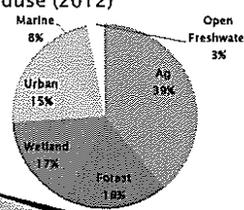
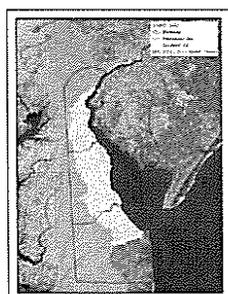



Table 4. Population projections in Delaware, 2010-2030

County	Population 2010	Population 2020	Population 2030	2010-2030 (change)	2010-2030 (%)
New Castle	538,170	567,764	589,267	51,097	9%
Kent	160,058	178,817	192,853	32,795	20%
Sussex	196,945	235,341	272,511	75,566	38%
<b>Total</b>	<b>895,173</b>	<b>981,922</b>	<b>1,054,631</b>	<b>159,458</b>	<b>18%</b>

(Source: Delaware Population Consortium Annual Population Projections, October 28, 2010)

## Best Run States (24/7 Wall St.)

1. North Dakota	3.5% unemployment
2. Wyoming	Energy is 30% of GDP
3. Nebraska	4.4% unemployment
4. Utah	AAA Bond Rating
5. Iowa	5.9% unemployment
6. Alaska	Budget Deficit = 0
7. South Dakota	7.6% tax burden
8. Vermont	5.6% unemployment
9. Virginia	\$62,000 HH income
10. Minnesota	92% w. HS diploma
11. Delaware	AAA Bond Rating

## GDP per Capita by State

Rank	State	GDP (\$ million)	Pop. (million)	GDP/ Capita
1	<u>Delaware</u>	62,700	0.9	69,667
2	<u>Alaska</u>	45,600	0.7	65,143
3	<u>Connecticut</u>	233,400	3.6	64,833
4	<u>Wyoming</u>	38,200	0.6	63,667
5	<u>Massachusetts</u>	377,700	6.5	58,108
6	<u>New York</u>	1,156,500	19.4	57,423
7	<u>New Jersey</u>	497,000	8.8	56,477

### GDP Per Capita by Country

1. Luxembourg \$89,992
2. Qatar \$88,919
3. Macau \$77,607
4. **Delaware \$69,667**
5. Norway \$61,882
6. Singapore \$61,103
7. Kuwait \$54,654

### Public Water Supply (2005) vs. GDP (2010)

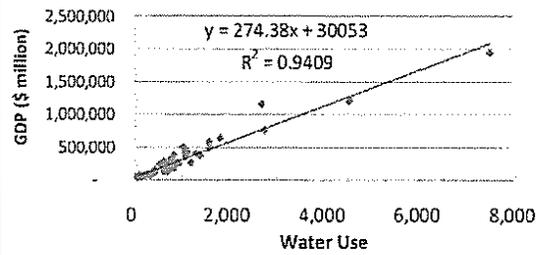
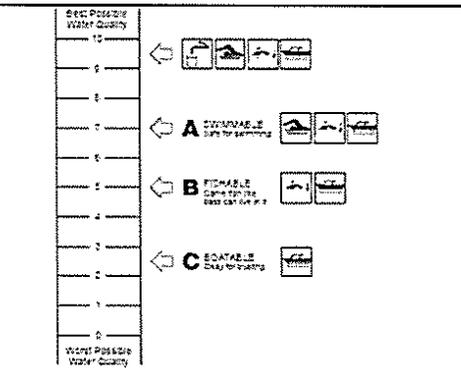
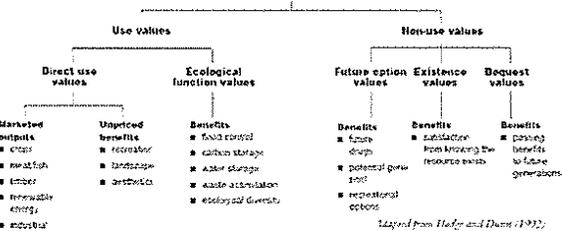
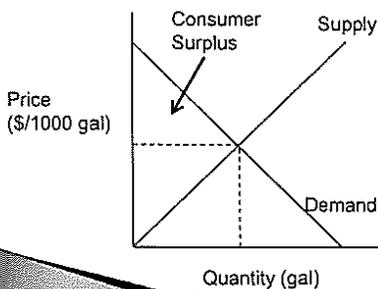


Figure 1. Total Economic Value



Consumer surplus is the difference between the amount that consumers actually pay and the amount that they would have been willing to pay.



### DE Agriculture Economy

Del. Ag Sales: \$1.3 billion

Sussex County (2012)

- Farm Land: 272,000 ac
- No. of Farms: 1,214
- Irrigated Land: 90,809 ac

- No.1 in poultry in USA
- 40<sup>th</sup> of 2478 counties in vegetables
- 28<sup>th</sup> of 3,079 counties in Ag product sales

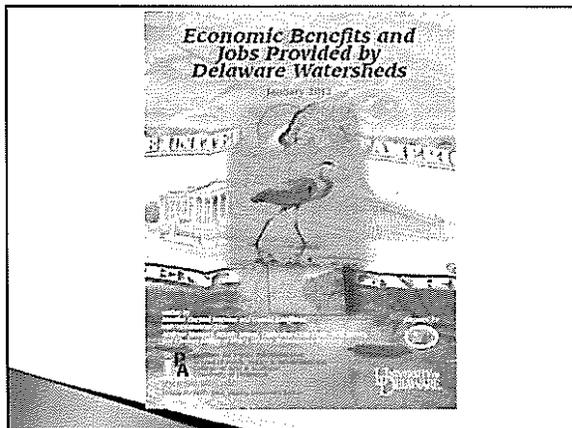
Source: 2012 USDA Census of Agriculture

### DE Tourism Economy

- ▶ Del. Tourism: \$1.47 billion
- ▶ Employs: 38,000 people (5<sup>th</sup> largest industry)
- ▶ Visitors: 7.8 million
- ▶ Spending: \$200 per person per day

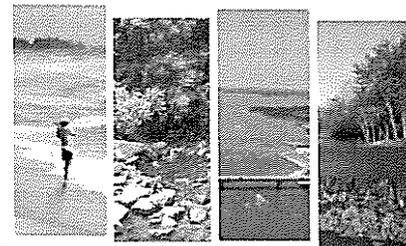
### Bombay Hook National Wildlife Refuge

- ▶ 4th most visited refuge
- ▶ 271,000 recreational visits (2006)
- ▶ 80% visitors from other states
- ▶ \$20.2 million to economy, food, lodging, equip.
- ▶ \$13.4 million from bird watching alone
- ▶ 198 jobs with \$5.5 million income



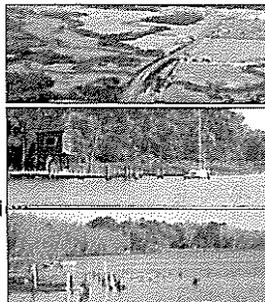
### Delaware, an Economic Engine...

- ▶ Watersheds contribute \$2 billion – \$6.7 billion annually to the State's economy.



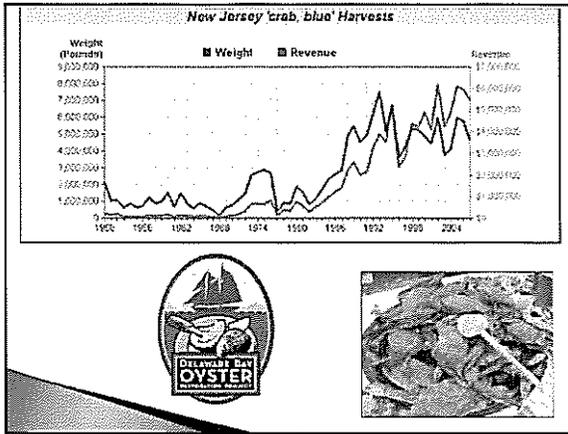
### Over \$6 billion in Economic Activity

- ▶ Largest contributors:
  - Ports – \$3.3 billion
  - Recreation – \$2.4 billion
- ▶ Forest and Agriculture:
  - Over \$1.1 billion
- ▶ Fish/Wildlife, Public Parks, Water Quality, Water Supply:
  - \$344 million – \$591 million
- ▶ Flood Control:
  - \$73 million



### Water Supply

Use	Value (\$)
Drinking Water	108,000,000
Irrigation	23,000,000
Power	41,000,000
Industrial	9,000,000



## Powerboating

- ▶ \$344 million
- ▶ 61,000 registrations
- ▶ Delaware ranked 7th in sales

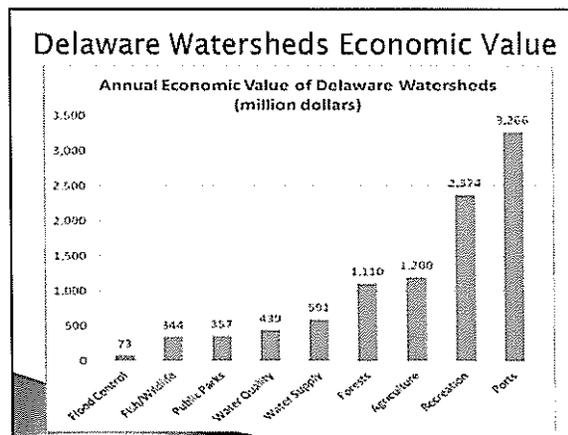
▶ National Marine Manufacturers Assoc. 2010

### Fishing, Hunting, Bird Watching (Fauna Factories)

- ▶ Fishing \$109 million (18 trips/angler, \$53/trip)
- ▶ Hunting \$46 million (16 trips/hunter, \$50/trip)
- ▶ Bird Watching \$147 million (13/trips/yr, \$27 trip)

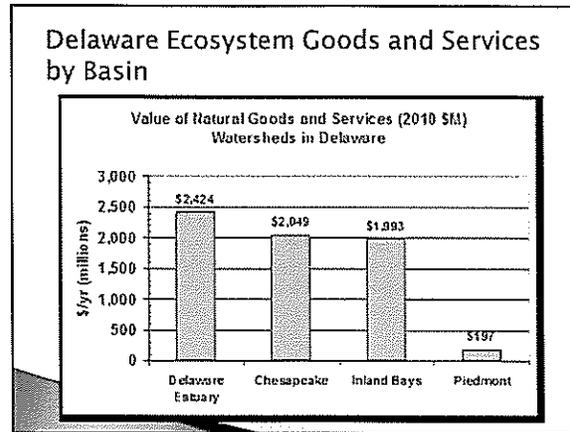
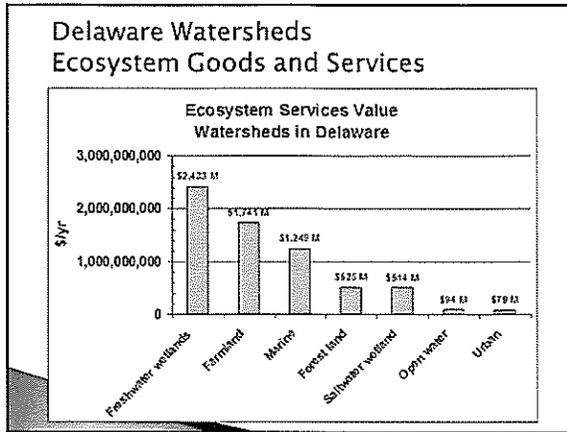
Source: USFWS 2006

### IRON HILL BREWERY & RESTAURANT NEWARK



### \$6.7 billion of Ecosystem Goods and Services (per year)

- ▶ Net present value (NPV) – \$216.6 billion
- ▶ Freshwater wetlands – \$2.4 billion
- ▶ Marine – \$1.2 billion
- ▶ Farmland – \$1.7 billion



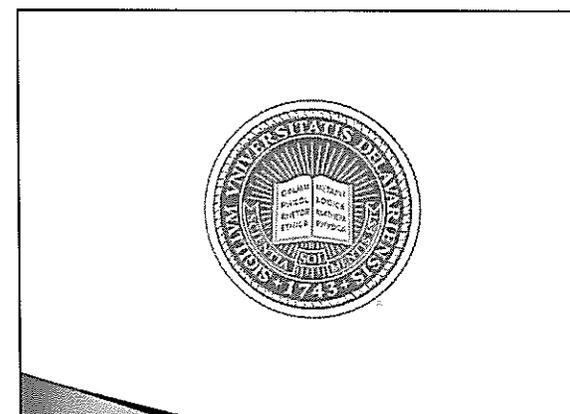
### Over 70,000 jobs and \$2 billion in wages (per year)

- ▶ Tourism - 31,050 jobs (\$931 million wages)
- ▶ Farm - 28,328 jobs (\$1.4 billion in wages)
- ▶ Coastal - 15,174 jobs (\$268 million in wages)

**Table E3. Jobs and Wages Related to Delaware Watersheds**

Sector	Jobs	Wages (\$)	Data Source
Direct Watershed-related	18,926	422,600,000	U.S. Bureau of Labor Statistics (2009)
Indirect Watershed-related	22,711	322,600,000	U.S. Census Bureau (2009)
Coastal	15,174	268,000,000	Natl Coastal Econ. Program (2009)
Farm	28,328	1,410,000,000	Avastine et al. (2010)
Fishing/Hunter/Birding	9,245	334,000,000	U.S. Fish and Wildlife Service (2005)
National Wildlife Refuge	195	5,500,000	Coxson and Crundall (2007)
Wetlands	284	19,300,000	NOAA Coastal Services Center (2011)
Watershed Organizations	117	5,470,000	WRA and DRRC (2010)
Pests	4,691	337,600,000	Martins Associates (2007)
Tourism	31,050	931,000,000	Delaware Tourism Office (2008)
Water Supply Utilities	275	15,400,000	WRA and DRRC (2010)
Wastewater Utilities	207	9,400,000	WPA and DRRC (2010)
<b>Total</b>	<b>70,000</b>	<b>\$2,000,000,000</b>	

- ### Delaware watersheds provide:
1. Over \$6 billion in annual economic activity from water quality, flood control, water supply, fishing and wildlife viewing, recreation, agriculture, ports, forests, and parks.
  2. Ecosystem goods and services of \$6.7 billion per year (2010 dollars), net present value (NPV) \$216.6 billion.
  3. Over 70,000 jobs with over \$2 billion in wages.



During the presentation, the following questions were asked:

Senator Townsend asked how difficult or easy would it be to do the cost/benefit analysis of specific projects and how quickly could it happen.

Jerry Kauffman, University of Delaware, answered that they have the templates, models, data and the cost. But for the benefits, if you are looking at the existing value that is established, it can be broken down by project watersheds. Then, you estimate what the benefits would be.

Senator Townsend responded by asking if this is nuanced enough to figure out more than just the average value of an additional gallon of clean water. Senator Townsend also asked if this can be tied to the local areas in Delaware in terms of what tributaries they are on, and what the local economy is in that area.

Mr. Kauffman answered that with the GIS (Geographic Information System) system that the State has, it can be broken down into 46 watersheds.

Senator Townsend referenced possible legislation where utilities would be able to recover the costs of clean water projects in their base. He asked if there were any comments on that.

Mr. Kauffman responded that this was actually proposed by the water program, but others would need to be involved in establishing such a system.

Secretary Small noted that this could help, and he could get a number. However, a change like that in the wastewater world would not have an impact like that, in terms of customers in the water supply world. The ability of private utilities to provide wastewater services in Delaware is a much younger program in terms of the level of maturity. There are territories that are ripe for expansion, but the counties and municipalities already occupy a lot of that service space. He added that any tool would help. However, Secretary Small was not certain that it would have the order of magnitude benefit that the water supply issue did.

Mr. Esposito added to Secretary Small's point by saying that his company got into the wastewater business about 7 or 8 years ago, and Tidewater only has 8 wastewater systems in the State. Each system has a tariff, which makes the system even more complex. In the wastewater world, the blending will not happen easily. A legislative fix is to enable a company who does both to cross-subsidize. If people who drink water are willing to pay to help the whole State, Delaware could get water customers to help a small wastewater community and this would make it affordable. Pennsylvania has this system, and it would be a great legislative fix.

Ms. Cannon commented that she is a customer of Artesian Water and she pays extra for the service line. She added if Artesian Water asked her to pay a little more to help pay for your friends and neighbors who do not have service line protection, she would tell them to stop providing her these services so she would not have to pay at all.

Ms. Taylor referenced Artesian Water customers who would be fairly adamant about not paying more for other people. It is easy for a municipality to keep its fares lower, and a customer who is paying the correct fare rates would not want to subsidize that.

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Senator Townsend commented that Mr. Esposito had an interesting idea but it comes down to how this question was presented to the payer. He added that we should find out in what ways the public is willing to pay for clean water. Water is interconnected, so dirty water will affect everybody. Senator Townsend also asked a question referring to possible legislation that would allow for clean water investments to be put into the rate base, although in the context of wastewater Secretary Small said this might not have as big of an impact because of how new it all is. The Senator asked if anyone has additional comments or thoughts on this.

Mr. Esposito responded that he would not want to support a subsidy for a system that was benefitting from the fact that they are getting money from a well-run utility. He added that the legislation of Pennsylvania allows a company that works with both water and sewer to cross-subsidize.

Senator Townsend responded that another example would be that this is just the general framework for clean water investments to be put back into the rate base. It could be a variety of forms other than the customer enjoying the benefit of it directly. If you tell your customers that they are benefiting from it, they may be more willing to accept higher rates.

Brenna Goggin, Delaware Nature Society, told Mr. Kauffman that what she loved about his presentation is how it shows that there is a value in investing in both farmland preservation and open space and that they both provide an equal investment back into the economy.

Mr. Kauffman responded by saying that farmland has significant economic value.

Representative Ronald Gray asked if there are more matching funds with farmland than open space at a federal level.

Ms. Goggin responded that the farmland is a federal match that is set, not competitive, whereas matching money on the federal side for open space comes from diverse funding sources that are competitive. This is why it is important that both projects have an equal amount of money from the State.

Ms. Porter added that on the federal matches, it is becoming a bit more difficult in recent years due to some changes in the Farm Bill. She continued by saying that there is a lot more criteria that may not fit well with Delaware's Agland Preservation Program.

Secretary Small stated that on the parks side, there is a lot more competition for funding that can leverage open space dollars through federal grant programs. However, for fish and wildlife there are set funds available. For every dollar that the State generates, the State gets three federal dollars. So, if the State was using federal dollars to match acquisition for 3-1, it is just a matter of whether Delaware has local dollars.

Ms. Cannon asked about Mr. Kauffman's model for cost/benefit analysis. She said it raises a question about how the people in Ellendale fit into that model. She added that the Task Force should not forget that.

Senator Townsend responded that the term "environmental justice" has been talked about, and this is a difficult issue. He also asked Mr. Kauffman to help during the writing of the report when it comes to quantification of these issues; he added this would be extremely helpful.

Mr. Kauffman replied that he would be happy to help with the preparation of the report.

**Review of Other States' Efforts**

Senator Townsend moved the meeting along to the next item on the agenda and introduced Frank Piroko, with DNREC, who presented *State Program Funding Efforts* to Task Force members.

Please see the presentation task force members received below:

## State Program Funding Efforts

Clean Water & Flood Abatement Task Force  
November 3, 2015

Frank Piorko  
Division of Watershed Stewardship



## EPA/State SRF Funding

- Mainstay of DW and WW funding.
- Cumulative totals and last year's per/capita funding handout.
- As Delaware does, most states have set up ancillary programs with their SRF funding.
- Program structures are somewhat complicated.

## Maryland Funding

- Maryland Bay Restoration Fund
  - (Maryland's keystone funding)
  - HANDOUT
- Chesapeake and Atlantic Coastal Bays Trust Fund (Trust Fund)
  - Funded through rental car tax and gas tax; fully funded at \$50 million

## Maryland Funding

- Chesapeake Bay Trust (CBT); operates as a separate entity, but work statewide & beyond
- Pseudo-state agency
  - Funding - Sale of MD "Treasure the Chesapeake" license plate (\$3.7 Million). This is considered private, not state money; donations to the Chesapeake Bay and Endangered Species Fund on the Maryland State income tax form (\$500,000) also considered private, not state money, donations from individuals and corporations.
    - \$6.7M is from partnerships – EPA, NOAA, MD DNR (shoreline, watershed services-watershed assistance program—for local gov't's assistance), pass through money through their organization & they handle reporting, distributing funds, etc.
    - Counties with starting SW utility fees utilize CBT to handle fees and help redistribute to local non-profits for restoration activities.
    - \$11 M net, give out \$9 M in grants
  - 90% of money is reinvested into the Ches. Bay region through education and restoration
  - 20% can go outside the state of MD; can spend money in DE

## Maryland Funding

- Maryland Agriculture Cost Share (MACS)
  - Ag BMPs, including cover crop, waste storage structure, grassed waterways, fencing
  - Funding = each year it's different; can range from \$2-10 million; MD Capital Bond Appropriation from legislature, not guaranteed every year. Have to apply for the funding every year, encumber the money immediately and use for as long as it lasts
  - Cost-share is 87.5%
  - Cover crop—receive the funding through CBT & MBRF; approx. \$20 million annually.

## Virginia Funding

- Virginia Water Quality Improvement Fund
  - (Virginia's keystone grant funding)
  - Handout
- CB Restoration Fund
  - License plate purchase \$7M since 1996
- Virginia BMP Tax Credit Program
  - Handout
- Stormwater Local Assistance Fund
  - Handout

## PA Funding

- Growing Greener Program I and II
  - (PA's keystone grant funding)
  - Handout
- Legislative Chesapeake Bay Match \$2-3M annually.
- Marcellus Shale Fund
  - \$3million goes to NPS work—Ag BMP's, stream restoration, abandoned mine drainage work

## DC Clean Water Funding

- Stormwater Utility Fee
  - Source: Fee on water bill based on impervious surface on an individual property. Fee changes based on inflation and the projected cost of activities to undertake stormwater permit requirements
  - Amount of funding received: This year \$4,500,000
  - Funding cycle: funds are available in an ongoing basis based on the annual revenue from the fee
  - NOTE: These funds are used to reduce stormwater pollution/improve DC waterways, however are not used on activities directly funded by non-point source pollution funds (319 funding) and vice versa.

## DC Clean Water Funding

**Bag Bill Fund**  
 \$0.05 fee on plastic/paper bag use goes toward stormwater pollution reduction, habitat restoration and environmental education.  
 Funding varies on bag use...last year \$600,000

**Tree Law**  
 Fee or fine for removing healthy trees on private property. Based on size of the tree. Approximately \$600,000 annually  
 Funds can only be used for tree planting.

[Note: pages 23-30 were additional handouts given during Mr. Piorko's presentation.]

## Maryland

Web Page:

[http://www.mde.state.md.us/programs/Water/QualityFinancing/Pages/Programs/WaterPrograms/water\\_quality\\_finance/index.aspx](http://www.mde.state.md.us/programs/Water/QualityFinancing/Pages/Programs/WaterPrograms/water_quality_finance/index.aspx)

The WQFA administers the loan and grant programs described below:

Financial Program	Purpose
<a href="#"><u>Water Quality Revolving Loan Program (WQRLF)</u></a>	Provides low-interest loans to local governments to finance wastewater treatment plant upgrades, nonpoint source projects, and other water quality and public health improvement projects.
<a href="#"><u>Drinking Water Revolving Loan Program (DWRLF)</u></a>	Provides low-interest loans to local governments to finance water supply improvements and upgrades.
<a href="#"><u>Water Supply Assistance Grant Program</u></a>	Helping communities meet their water supply needs.
<a href="#"><u>Biological Nutrient Removal Cost -Share Grant Program</u></a>	Upgrade of wastewater facilities with biological nutrient removal
<a href="#"><u>Bay Restoration Fund - Enhanced Nutrient Removal Grant Program</u></a>	Innovative, state-of-the-art technology at wastewater treatment plants for nitrogen and phosphorus reduction to the Bay
<a href="#"><u>Bay Restoration Fund - Septic System Grant Program</u></a>	Upgrades of existing septic systems to best available technology for nitrogen reduction to the Bay.
<a href="#"><u>Supplemental Assistance Grant Program</u></a>	Construction of needed wastewater facilities. Correction of water quality problems.
<a href="#"><u>Linked Deposit Program</u></a>	Water quality capital improvements

## Virginia:

<http://www.deq.state.va.us/Programs/Water/CleanWaterFinancingAssistance.aspx>

Virginia Stormwater Local Assistance Program

[http://www.deq.state.va.us/Programs/Water/CleanWaterFinancingAssistance/StormwaterFundingPrograms/StormwaterLocalAssistanceFund\(SLAF\).aspx](http://www.deq.state.va.us/Programs/Water/CleanWaterFinancingAssistance/StormwaterFundingPrograms/StormwaterLocalAssistanceFund(SLAF).aspx)

## Pennsylvania:

Loan and Grant Programs

<http://www.ahs.dep.pa.gov/GrantsCenter/>

Pennvest Loan and Grant Programs

<http://www.pennvest.pa.gov/Pages/search.aspx?searchBox=Grants#.VjDuu02FO70>

Minutes prepared by Caitlyn Gordon, Legislative Aide

Minutes reviewed by Michelle Zdeb, Legislative Assistant & Task Force Staffer

## West Virginia:

### Loan Programs

<http://www.dep.wv.gov/WWE/Programs/SRF/Pages/default.aspx>

### Chesapeake Bay Program

<http://www.dep.wv.gov/WWE/watershed/wqmonitoring/Pages/ChesapeakeBay.aspx>

### Watershed Project Grants

<http://www.dep.wv.gov/WWE/Programs/nonptsource/Pages/Grants.aspx>

### What is Growing Greener?

Growing Greener remains the largest single investment of state funds in Pennsylvania's history to address Pennsylvania's critical environmental concerns of the 21st century.

Signed into law on Dec. 15, 1999, and reauthorized in June 2002, this legislation doubled the funding for the Growing Greener program and extended it through 2012. This increased DEP's portion of Growing Greener to \$547.7 million from the original \$240 million. Growing Greener has helped to slash the backlog of farmland-preservation projects statewide; protect open space; eliminate the maintenance backlog in state parks; clean up abandoned mines and restore watersheds; provide funds for recreational trails and local parks; help communities address land use; and provide new and upgraded water and sewer systems.

The funds are distributed among four state agencies: the Department of Agriculture to administer farmland preservation projects; the Department of Conservation and Natural Resources for state park renovations and improvements; and the Pennsylvania Infrastructure Investment Authority for water and sewer system upgrades.

The total dollar commitment to the Growing Greener Program was doubled from \$645 million to \$1.3 billion and extended through 2012 by a permanent dedication of a \$4/ton municipal waste disposal fee to Growing Greener-- \$50 million in FY 2002-03 (the balance going to the General Fund for that one year) and the full \$94 million to Growing Greener from FY 2003-04 through 2012.

DEP's portion of Growing Greener more than doubled to \$547.7 million over the life of the program, from \$241.5 million in the original program five-year program. DEP is authorized to allocate these funds in grants for:

Watershed restoration and protection;

Abandoned mine reclamation; and

Abandoned oil and gas well plugging projects.

## History

- Growing Greener I was established in 1999 when Gov. Ridge and the General Assembly committed nearly \$650 million over five years to fund conservation and environmental protection projects – from the creation of greenways, trails and community parks to wildlife habitat preservation.
- In 2002, Gov. Schweiker and General Assembly created a dedicated source of funding for Growing Greener through an increase in the tipping fee – the fee for dumping trash in landfills. The revenue generated by the increase was placed into the Environmental Stewardship Fund for Growing Greener.
- In 2005 voters approved Growing Greener II, a \$625 million bond to supplement existing Growing Greener funds. Growing Greener II was approved with 61 percent support statewide. Support was even higher in Southeastern Pennsylvania, with 76 percent voter approval.
- Today, Growing Greener struggles for funding – with Growing Greener II bond funds depleted – and a majority of the Growing Greener Environmental Stewardship Fund tipping fees being diverted to pay the debt service on the Growing Greener II bond.
- Over the years, Growing Greener has provided funds to communities and non-profit organizations to help restore and protect local watersheds, clean up abandoned mines, preserve and acquire farmlands and open spaces, and lessen non point source pollution from entering waterways.
- Growing Greener also provides funds for maintaining our award-winning state park system, for heritage conservation and for the development of multipurpose trails, greenways and parks in our communities.

## What's at Stake?

- **Water quality.** Without money to keep our streams, reservoirs and other waterways clean, pollution will become an increasing threat to our drinking water sources, aquatic species, and outdoor recreational opportunities. The Commonwealth currently has 16,000 miles of streams that are unsafe for fishing and swimming.
- **Air quality.** Forests and other green spaces help keep the air we breathe clean. By protecting them, we protect ourselves and our families, especially against chronic diseases like asthma. Pennsylvania is losing three times as much forest, wildlife habitat, farmland and other open spaces to overdevelopment than we are to conserve.
- **Food supply.** Local farms provide access to healthy, nutritious foods and agriculture and agribusiness contribute \$61 billion to Pennsylvania's overall economy. We need to preserve them. More than 2,000 family farms remain on a statewide waiting list.
- **Economy.** Preserved open space is more than just a pretty place. It generates hundreds of millions of dollars in economic benefits in Southeastern PA, alone by increasing property

Page Content

10/21/2015

**Governor Wolf Announces \$51.7 Million Investment in Water Infrastructure Projects in 8 Counties**

**FOR IMMEDIATE RELEASE**

**October 21, 2015**

**Governor Wolf Announces \$51.7 Million Investment in Water Infrastructure Projects in 8 Counties**

**Harrisburg, PA** – Governor Tom Wolf today announced the investment of \$51.7 million for ten drinking water, wastewater and non-point source projects across eight counties through the Pennsylvania Infrastructure Investment Authority (PENNVEST).

“Today the PENNVEST Board of Directors made another significant investment in much needed environmental improvement across the Commonwealth”, said Governor Wolf. “Abundant clean water is critical to the health of both our fellow Pennsylvanians and the economy of this great Commonwealth. Today is a bright day for both our people and our businesses as we strive for a better Pennsylvania for us and for generations to come.”

Of the \$51.7 million, \$31.0 million is allocated for low-interest loans and \$20.7 million is awarded through grants.

DWSRF ALLOTMENTS FOR REGION III STATES

Year	District of Columbia	Delaware	Maryland	Pennsylvania	Virginia	West Virginia	Region 3	US Total
1987	\$12,558,800	\$12,558,800	\$17,840,900	\$53,270,700	\$29,442,400	\$12,558,800	\$138,030,400	\$1,256,876,000
1988	\$7,121,300	\$7,121,300	\$7,121,300	\$22,404,800	\$13,896,300	\$7,121,300	\$64,785,300	\$712,126,000
1989	\$7,463,800	\$7,463,800	\$7,463,800	\$23,482,400	\$14,563,800	\$7,463,800	\$67,901,200	\$746,376,000
2000	\$7,757,000	\$7,757,000	\$7,757,000	\$24,405,000	\$15,136,800	\$7,757,000	\$70,568,800	\$775,700,000
2001	\$7,789,100	\$7,789,100	\$7,789,100	\$24,505,900	\$15,198,400	\$7,789,100	\$70,860,700	\$778,907,700
2002	\$8,052,500	\$8,052,500	\$8,380,900	\$25,930,800	\$11,127,800	\$8,052,500	\$70,566,800	\$805,250,000
2003	\$8,004,100	\$8,004,100	\$9,294,700	\$25,774,800	\$11,060,700	\$8,004,100	\$70,142,500	\$800,411,400
2004	\$8,303,100	\$8,303,100	\$9,841,900	\$26,737,800	\$11,473,900	\$8,303,100	\$72,762,700	\$830,310,200
2005	\$8,285,500	\$8,285,500	\$9,621,500	\$26,681,000	\$11,449,800	\$8,285,500	\$72,608,800	\$828,552,000
2006	\$8,229,300	\$8,229,300	\$11,323,700	\$27,718,500	\$8,761,500	\$8,229,300	\$72,491,800	\$822,932,500
2007	\$8,229,000	\$8,229,000	\$11,324,000	\$27,719,000	\$8,761,000	\$8,229,999	\$72,491,999	\$822,933,000
2008	\$8,146,000	\$8,146,000	\$11,209,000	\$27,437,000	\$8,673,000	\$8,146,000	\$71,757,000	\$814,594,000
2009	\$8,146,000	\$8,146,000	\$11,209,000	\$27,437,000	\$8,673,000	\$8,146,000	\$71,757,000	\$814,594,000
2010	\$13,573,000	\$13,573,000	\$21,059,000	\$39,766,000	\$23,006,000	\$13,573,000	\$124,552,000	\$1,357,260,000
2011	\$9,268,000	\$9,268,000	\$14,380,000	\$27,154,000	\$15,711,000	\$9,268,000	\$85,049,000	\$963,070,000
2012	\$8,975,000	\$8,975,000	\$13,926,000	\$26,297,000	\$15,215,000	\$8,975,000	\$82,363,000	\$917,892,000
2013	\$8,421,000	\$8,421,000	\$13,069,000	\$24,673,000	\$14,275,000	\$8,421,000	\$77,277,000	\$842,106,000
2014	\$8,845,000	\$8,845,000	\$15,012,000	\$28,280,000	\$14,654,000	\$8,845,000	\$84,481,000	\$902,629,000
2015	\$8,787,000	\$8,787,000	\$14,913,000	\$28,094,000	\$14,557,000	\$8,787,000	\$83,925,000	\$906,896,000
<b>Federal Total</b>	<b>\$165,964,500</b>	<b>\$165,964,500</b>	<b>\$223,102,800</b>	<b>\$537,768,300</b>	<b>\$265,635,800</b>	<b>\$165,955,499</b>	<b>\$1,524,371,399</b>	<b>\$16,896,412,800</b>
<b>State Match</b>	<b>\$33,190,900</b>	<b>\$33,190,900</b>	<b>\$44,620,600</b>	<b>\$107,553,600</b>	<b>\$53,127,160</b>	<b>\$33,191,100</b>	<b>\$304,874,280</b>	<b>\$3,339,682,580</b>
<b>09 ARRA</b>	<b>\$19,500,000</b>	<b>\$19,600,000</b>	<b>\$26,832,000</b>	<b>\$65,681,000</b>	<b>\$20,761,000</b>	<b>\$19,500,000</b>	<b>\$171,774,000</b>	<b>\$2,000,000,000</b>
<b>Total</b>	<b>\$218,645,400</b>	<b>\$218,645,400</b>	<b>\$294,555,360</b>	<b>\$711,002,900</b>	<b>\$339,523,960</b>	<b>\$218,646,599</b>	<b>\$2,001,019,679</b>	<b>\$22,038,095,380</b>

CWSRF ALLOTMENTS FOR REGION III STATES

Year	District of Columbia	Delaware	Maryland	Pennsylvania	Virginia	West Virginia	Region 3	US Total
1989	\$4,577,200	\$4,577,200	\$22,812,669	\$37,362,303	\$19,303,218	\$14,703,579	\$103,336,160	\$930,196,246
1990	\$4,738,000	\$4,738,000	\$23,596,848	\$38,646,729	\$19,998,815	\$15,208,073	\$106,895,465	\$962,436,446
1991	\$10,075,032	\$10,075,032	\$49,636,422	\$81,294,048	\$42,000,453	\$31,962,444	\$225,073,431	\$2,026,881,062
1992	\$9,534,900	\$9,534,900	\$46,993,320	\$76,966,174	\$39,764,043	\$30,288,852	\$213,081,189	\$1,918,888,827
1993	\$9,431,000	\$9,431,000	\$46,486,836	\$76,135,752	\$39,335,472	\$29,962,449	\$210,782,509	\$1,898,191,683
1994	\$5,813,800	\$5,813,800	\$28,844,640	\$47,241,216	\$24,407,163	\$18,991,309	\$130,711,928	\$1,177,064,079
1995	\$6,007,800	\$6,007,800	\$29,790,189	\$48,790,071	\$25,207,380	\$19,200,852	\$135,004,092	\$1,215,724,786
1996	\$9,904,653	\$9,904,653	\$48,797,296	\$79,819,631	\$41,290,425	\$31,451,706	\$221,268,366	\$1,992,558,767
1997	\$2,960,500	\$2,960,500	\$15,073,641	\$24,687,432	\$12,754,764	\$9,713,800	\$66,210,437	\$613,576,729
1998	\$6,577,300	\$6,577,300	\$32,568,129	\$53,338,715	\$27,557,937	\$20,991,267	\$147,611,848	\$1,328,914,991
1999	\$6,577,900	\$6,577,900	\$32,571,297	\$53,344,269	\$27,560,214	\$20,993,049	\$147,624,629	\$1,329,013,966
2000	\$6,555,200	\$6,555,200	\$32,461,011	\$53,163,297	\$27,466,758	\$20,921,868	\$147,123,334	\$1,324,499,662
2001	\$6,496,100	\$6,496,100	\$32,171,438	\$52,990,671	\$27,222,624	\$20,735,948	\$145,812,877	\$1,312,738,064
2002	\$6,510,800	\$6,510,800	\$32,243,409	\$52,808,085	\$27,283,311	\$20,792,090	\$146,138,485	\$1,315,636,942
2003	\$6,467,800	\$6,467,800	\$32,033,925	\$52,464,852	\$27,105,003	\$20,647,044	\$145,187,324	\$1,307,072,373
2004	\$6,471,800	\$6,471,800	\$32,063,230	\$52,496,537	\$27,122,337	\$20,659,518	\$145,275,217	\$1,307,892,910
2005	\$5,243,500	\$5,243,500	\$26,062,344	\$42,884,842	\$22,062,943	\$16,799,122	\$118,085,051	\$1,062,980,941
2006	\$4,242,300	\$4,242,300	\$21,179,466	\$34,887,422	\$17,921,277	\$13,850,912	\$95,923,677	\$863,314,935
2007	\$5,207,300	\$5,207,300	\$25,885,826	\$42,305,760	\$21,903,750	\$16,684,470	\$117,284,506	\$1,055,771,520
2008	\$3,274,300	\$3,274,300	\$16,458,057	\$26,953,928	\$13,926,231	\$10,607,850	\$74,494,666	\$670,126,437
2009	\$3,274,300	\$3,274,300	\$16,458,057	\$26,954,928	\$13,926,231	\$10,607,850	\$74,494,666	\$670,125,441
2010	\$10,002,000	\$10,002,000	\$49,279,000	\$80,709,000	\$41,698,000	\$31,782,000	\$223,452,000	\$2,037,318,000
2011	\$7,322,000	\$7,322,000	\$35,714,000	\$58,492,000	\$30,220,000	\$23,019,000	\$162,089,000	\$1,476,092,000
2012	\$6,908,000	\$6,908,000	\$34,183,000	\$55,964,000	\$28,924,000	\$22,031,000	\$154,938,000	\$1,412,737,000
2013	\$6,520,000	\$6,520,000	\$32,291,000	\$52,884,000	\$27,323,000	\$20,813,000	\$146,351,000	\$1,334,429,000
2014	\$6,853,000	\$6,853,000	\$33,910,000	\$55,539,000	\$28,694,000	\$21,856,000	\$153,705,000	\$1,401,545,000
2015	\$6,817,000	\$6,817,000	\$33,737,000	\$55,255,000	\$28,548,000	\$21,745,000	\$152,919,000	\$1,403,550,000
<b>Federal Total</b>	<b>\$174,393,485</b>	<b>\$174,393,485</b>	<b>\$863,292,150</b>	<b>\$1,413,889,457</b>	<b>\$730,486,249</b>	<b>\$556,419,840</b>	<b>\$3,912,874,606</b>	<b>\$35,349,246,889</b>
<b>State Match</b>	<b>\$34,878,697</b>	<b>\$34,878,697</b>	<b>\$172,658,430</b>	<b>\$282,777,891</b>	<b>\$146,097,250</b>	<b>\$111,283,968</b>	<b>\$782,574,933</b>	<b>\$7,069,849,338</b>
<b>09 ARRA</b>	<b>\$19,239,100</b>	<b>\$19,239,100</b>	<b>\$94,784,800</b>	<b>\$155,237,800</b>	<b>\$80,203,300</b>	<b>\$61,092,100</b>	<b>\$429,796,000</b>	<b>\$3,669,608,000</b>
<b>Total</b>	<b>228,511,282</b>	<b>228,511,282</b>	<b>1,130,736,180</b>	<b>1,851,905,148</b>	<b>956,786,799</b>	<b>728,795,908</b>	<b>5,125,245,599</b>	<b>46,288,704,027</b>

Amounts reflect Congressional appropriated under Title VI of the Clean Water Act (CWA) less national set-aside for Indian Tribes and State set-asides for water quality planning under CWA section 604(b).

2015	District of Columbia	Delaware	Maryland	Pennsylvania	Virginia	West Virginia	TOTAL Region 3	Average
Federal Total DWSRF	\$6,817,000	\$6,817,000	\$33,737,000	\$55,255,000	\$28,548,000	\$21,745,000	\$152,919,000	\$25,486,500.00
Federal Total DWSRF	\$8,787,000	\$8,787,000	\$14,913,000	\$28,094,000	\$14,557,000	\$8,787,000	\$83,925,000	\$13,987,500.00
Total Population	658,893	935,614	5,976,000	12,790,000	8,326,000	1,850,000	30,536,507	5,089,418
Funding per capita DWSRF	\$10.35	\$7.29	\$5.65	\$4.32	\$3.43	\$11.75	\$5.01	\$7.13
Funding per capita DWSRF	\$13.34	\$9.39	\$2.50	\$2.20	\$1.75	\$4.75	\$2.75	\$5.65

Code of Virginia  
Title 10.1. Conservation  
Chapter 21.1. Virginia Water Quality Improvement Act of 1997

## § 10.1-2128. Virginia Water Quality Improvement Fund established; purposes

A. There is hereby established in the state treasury a special permanent, nonreverting fund, to be known as the "Virginia Water Quality Improvement Fund." The Fund shall be established on the books of the Comptroller. The Fund shall consist of sums appropriated to it by the General Assembly which shall include, unless otherwise provided in the general appropriation act, 10 percent of the annual general fund revenue collections that are in excess of the official estimates in the general appropriation act and 10 percent of any unrestricted and uncommitted general fund balance at the close of each fiscal year whose reappropriation is not required in the general appropriation act. The Fund shall also consist of such other sums as may be made available to it from any other source, public or private, and shall include any penalties or damages collected under this article, federal grants solicited and received for the specific purposes of the Fund, and all interest and income from investment of the Fund. Any sums remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. All moneys designated for the Fund shall be paid into the state treasury and credited to the Fund. Moneys in the Fund shall be used solely for Water Quality Improvement Grants. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon the written request of the Director of the Department of Environmental Quality or the Director of the Department of Conservation and Recreation as provided in this chapter.

B. Except as otherwise provided under this article, the purpose of the Fund is to provide Water Quality Improvement Grants to local governments, soil and water conservation districts, state agencies, institutions of higher education and individuals for point and nonpoint source pollution prevention, reduction and control programs and efforts undertaken in accordance with the provisions of this chapter. The Fund shall not be used for agency operating expenses or for purposes of replacing or otherwise reducing any general, nongeneral, or special funds allocated or appropriated to any state agency; however, nothing in this section shall be construed to prevent the award of a Water Quality Improvement Grant to a local government in connection with point or nonpoint pollution prevention, reduction and control programs or efforts undertaken on land owned by the Commonwealth and leased to the local government. In keeping with the purpose for which the Fund is created, it shall be the policy of the General Assembly to provide annually its share of financial support to qualifying applicants for grants in order to fulfill the Commonwealth's responsibilities under Article XI of the Constitution of Virginia.

C. For the fiscal year beginning July 1, 2005, \$50 million shall be appropriated from the general fund and deposited into the Fund. Except as otherwise provided under this article, such appropriation and any amounts appropriated to the Fund in subsequent years in addition to any amounts deposited to the Fund pursuant to the provisions of subsection A shall be used solely to finance the costs of design and installation of nutrient removal technology at publicly owned treatment works designated as significant dischargers or eligible nonsignificant dischargers for compliance with the effluent limitations for total nitrogen and total phosphorus of the Chesapeake Bay TMDL Watershed Implementation Plan or applicable regulatory or permit

## Summary of Maryland Bay Restoration Fund

### Maryland House Bill 446 (2012) – Changes to Maryland’s Chesapeake Bay Restoration Fund from Senate Bill 320 (2004)

LINK: <http://mlis.state.md.us/2012rs/bills/hb/hb0446e.pdf>

#### Synopsis:

- All residential users on sewer in the Chesapeake Bay or Coastal Bay Basins will pay \$5 per month/edu flat rate.
- All residential users on septic or holding tank in the Chesapeake Bay or Coastal Bay Basins will pay \$60/year/edu flat rate.
- All residential users on sewer not located in or draining to the Chesapeake Bay or Coastal Bay Basins will pay \$2.50 per month/edu flat rate.
- All residential users on septic or holding tank not located in the Chesapeake Bay or Coastal Bay Basins will pay \$30/year/edu flat rate.
- Apartments/multifamily residents will be charged rate based on # of EDUs assuming 250 gpd/edu.
- All non-residential users fee may be calculated based on estimate of EDU’s of wastewater effluent generated, if nonresidential users wastewater bill is based on wastewater generated.
- Collected quarterly on local water/sewer bills or county if users are on well and septic.
- Max fee cannot exceed \$120,000 for a single site.
- Bay Restoration Fund fees collected from Sewer users = approximately **\$100 million/year** – must be used on sewer capital projects/grants
- Bay Restoration Funds collected from septic users = approximately **\$27 million/year** – 60% used by MDE for septic systems grants and loans; 40% used by MDA for Cover Crop Program.
- Fund is managed by the Maryland Water Quality Financing Administration.

### **The Virginia BMP Tax Credit Program**

The Virginia Agricultural BMP Tax Credit Program, which began with the 1998 tax year. The program supports voluntary installation of BMPs that will address Virginia's nonpoint source pollution water quality objectives.

Agricultural producers with an approved conservation plan can take a credit against state income tax of 25 percent of the first \$70,000 spent on agricultural BMPs. The amount of the tax credit can't exceed \$17,500 or the total state income tax obligation. Starting with tax year 2011, any unusable tax credit - i.e., exceeding the state tax obligation - will be refunded to the taxpayer by the Virginia Department of Taxation.

Agricultural operators' BMPs, if approved, will be inspected by the district after they're installed. Soon after this certification, the operators will receive cost-share payments or a tax credit approval letter from their local SWCD.

### **Other tax credits**

There are also tax credits to encourage farmers to use conservation equipment. A tax credit for the purchase of precision agricultural equipment is available for:

- Sprayers for pesticides and liquid fertilizers.
- Pneumatic fertilizer applicators.
- Monitors, computer regulators and height-adjustable booms for sprayers and liquid fertilizer.
- Manure applicators.
- Tramline adapters.
- Starter fertilizer banding attachments for planters.

This equipment qualifies for a tax credit equaling the lesser of 25 percent of the equipment purchase or \$3,750. The equipment must meet state-established criteria, and the farmer must have a nutrient management plan approved by the local SWCD.

A tax credit for purchasing conservation tillage equipment also is available. It is for up to 25 percent, not to exceed \$4,000. Eligible equipment includes that which is used to reduce soil compaction. It includes equipment such as "no-till" planters and drills, and guidance systems that control traffic patterns and minimize soil disturbance when planting. Soil compaction-reducing implements to be attached to existing equipment also are eligible.

During the presentation, the following questions were asked:

Representative Gray noted that Mr. Piorko surveyed about 748 people and he got 70 back, which is unbelievable because the community is up in arms, and only 10% came forward to say there is a problem.

Mr. Corrado asked if Mr. Piorko had looked at NY at all.

Mr. Piorko answered no. They were focusing on Region III states because they had the most information about them, but he offered to look into New York.

Ms. Goggin mentioned that Mr. Piorko called out two commonwealths, who give most of their responsibilities to counties and municipalities. She added that three years ago, Pennsylvania passed the Storm Water Authority Bill. This bill allows municipalities and local governments to create a storm water funding mechanism that has never existed before. Ms. Goggin stated that Virginia and their larger local governments have all passed storm water utilities; maybe the Task Force should look into this a little further.

Senator Townsend asked if there were more questions. Seeing none, he moved the discussion on to public comment.

### **Public Comment**

Barbara Shamp read a letter to Task Force members, which may be viewed below:

Good afternoon. I want to thank Senator Townsend and Representative Mulrooney for creating Resolution 30 and for giving the people of Delaware an opportunity to inform you of local concerns related to flooding and water quality. Thank you to all the members of the Task Force for your dedication and commitment to improving our waterways. I am sure this is a yeoman's job but I hope to make your work easier by clarifying a few assumptions (or lack of them) about Dirickson Creek and Little Assawoman Bay.

On some mornings, I look out my window at quiet silver waters that reflect the colors of the sunrise. Later that same day, I might see angry whitecaps laying siege to eroding wetlands. The point is that if one waits three hours the view from the window changes just as nature changes. But what hasn't changed is the increasing force of human development on the watershed.

My name is Barbara Shamp and I live in Swann Keys, a neighborhood of 604 canal front properties. To give you a geographic perspective, we are located on Dirickson Creek directly across from Little Assawoman Bay State Wildlife Area.

To give you an historical perspective, Swann Keys was surveyed between 1968-71 as little more than a campground for summer trailers. This was about the same time the Department of Natural Resources and Environmental Control was created but it was twenty years before the Sussex Conservation District began their stewardship of our waterways, and twenty-five years after the tax ditch system was instituted in Sussex County.

Our community is unlike South Bethany which has a long history of civic activism, money and planning poured into improving their water quality and flood management. By contrast, we live in an unincorporated area, we have no tax base, and are financially burdened with an aging infrastructure in our community. Our year round residents are predominantly retirees in their 70's and 80's on limited fixed incomes. But let me not lose sight of what is most important for you to know: our community was created with no stormwater management system. Everything flows into the roads, the yards and the canals and then flows into Dirickson Creek.

For forty-five years our canals have been our dumping grounds because we didn't know any better. Toxic road and roof runoff, fertilizers, insecticides, bacteria

from pet waste and lots of sediment have made our canals turbid and polluted. Many of our roads were surveyed to end within feet or even inches from the canals and creek. There are no required vegetative buffers.

Our canals are fed by the tidal waters of Little Assawoman Bay to the east, but to the west, they are fed by the system of tax ditches running into Dirickson Creek. No doubt you are aware of what that means. High levels of phosphorus and nitrogen have been measured in all the tax ditches west of us. The creek is red zoned, unsuitable for aquaculture.

Dissolved oxygen reports for the mid point of the Creek outside of Swann Keys have ranged between 4.3 and 5.3 between 2010 and 2015. The EPA considers any reading below 4.0 in tidal waters unacceptable. But of greater concern is that within two of the Swann Keys canals, dissolved oxygen registered 1.9 and 2.9 this summer. Bacteria samples, total enterococcus or TL, is unknown in our canals but continues to be unacceptably high in the headwaters of Dirickson Creek. Our canals support yearly algae blooms. Last winter, algae were observed in our canals for the first time. As a result, Swann Keys residents do not swim in the canals, eat the fish from them and we avoid contact with their waters as much as possible. Look but don't touch, sort of like our unspoken creek policy.

Let me tell you what can happen if we don't avoid contact. A few years ago a fourteen-year-old girl with a cut on her arm ended up with a divot wound that wouldn't heal for a month. A forty-year-old woman who scratched her hand on a barnacle ended up with an antibiotic resistant wound. And lastly, a gentleman in good health, about my age, who was replacing his decking canal side, slipped into the mud when a deck board broke and skinned his shin. That day he went to the hospital to have a few stitches and was released. After two days, he returned with a necrotizing wound. I met him three months later as he sat with his leg propped up, his skin translucently pink, barely covering the white shinbone. The front of his leg was eaten away from knee to ankle. He warned me to stay away from the canal water and I took him at his word.

The five acres of wetlands that border Swann Keys on Dirickson Creek are eroding. Separately, an environmental engineer and a wetlands restoration

specialist have both said they are beyond the intervention provided by a simple living shoreline. The horizontal and vertical forces of wind and water since 2009 have caused them to erode their shores diminish their size and pool salt water in their middle creating a ring of surviving wetland degrading from the inside out.

I'm sure you know the benefit that wetlands provide. Filtering pollutants, absorbing floodwaters and providing habitat, they are an environmental necessity. They are also the first line of property defense in a nor'easter, a hurricane, or sea level rise. These wetlands were the home to nesting waterfowl that are disappearing. Local hunters will tell you it has been decades since they have seen canvasback, pintail, bluebill, and blue teal ducks. Even the swans are gone now. Ironically, the streets of Swann Keys were all named after these ducks and the only one left in our creek is the mallard. How long will it be before they get the message?

Remember I told you about the demographics of Swann Keys? Let me tell you about the individuals. In the 70's, many were hard working retirees from Baltimore, Wilmington and Philadelphia. They built the community center, the swimming pool, and the playground. They have a long history of volunteerism in their community. They are elderly now and Superstorm Sandy scared the living daylights out of them. Her floodwaters tore out their homes' HVAC systems, beached their pontoons on bulkheads, and destroyed cars. Now, residents are robocalled when flooding is imminent. They were told to evacuate in last month's nor'easter and many had nowhere to go. The County didn't make provisions so they sat it out. Thank God nothing happened. Will we be so lucky the next time? Will the County be more responsive?

I realize these are nothing more than anecdotal records about water quality and flood abatement and for the true scientist, they don't comprise the data needed for change. But I'm not a scientist; I'm a retired high school teacher who spent my life showing students how the mistakes of one generation were visited on the next.

So leave it to the teacher to tell you what to do. And I do this in the most humble way possible: from my heart. This is what I know. You can't have the most pristine beaches on the Atlantic Coast and hide the dirty little secret of our inland bays and red-zoned tributaries. That's the "look but don't touch" policy. You can't be

the eighth largest chicken producer in the United States with pretensions to export worldwide and not deal with the effect of chicken excrement on tax ditches and watersheds. That's the policy of "putting all your eggs in one basket." You can't be voted the number one best state in the union for low taxes and not have unmet needs of the people. Taxes are the "price we pay for civilization." And lastly, you can't have 7-10% growth in Sussex County, composed of mainly migrating, educated retirees who are used to government services and at the same time shut your eyes to the impact residential development has on our watersheds. Smart growth destroys the environment just like dumb growth destroys the environment.

What can we do? The Center for the Inland Bays is a tremendous support to communities. They raised our awareness through the Your Creek Project. Increase their funding. The Community Water Quality Improvement Grants help out in small \$75,000 a year RFP's. Make it bigger, and listen to this: offer more grants that don't require financial matches from unincorporated communities. DNREC and the Sussex Conservation District provide excellent guidance, programs, and professional expertise to both agricultural and waterfront communities. Increase their budgets so they can continue to hire qualified people. There are six people in Sediment and Stormwater Management in the Sussex Conservation District and one of them is the secretary. That is just not meeting the needs of this county.

Where will we get the money, you ask. I'm glad you did. Do you want our State to be famous for the lowest taxes in the Union and the dirtiest waters? **What would it like if we became the second lowest taxed state in the nation?** Would that be so horrible a pill to swallow? I disagree with Governor Markell's proposal for a ten percent tax on gasoline to raise the money necessary to clean up our act. I understand why he wants to do this. If you tax the driver, you spread the pain more evenly and to people who are not residents of our state. But this plan would also hurt the working middle and lower classes most deeply. Instead, start with taxing the developers who build on our waterways and attract the baby boomer retirees to migrate to the state. The developers will pass it on to the home purchaser.

Let me quote the NewsJournal writers Jeff Montgomery and Molly Murray (NewsJournal, Apr. 17, '14).

"Around the inland bays, state officials tried to get control by barring development in narrow buffer strips around the bays and streams that feed them. Sussex County and local developers had the state rules struck down in court, pointing out that land use is a county power." (The authors went on to say that pollutants) "flow from thousands of acres of phosphorus-enriched farmland in Sussex and Kent counties to nitrogen tainted groundwater south of the Chesapeake and Delaware Canal.

And south of the canal, the groundwater is often tainted with nitrogen at levels at or approaching the federal Safe Drinking Water Act maximum of 10 milligrams per liter of water. High levels of nitrogen can interfere with oxygen in the blood stream among infants and the elderly."

Is this what you want for our future? Of course not. Water views are beautiful to look at but beware of what lies beneath for it may end up killing you. So who else can we look to for help? Delaware is home to 64% of the nation's corporations and over half of the Fortune Five Hundred Companies. I'm not suggesting that we tax them but we want to ask them for help. Why aren't we knocking on Mark Zuckerberg's door? Or Tim Cooks' of Apple? Or bringing it closer to home, Perdue and Mountaire's doors? It may sound disingenuous, but if Delaware is the best state in the union for corporations, then shouldn't there be a method for these mighty corporations to give back to their home state? We won't know if we don't ask face to face and personally.

To summarize, we have no gift horse's mouth to scrutinize because there is no gift horse. Over decades, Man, not nature, created this problem of water quality and flood abatement in Delaware. It's our problem and we need to own it. That means partnerships between agriculture, tourism, developers, homeowners, government agencies like Planning and Zoning and business. It means cooperation.

That doesn't mean that we sweep the corners of the room and dig in the couch cushions to find loose change. We need to commit to the expense before it's too late. Find your passion about our watersheds. I have.

Thank you again for allowing me to address you. I hope you can be brave in your recommendations and not shirk our responsibilities.

Barbara Shamp  
37083 Mallard Drive  
Selbyville, Delaware 19975

[Note: the attachment below was a supplement to Ms. Shamp's letter.]

## Bacteria Report - Total Enterococcus

University of Delaware Citizen Monitoring Program

Sampling Period 4/1/15 - 9/24/15

Total Enterococcus (TE) are a group of bacteria that are normally found in the guts and feces of warm-blooded animals (mammals and birds). The EPA and the State of Delaware use TE as the best, easily-measured bacterial indicator of the risk of acquiring gastroenteritis from swimming in fecal contaminated water.

Watershed Tributary	Site: Name	Last Sample Date	Time	Last Sample (Colonies per 100 mL)	Geometric mean (Colonies per 100 mL)	Sample Total
<b>Fresh water sites</b>		EPA Fresh Water Standards for Swimming		185	100	
<b>Broadkill River</b>						
<u>Diamond Pond</u>	BR48: Diamond Pond at Spillway	9/16/2015	8:15	31	22	10
<u>Red Mill Pond</u>	BR54: Red Mill Pond outlet at Rt 1	9/16/2015	10:00	5	14	6
<u>Wagamon's Pond</u>	BR44: Wagamon's Pond on Northern Shoreline, Milton	9/17/2015	8:10	197	317	9
<b>Dirickson Pond</b>						
<u>Dirickson Pond</u>	LA38: The Hamlet at Dirickson Pond	9/15/2015	7:35	5	12	10
<b>Rehoboth Bay</b>						
<u>Guinea Creek</u>	RB10: Guinea Creek above golf course	9/14/2015	8:06	2,063	863	10
<b>Tidal water sites</b>		EPA Tidal Water Standards for Swimming		104	35	
<b>Broadkill River</b>						
<u>Broadkill River</u>	BR01: Broadkill river @ PEL dock.	9/16/2015	8:45	5	7	10
<u>Broadkill River</u>	BR20: Broadkill River at Milton tidal pond	9/16/2015	6:30	63	101	10
<u>Old Mill Creek</u>	BR21: Old Mill Creek downstream from Red Mill Pond	9/16/2015	12:12	175	313	10
<u>Prime Hook Creek</u>	BR03: Prime Hook Creek at Boat Ramp at Refuge Headquarters	9/16/2015	11:43	41	146	10
<b>Delaware Bay</b>						
<u>Canary Creek</u>	BR40: Canary Creek at Pilottown Rd	9/15/2015	7:23	5	12	10
<u>Delaware Bay</u>	DB01: End of Cape Shores pier	9/23/2015	8:07	10	7	13
<b>Indian River</b>						
<u>Indian River</u>	IR04: Warwick Cove	9/14/2015	9:58	31	14	9
<u>Indian River</u>	IR11: Pot Nets Seaside Pier	9/14/2015	10:32	5	7	10
<u>Indian River</u>	IR24: Iron Branch - County road 331 at bridge	9/14/2015	9:32	156	593	10
<u>Indian River</u>	IR36: James Farm, base of Pasture Point Knee deep 150 yds from shore	9/15/2015	7:35	10	32	6
<u>Vines Creek</u>	IR38: Vines Lane	9/15/2015	8:00	98	43	10
<u>White Creek</u>	IR32: Holly Terrace Acres Canal Dead End, White Creek	9/14/2015	7:58	120	43	7
<b>Little Assawoman Bay</b>						
<u>Dirickson Creek</u>	LA03: Mulberry Landing	9/14/2015	7:10	20	16	10
<u>Dirickson Creek</u>	LA09: Dirickson Creek at Road 381 bridge.	9/14/2015	8:00	855	262	10
<u>Dirickson Creek</u>	LA27: Upper Dirickson Creek @ Johnson Rd Bridge	9/15/2015	6:48	884	Insufficient data	2
<u>Dirickson Creek</u>	LA28: Upper Dirickson Creek @ Smokey Hollow	9/15/2015	7:07	2,602	Insufficient data	2
<u>Dirickson Creek</u>	LA29: Upper Dirickson Creek @ Rt20	9/14/2015	6:23	2,143	522	9
<u>Jefferson Creek</u>	SB01: Anchorage Canal @ Rt 1	9/15/2015	7:48	1,211	428	10
<u>Jefferson Creek</u>	SB04: Petherton canal/rf1	9/15/2015	7:39	1,017	155	10
<u>Jefferson Creek</u>	SB06: Brandywine Canal	9/15/2015	7:42	253	178	10
<u>Jefferson Creek</u>	SB07: Layton Canal, South Bethany	9/15/2015	7:02	41	38	10
<u>Little Assawoman Bay</u>	LA46: Fenwick Island Tide Gauge	9/15/2015	8:50	20	24	10
<u>Little Assawoman Bay</u>	LA48: W. Georgetown St. Canal - Fenwick	9/15/2015	8:01	10	16	10

Please note that this report is for general information only. The Inland Bays and Broadkill River are under a permanent advisory for recreational contact, in particular after heavy rains.

24-Sep-15

University of Delaware Citizen Monitoring Program  
University of Delaware SGMAS, 700 Pilottown Rd, Lewes, DE 19958 (302) 645-4252

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Minutes prepared by Caitlyn Gordon, Legislative Aide  
Minutes reviewed by Michelle Zdeb, Legislative Assistant & Task Force Staffer

Mohammad Akhter stated that he came to Delaware from DC and mentioned that seeing Task Force stakeholders around the table was very inspiring. He stated three recommendations for the Task Force; he added that if members think that these recommendations make sense, then they should adopt them. Mr. Akhter added that members are here for their children, grandchildren, and the great state of Delaware. He suggested that members step back and take a fresh look to move the needle, and ask what else needs to be done to move the needle.

3 recommendations:

- Develop a training program to educate communities that are most affected so they can organize a plan to benefit from the resources provided by the State. Delaware has a recent community of retirees who are well educated; they can play a huge role in organizing and educating the community. The community will not take these options because they are not educated.
- This committee could be a permanent committee that meets every three months. All members play a very important role; Mr. Akhter added that this encourages him. He continued by saying that he has never seen so many state agencies and stakeholders listening to issues and providing input.
- If the State does not have dedicated funds, which people can rely on, this issue will not be solved

He thanked Task Force members for giving him this opportunity.

### **Open Discussion by Task Force**

Senator Townsend thanked both of the public members for their comments. He then added that the Task Force still needs to talk about dedicated funding, and the different structures for how the State goes about spending dedicated money. Senator Townsend added that the Task Force also needs to address the amount of money needed and where they would get it.

Ms. Cannon stated that she had an RFI (Request for Information) that came in, and they asked about Delaware's agricultural transfer tax. Knowing that we do not have one, she researched it to find that Maryland and Texas both have this tax. Their state's local governments give a 25% relief on property tax if it is used on agriculture. Ms. Cannon continued to ask if this could be used for open space. If the owner sells their property for redevelopment, then the developer would pay a surcharge tax. She asked if that tax would be a way to keep the site clean and if Secretary Small was aware of either state's program.

Secretary Small answered no. He added that in Delaware, both the agriculture land preservation program and the open space program are funded by \$10 million from the realty transfer tax to those two programs. He continued by saying he can do some research on how the other states operate.

Mr. Morrill referenced all of the numbers, and mentioned before the Task Force gets into the dedicated fund discussion, the aggregate needs should be compiled in a concise way, on an overall basis and on an annualized basis.

Secretary Small added that Mr. Piorko, and some people from DNREC, have been putting those numbers together. There are some numbers members have seen and others they haven't. DNREC is hoping to put the full numbers together later this week.

Minutes prepared by Caitlyn Gordon, Legislative Aide

Minutes reviewed by Michelle Zdeb, Legislative Assistant & Task Force Staffer

Senator Townsend asked if it was in regard specifically to water quality.

Secretary Small answered yes.

Ms. Goggin asked if this includes the Department of Agriculture's and DelDOT's numbers too.

Secretary Small replied that it includes agriculture BMP (Best Management Practices) costs but they do not have DelDOT's numbers.

Senator Townsend reminded everyone that the next meeting is the 19<sup>th</sup> of November from 2:00 PM – 4:00 PM in the House Hearing Room. He continued by saying that in the next couple of days, he will make sure agencies are coming together to make sure they are coming up with the all-in numbers that the Task Force members would like to see. Prior to the 19<sup>th</sup>, Task Force members will see some of these numbers and information to spark discussion at the next meeting. He added that there might also be a preliminary outline of the report to review content and framing.

Mr. Morrill asked if members could be sent this information well prior to the meeting.

Ms. Cannon asked the individuals from the University of Delaware for a favor. She added that this will not be put in the hardcopy report but it would be nice to have a map of Delaware where all issues have a GIS link to it. If you click somewhere, the map will notify the user that "DelDOT identified this property as a flood zone," etc. She added that as these lists are being developed, it would be nice to have a geographic address with them to feed into a map.

Mr. Kauffman answered that with GIS one could do anything, so the answer is yes.

Ms. Cannon added that even maybe in the report you could include a link to the map.

Senator Townsend replied that he is not sure about the timing and cost it takes to develop this resource, but hopefully this can be implemented. He added that the idea of this Task Force being on-going, he added that this is a huge piece of the Task Force. Senator Townsend added that hopefully this could be done in the context of the report.

Senator Townsend asked Task Force members for additional questions or comments. As there were none, the Task Force meeting was brought to a close at 3:38 pm.