



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

Street address: 629 East Main Street, Richmond, Virginia 23219

Mailing address: P.O. Box 1105, Richmond, Virginia 23218

www.deq.virginia.gov

Molly Joseph Ward
Secretary of Natural Resources

David K. Paylor
Director
(804) 698-4020
1-800-592-5482

MINUTES STATE WATER CONTROL BOARD

Thursday, January 14, 2016
Department of Game and Inland Fisheries
Board Room, 7870 Villa Park Drive
Henrico, Virginia

Board Members Present:

Robert L. Dunn, Chair

Lou Ann Jessee-Wallace

Joseph H. Nash

Heather L. Wood, Vice-Chair

G. Nissa Dean

Roberta A. Kellum

Board Members Absent:

Thomas M. Branin

Department of Environmental Quality:

David K. Paylor, Director

Debra A. Harris

Cindy M. Berndt

Attorney General's Office:

David C. Grandis, Assistant Attorney General

- 1) The attached minutes summarize activities that took place at this Board Meeting.
- 2) The meeting was convened at 9:30 a.m., recessed at 11:00 a.m., reconvened at 11:15 a.m., recessed at 12:48 a.m., reconvened at 1:35 p.m., recessed at 3:15 p.m., reconvened at 3:30 p.m., and adjourned at 4:45 p.m.

Approved Minutes No. 1
April 1, 2016



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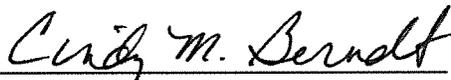
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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON JANUARY 14, 2016

MINUTE NO. 1 - Minutes

The Board approved the minutes of the October 1, 2015, Board meeting.


Cindy M. Berndt



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Thomas A. Faha
Regional Director

EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON JANUARY 14, 2016

Minute No. 2 – Modification of Virginia Pollutant Discharge Elimination System Permit (VPDES) Individual Permit No. VA0002071 – Dominion – Possum Point Power Station – Prince William County

DEQ staff made a presentation for the modification of the Virginia Pollutant Discharge Elimination System (VPDES) individual permit for the Dominion – Possum Point Power Station, VPDES permit number VA0002071. The facility is an existing 1845 Mega Watt (MW) natural gas and oil fired steam electric generating station, which ceased using coal in March 2003. The permit action primarily addressed the dewatering discharges associated with closure of five ash ponds at the Possum Point Power Station pursuant to a 2015 U.S. Environmental Protection Agency (EPA) final Rule that regulates the disposal of coal combustion residuals (CCR). Staff briefed the Board on the proposed permitting action and provided a summary of the major areas of concern received during the public hearing and comment period and staff responses to comments.

After staff's presentation, the Board heard from Cathy Taylor representing the permittee, Senator Scott Surovell, Mayor Kevin Brown representing the Town of Quantico, Greg Buppert representing Southern Environmental Law, Dean Naujoks and Phillip Musegaas representing the Potomac Riverkeeper Network, Martin Gary representing the Potomac River Fisheries Commission, C. Jonah Holland, Seth Heald and Yuri Norrell (concerned citizens).

Following comments of the individuals noted above, staff responded to several questions from the Board and then made the following recommendation:

Based on the agency permit files, the comments received during the public comment period and any explanation of comments previously received during the public comment period made at the Board meeting, staff recommends the Board:

1. Find that:
 - a. The permit has been prepared in conformance with all applicable statutes, regulations, and agency practices;
 - b. The effluent limits and conditions in the permit have been established to protect instream beneficial uses and fish and wildlife resources; and
 - c. All public comments relevant to the permit have been considered.
2. Approve the permit and conditions as presented today.
3. Authorize the Director to issue the permit as approved by the Board.

After hearing the staff recommendation, a motion was made and seconded to issue the permit as presented by staff.

Board Decision

The Board, based on the Board book material and presentation at the meeting, voted 5 – 1 in favor of staff's recommendation.

Thomas A. Faha
Director, Northern Regional Office

**EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD
AT ITS MEETING ON JANUARY 14, 2016**

MINUTE 3 — Water Quality Standards Triennial Review

Mr. John Kennedy, Director of the Office of Ecology, made a presentation to the Board pertaining to the mandatory Triennial Review of Virginia's Water Quality Standards (9 VAC 25-260). Mr. Kennedy summarized the proposed amendments and reviewed the key public comments and agency response to those comments. All of the public comments and agency responses were presented in the Board memo. The Board was provided with a summary of the proposed amendments to the Water Quality Standards approved to go to public hearing, and the changes made based on public comment, additional staff review, and new information received from EPA.

Oral comment was presented to the Board by Mr. Dick Sedgley, an attorney representing the Virginia Association of Municipal Wastewater Agencies (VAMWA). He commended DEQ on the fashion in which the rulemaking was handled and appreciated the technically skilled and helpful staff. He said VAMWA also appreciated the staff recommendation to not adopt new, more stringent ammonia criteria at this time to allow for additional investigation into implementation issues.

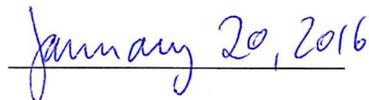
Decision:

Based upon the information provided to the Board and the staff recommendation, the Board by a unanimous vote approved the following actions:

1. Not adopt proposed amendments to the following eight human health criteria in 9VAC25-260-140: Nitrobenzene, Cyanide, Carbon Tetrachloride, Hexachloroethane, Methylene Chloride, Pentachlorophenol, Tetrachloroethylene, Trichloroethylene;
2. Not adopt proposed amendments to the freshwater aquatic life criteria in 9VAC25-260-140 for cadmium.
3. Not adopt proposed amendments to the freshwater ammonia criteria at 9VAC 25-260-155;
4. Not adopt proposed amendments that would change the following waters and their tributaries from Class III to Class VII: Lodge Creek, Thompson Branch, Mason Mill Swamp, Sullens and Mehixen Creeks;
5. Adopt all other amendments to the Water Quality Standards at 9 VAC 25-260 as presented in Attachment 4 to the Board meeting memorandum.



Jutta Schneider, Director
Division of Water Planning



Date



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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON JANUARY 14, 2016

MINUTE NO. 4 - VPDES General Permit for Domestic Sewage Discharges Less Than or Equal to 1,000 Gallons per Day (9VAC25-110)

Prior to the meeting the Board was provided briefing materials which included a revised draft of the subject general permit regulation, the fact sheet for the general permit, the Agency Background Document (TH-09) which included the public comment and the agency response and the Technical Advisory Committee membership. Elleanore Daub from the Office of VPDES Permits presented a summary of the significant changes to the regulation.

Board Decision

Based on the briefing material and the staff presentation, the Board voted unanimously to adopt the amendments to the VPDES General Permit for Domestic Sewage Discharges Less Than or Equal to 1,000 Gallons per Day (9VAC25-110). The Board also affirmed that they will receive, consider and respond to petitions by any person at any time with respect to reconsideration or revision of the regulations, as provided by the Administrative Process Act.

A handwritten signature in blue ink that reads "Melanie D. Davenport".

Melanie D. Davenport, Director
Water Permitting Division



COMMONWEALTH of VIRGINIA

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David K. Paylor
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Amy Thatcher Owens
Regional Director

EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON JANUARY 14, 2016

Minute No. 5 – Reissuance of Virginia Pollutant Discharge Elimination System (VPDES) Individual Permit No. VA0004138 – Dominion – Bremono Power Station – Fluvanna County

DEQ staff made a presentation for the reissuance of the VPDES Permit No. VA0004138 for Dominion – Bremono Power Station. The permit action involved reissuing a permit to discharge once-through condenser cooling water, stormwater, and industrial wastewater which includes wastewater from dewatering activities to facilitate the closure of three coal ash ponds and the metal cleaning waste treatment basin at the facility. Staff provided background information on the project, discussed public participation in the permitting process, summarized the major areas of concern, and presented DEQ responses and proposed changes to the draft permit. After staff's presentation, Brandon Kiracofe (DEQ-Valley Regional Office) and Allan Brockenbrough (DEQ-Central Office) responded to questions raised by the Board.

Cathy Taylor, a representative of the permittee, provided comments supporting the reissuance of the permit. Bill Street, Whitney Whiting, Max Posner, John Moser, Frances Kerr, Sarah Sanford, Katie Lemmert, Tricia Pearsall, Lee Williams, Brad McLane, Elli Morris, C. Jonah Holland, Robert Chris French, Dave Jones, Chris Siess, Rachel Kelleher, Edward Knight, and Laura Sullivan then presented comments in opposition to the permit reissuance.

Following the oral comments, Brandon Kiracofe (DEQ-Valley Regional Office), Allan Brockenbrough (DEQ-Central Office), and Fred Cunningham (DEQ-Central Office) responded to further questions raised by the Board.

The staff then recommended the Board:

1. Find that:
 - a. The permit has been prepared in conformance with all applicable statutes, regulations, and agency practices;
 - b. The effluent limits and conditions in the permit have been established to protect instream beneficial uses and fish and wildlife resources; and
 - c. All public comments relevant to the permit have been considered.
2. Approve the permit and conditions as presented; and
3. Authorize the Director to issue the permit as approved by the Board.

The Board, based on the Board book material and presentations at the meeting, voted five to one in favor of staff's recommendation, with Ms. Kellam voting no.



Amy T. Owens
Regional Director
Valley Regional Office



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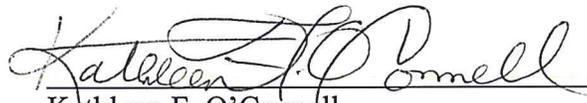
MINUTE NO. 6 – Significant Noncompliance Report

Kathleen O'Connell, Water Enforcement Program Manager, informed the Board that one permittee was reported to EPA on the Quarterly Noncompliance Report as being in significant noncompliance for the quarter ending June 30, 2015. The permittee, the facility and the instances of noncompliance were reported as follows:

1. Dupont Teijin Films, violations of internal effluent limit for biochemical oxygen demand for the months of April, May and June 2015.

Ms. O'Connell reported that to address the noted violations, staff of the Piedmont Regional Office are evaluating the case for an administrative penalty order.

The Board accepted the report.


Kathleen F. O'Connell
Water Enforcement Program Manager
Division of Enforcement



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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON January 14, 2016

MINUTE NO. 7: Boyd Farm, LLC and Roanoke Electric Steel Corporation

Consent Special Order

Lee M. Crowell, Petroleum & Wetlands Enforcement Program Manager, presented to the Board the Consent Special Order for Boyd Farm, LLC and Roanoke Electric Steel Corporation. The Board unanimously approved the Consent Special Orders and further authorized the Department's Director to execute the Order on the Board's behalf and to refer any violations of the Consent Special Orders to the Office of the Attorney General for appropriate legal action.

A handwritten signature in black ink that reads "Lee M. Crowell".

Lee M. Crowell
Petroleum & Wetlands Enforcement Manager
Division of Enforcement



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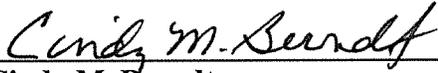
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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON JANUARY 14, 2016

MINUTE NO. 8 - Public Forum

No one appeared during the public forum.


Cindy M. Berndt



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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON JANUARY 14, 2016

MINUTE 9 – FY 2016 VCWRLF Loan Authorizations and Draft Living Shorelines Loan Program Guidelines

Mr. Walter Gills, Program Manager of the Department's Clean Water Financing and Assistance Program, made a presentation to the Board based on a memorandum dated December 9, 2015. The memorandum identified the staff's recommended loan amounts, terms, and interest rates for 18 projects being recommended for FY 2016 Virginia Clean Water Revolving Loan Fund assistance as well as draft Living Shorelines Loan Program Guidelines that the staff was recommending to be authorized for public review and comment.

Mr. Gills began his presentation by summarizing the actions taken by the Board at its October 2015 meeting, of targeting 19 projects for FY 2016 assistance and directing the staff to present the Board's tentative list for public comment. He relayed that a public meeting was held on November 10, 2015. The only comment received was from the Virginia Resources Authority (VRA). VRA stated that, given the recent payment default by the Virginia Conservation Legacy Fund (VCLF) on an existing loan, they would not support closing a new loan with the VCLF. As a result of this comment, the staff recommended that the VCLF project no longer be included on the 2016 project priority list, resulting in a final 2016 funding list including 18 projects at \$67.5 million. Mr. Gills explained that he had met with the potential FY 2016 loan recipients to verify the schedules and financial data used to evaluate the local impact and that the staff had completed its user charge impact analyses for the targeted recipients in order to establish the interest rates in accordance with Board guidelines. He stated that the staff was again recommending that the ceiling rate for wastewater projects be set at 1.5% below market based on Virginia Resources Authority's evaluation of the market conditions that exist the month prior to each loan closing.

Mr. Gills noted that EPA had still not finalized the federal allotments for FY 2016 so that staff was unsure as to whether they would provide for any principal forgiveness. He stated that staff had analyzed the projects with regard to the program's hardship affordability criteria and was prepared to work with the Director on providing principal forgiveness to some projects as allowed by previous delegations if it is provided for by the federal allotment.

Mr. Gills then discussed the draft Living Shorelines Loan Program Guidelines the staff had developed in accordance with the legislation passed by the 2015 Virginia General Assembly. He indicated that

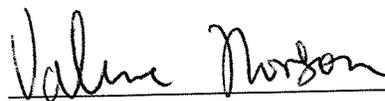
they carried forward many of the same principals from the other clean water loan programs including the application procedures/timeframe, eligibility, and interest rate criteria as well as providing special guidelines for the development of local plans for localities that wish to develop funding programs for individual citizens. The staff consulted with the Virginia Resources Authority, Virginia Institute of Marine Science, Virginia Marine Resources Commission, and the Middle Peninsula Planning District Commission during the development process. He noted that the staff was seeking Board authorization to present the draft guidelines for public review/comment, with anticipation of returning to the Board at their next meeting for final adoption.

Board Decision: The Board voted unanimously to authorize the execution of loan agreements for the projects, loan amounts, interest rates and terms listed below as well as to authorize the staff to present the draft Living Shorelines Loan Program Guidelines for public review/comment. In addition, the Board agreed that the ceiling rate would be set at 1.5% below market based on VRA's evaluation of the market conditions that exist the month prior to each loan closing. Loan closings will be subject to compliance with all program requirements and receipt of favorable financial capability analysis reports and supporting recommendations from VRA.

FY 2016 Proposed Interest Rates and Loan Authorizations

	<i>Locality</i>	<i>Loan Amount</i>	<i>Rates & Loan Terms</i>
1	City of Norfolk	\$7,000,000	0%, 20 years
2	Town of Pound	\$3,386,135	0%, 25 years
3	BVU Authority	\$5,976,277	0%, 20 years
4	Town of Elkton	\$2,767,900	CR, 20 years
5	City of Salem	\$4,991,000	0%, 20 years
6	Wise County PSA	\$268,977	0%, 30 years
7	City of Martinsville – Phase I	\$10,000,000	0%, 30 years
8	Town of White Stone	\$750,000	0%, 25 years
9	City of Martinsville – Phase II	\$11,740,000	0%, 30 years
10	Town of Marion	\$505,175	CR, 20 years
11	Charles City County	\$1,104,500	0%, 25 years
12	City of Galax	\$8,573,000	0%, 20 years
13	Floyd County PSA	\$1,549,500	CR, 20 years
14	Scott County PSA	\$563,238	0%, 25 years
15	Harrisonburg/Rockingham RSA	\$3,000,000	CR, 20 years
16	City of Lynchburg (stormwater)	\$1,705,275	0%, 20 years
17	The Nature Conservancy in Va.(land)	\$2,660,000	0.25%, 10 years
18	City of Norfolk (Brownfield)	\$1,000,000	0.25%, 10 years
	Total Request	\$67,540,977	

CR= Ceiling Rate



Valerie Thomson
 Director of Administration



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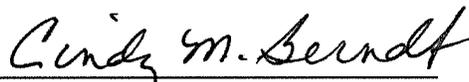
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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON JANUARY 14, 2016

MINUTE NO. 10 – Future Meetings

The Board confirmed April 1, June 27-28, September 22-23 and December 12-13, 2016, as the dates of their next meetings.


Cindy M. Berndt