



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

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

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Molly Joseph Ward
Secretary of Natural Resources

David K. Paylor
Director

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1-800-592-5482

MINUTES STATE WATER CONTROL BOARD

Thursday, December 11, 2014
House Room C, General Assembly Building
9th & Broad Streets
Richmond, Virginia

Board Members Present:

Robert L. Dunn, Chair
Joseph H. Nash
Thomas M. Branin
Ben Grumbles

Heather L. Wood, Vice-Chair
Thomas V. Van Auken
Roberta A. Kellum

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 on Thursday, December 11, 2014, at 9:32 a.m., recessed at 11:08 a.m., reconvened at 11:24 a.m., recessed at 12:45 p.m., reconvened at 1:35 p.m., recessed at 1:55 p.m., reconvened at 2:03 p.m. and adjourned at 3:10 p.m.

Approved Minutes No. 1
March 30, 2015



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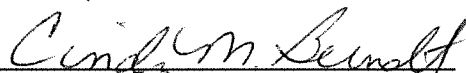
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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON DECEMBER 11, 2014

MINUTE NO. 1 - Minutes

The Board approved the minutes of the September 29, 2014, Board meeting.


Cindy M. Beyndt
Cindy M. Beyndt



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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON DECEMBER 11, 2014

MINUTE NO. 2 - Synagro Industrial Residuals Virginia Pollution Abatement (VPA) Permit Number VPA00584 (Goochland, King and Queen, King William, New Kent, Prince George and Surry Counties)

The staff made a presentation on this individual permit, discussing the application process, public hearing and addressing comments raised during the public comment period. After the staff presentation and questions, the Board heard from the following speakers:

Lorrie Loder, representative of Synagro: Requested approval of the permit.

Manuel Alvarez Jr., chairman, Goochland County Board of Supervisors: Requested delay of permit until further studies on the industrial residuals could be performed.

Jacqueline Hart, concerned citizen: Requested denial of the permit.

Tom Rubino, concerned citizen: Requested denial of the permit.

Erica Gray, representative of Sierra Club: Requested denial of the permit.

Donald Wagner, concerned citizen: Requested denial of the permit.

Kelly Place, representing Virginia Watermen's Association: Requested denial of the permit.

Lidia Epp, concerned citizen: Requested denial of the permit.

Julia Gary, concerned citizen: Requested denial of the permit.

Lee Rosson, farmer: Requested approval of the permit.

John N. Mills, Jr., farmer: Requested approval of the permit.

The Board had several other questions for staff after the last speaker had finished.

Board Decision

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 as well as the staff presentation and Board discussion at the meeting, the Board:

1. Found that:
 - a. The permit has been prepared in conformance with all applicable statutes, regulations and agency practices;

EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER
CONTROL BOARD AT ITS MEETING ON DECEMBER 11, 2014

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- b. The limits and conditions in the permit have been established to protect public health and the environment, and
 - c. All public comments relevant to the permit have been considered.
2. Approved the permit and conditions as presented today.
 3. Authorized the Director to issue the permit as approved by the Board.

The Board vote was 5 to 2 with Ms. Kellam and Mr. Grumbles voting no.



Kyle Ivar Winter, P.E.
Deputy Regional Director, Piedmont Regional Office



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MINUTE NO. 3 - Water Quality Management Planning Regulations (9VAC25-720), 2014 HB445 Amendment

Debra Harris with the Office of Regulatory Affairs presented an amendment to the Water Quality Management Planning Regulations under 9VAC25-720. Ms. Harris explained that the enacting provision of Chapter 202 of the 2014 Acts of Assembly required this regulatory amendment. The enacting provision requires all TMDL wasteload allocations (WLAs) that were adopted or approved by the Board prior to July 1, 2014 to be listed in 9VAC25-720. An overview of the WLAs added to the regulation was provided and included the sections and the number of WLAs added to list of WLAs for each river basin. It was noted that Chapter 202 of the 2014 Acts of Assembly provided an exemption from the APA for this regulatory action. At the conclusion of the presentation, the Board asked clarifying questions and then Ms. Harris presented the staff recommendation to the Board for consideration.

BOARD DECISION

Based on the board book briefing items and staff presentation, the Board unanimously adopted as final regulation the HB445 Amendment to the Water Quality Management Planning Regulation, 9VAC25-720.

A handwritten signature in blue ink that reads "Debra A. Harris".

Debra A. Harris
Policy and Planning Specialist



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MINUTE NO. 4- WATERSHED PROGRAMS

Liz McKercher, Watershed Programs, presented seven Total Maximum Daily Load (TMDL) reports and thirty six waste load allocations for Board approval and amendment to the Water Quality Management Planning Regulation (WQMPR).

The proposed actions pertain to water bodies in the James River Basin, Roanoke River Basin, Chowan River – Dismal Swamp River Basin, Chesapeake Bay – Small Coastal – Eastern Shore River Basin, and the York River Basin. The TMDL reports included the following:

1. North Creek Watershed Sediment and Total Phosphorus TMDL (Fluvanna County, James River Basin)
2. Little Otter River Watershed Sediment and Total Phosphorus TMDL (Town of Bedford, and Bedford and Campbell counties, Roanoke River Basin)
3. Hyco River Watershed Bacteria TMDL (Halifax and Mecklenburg counties, Roanoke River Basin)
4. Coleman Creek Watershed Sediment TMDL (Halifax County, Roanoke River Basin)
5. Back Bay, North Landing River, and Pocaty River Watersheds Total Phosphorus and Bacteria TMDL (cities of Chesapeake and Virginia Beach, Chowan River – Dismal Swamp River Basin)
6. Red Bank Creek and Machipongo River Bacteria TMDL (Accomack and Northampton counties, Chesapeake bay – Small Coastal – Eastern Shore River Basin)
7. Pamunkey River and Tributaries Bacteria TMDL (Spotsylvania, Hanover, Louisa, New Kent, and King William counties, York River Basin)

Board Decision:

Based on the briefing material and the staff presentation, the Board voted unanimously to:

1. Approve the seven Total Maximum Daily Load (TMDL) reports for inclusion into the Water Quality Management Plan, and
2. Adopt thirty six corresponding TMDL Waste Load Allocations into the Water Quality Management Planning Regulation.

Melanie D. Davenport
Director, Water Division



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MINUTE NO. 5– Significant Noncompliance Report

Kathleen O’Connell, Water Enforcement Program Manager, informed the Board that there were no new permittees reported to EPA on the Quarterly Noncompliance Report as being in significant noncompliance for the quarter ending June 30, 2014.

The Board accepted the report.

A handwritten signature in cursive script that reads "Kathleen F. O'Connell".

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



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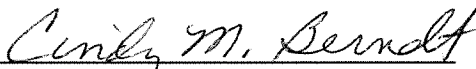
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MINUTE NO .6 – Future Meetings

The Board confirmed March 30, June 25-26, September 24-25 and December 10-11 as the dates of their meetings in 2015.


Cindy M. Berndt

[Note: After the meeting the September 24-25 date was changed to October 1-2.]



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MINUTE NO. 7 - Modification of Biosolids VPA Permit VPA03010- Recyc Systems, Inc. (Lunenburg County)

Prior to the meeting the Board was provided briefing materials including a copy of the staff presentation and Part II of the draft permit that contains standard conditions applicable to all VPA permits. The application DEQ received was for modification of biosolids permit number VPA03010 for the addition of land to the current permit and to modify the permit for the new regulations.

Nelson Dail, the Water Compliance Manager for the DEQ Blue Ridge Regional Office, gave the staff presentation on the permit, discussing the application process, public hearing and addressing comments raised during the public comment period; and answered questions from the Board.

The Board then heard from the following speakers:

Harrison Moody-Recyc Systems, Inc.-Permittee

Carson Yancey: Requested that field #5 and field #32 be removed from the permit.

Ginger Phelps

Staff Recommendation: Based on 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, the staff recommended that the Board:

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

Minute #7
VPA03010
Page 2 of 2

In response to requests from members of the Board and after further discussions between the DEQ staff, permittee and the concerned landowners, the permittee voluntarily agreed to apply a 200 foot buffer along the property line in field #5.

The staff then presented a modification to item 2 of the staff recommendation for the Board to approve the permit and the conditions as presented today except that the buffer along the property line in field # 5 was set at 200 feet.

Board Decision: The Board voted unanimously to adopt the modified staff recommendation.



Robert J. Weld, Regional Director
Blue Ridge Regional Office



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MINUTE 8 – FY 2015 VCWRLF Loan Authorizations

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 November 17, 2014. The memorandum identified the staff's recommended loan amounts, terms, and interest rates for 24 projects being recommended for FY 2015 Virginia Clean Water Revolving Loan Fund assistance.

Mr. Gills began his presentation by summarizing the actions taken by the Board at its September 2014 meeting, of targeting 24 projects for FY 2015 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 12, 2014 and that no comments had been received. Mr. Gills explained that he had met with the potential FY 2015 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. Based on the initial meetings with the applicants, there were no changes being made to the previously-approved funding list, resulting in a total loan amount of \$83,965,578 for the 24 projects.

Mr. Gills explained that the Board had previously set the VCWRLF ceiling rate on wastewater loans at 1% below the municipal bond market rate. However, Congress recently passed new legislation which added additional conditions on revolving loan projects, specifically Davis Bacon Act and American Iron and Steel requirements. These requirements increase the construction and administrative costs of these projects and the staff is recommending an additional 0.5% decrease in the ceiling rate, down to 1.5% below market, to account for these additional costs.

Mr. Gills noted that Congress had still not finalized the federal SRF appropriation for FY 2015 so that staff was unsure as to whether the appropriation bill 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 appropriation.

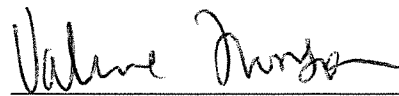
Board Decision: The Board voted unanimously to authorize the execution of loan agreements for the projects, loan amounts, interest rates and terms listed below and set the ceiling rate at 1.5% below market based on VRA's evaluation of the market conditions that exist the month prior to each

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 2015 Proposed Interest Rates and Loan Authorizations

	<i>Locality</i>	<i>Loan Amount</i>	<i>Rates & Loan Terms</i>
1	City of Norfolk	\$6,000,000	0%, 20 years
2	City of Waynesboro	\$1,723,401	CR, 20 years
3	Rivanna WSA	\$3,418,174	CR, 20 years
4	Buchanan County PSA	\$16,204,121	0%, 25 years
5	Town of Surry	\$2,020,400	0%, 20 years
6	Middle Peninsula PDC	\$200,000	0%, 10 years
7	Alleghany County	\$1,612,720	CR, 20 years
8	Town of Broadway	\$6,565,000	CR, 20 years
9	Town of Rural Retreat	\$862,550	CR, 20 years
10	Washington County SA	\$1,171,550	0%, 20 years
11	Harrisonburg/Rockingham RSA	\$8,995,500	CR, 20 years
12	Alleghany County	\$1,000,000	CR, 20 years
13	Town of Honaker	\$396,171	0%, 20 years
14	Tazewell County PSA	\$10,586,691	CR, 20 years
15	Alleghany County	\$145,000	CR, 20 years
16	City of Norfolk (stormwater)	\$1,195,000	0%, 20 years
17	Virginia Conservation Legacy Fund	\$5,160,000	0.25%, 10 years
18	Virginia Conservation Legacy Fund	\$5,169,000	0.25%, 10 years
19	Virginia Conservation Legacy Fund	\$5,215,000	0.25%, 10 years
20	Virginia Conservation Legacy Fund	\$3,103,000	0.25%, 10 years
21	Virginia Conservation Legacy Fund	\$597,000	0.25%, 10 years
22	Virginia Conservation Legacy Fund	\$2,073,000	0.25%, 10 years
23	Town of Marion	\$127,300	0.25%, 10 years
24	Virginia Conservation Legacy Fund	\$425,000	0.25%, 10 years
	Total Request	\$83,965,578	

CR= Ceiling Rate



Valerie Thomson
 Director of Administration



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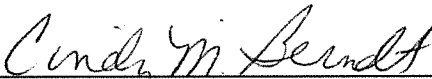
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MINUTE NO. 9 - Public Forum

No one appeared during the public forum.


Cindy M. Berndt
Cindy M. Berndt