



COMMONWEALTH of VIRGINIA

DEPARTMENT OF ENVIRONMENTAL QUALITY

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

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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, September 22, 2016

House Room C

General Assembly Building

9th & Broad Streets

Richmond, Virginia

Board Members Present:

Robert L. Dunn, Chair

Lou Ann Jessee-Wallace

Joseph H. Nash

Roberta A. Kellum

G. Nissa Dean

Thomas M. Branin

Board Members Absent:

Heather L. Wood, Vice-Chair

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 10:55 a.m., reconvened at 11:10 a.m., recessed at 12:00 p.m., reconvened at 12:51 p.m. and adjourned at 2:40 p.m.

*Approved: Minute No. 1
Dec. 12, 2016*



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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON SEPTEMBER 22, 2016

MINUTE NO. 1 - Minutes

The Board approved the minutes of the June 27, 2016, Board meeting.

A handwritten signature in blue ink that reads "Cindy M. Berndt".

Cindy M. Berndt



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MINUTE NO. 2 - Minutes

The Board approved the minutes of the July 28, 2016, Board meeting.



Cindy M. Berndt



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David K. Paylor
Director

Michael P. Murphy
Regional Director

EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON SEPTEMBER 22, 2016

Minute No. 3 – Reissuance of Virginia Pollutant Discharge Elimination System Permit (VPDES) Individual Permit No. VA0004146 – Dominion – Chesterfield Power Station – Chesterfield County

DEQ staff made a presentation for the reissuance of the Virginia Pollutant Discharge Elimination System (VPDES) individual permit for the Dominion – Chesterfield Power Station, VPDES permit number VA0004146. The facility is an existing 1750 Mega Watt (MW) steam electric generating station that burns coal, natural gas, and distillate oil. The permit action primarily addressed the industrial wastewater and stormwater discharges associated with the closure of the facility's ash ponds 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 Julianne Condrey representing Senator Amanda Chase, Cathy Taylor representing the permittee, Thomas Pakurar, Bill Street and Jameson Brunkow representing the James River Association, Bradford McLane and Nate Benforado representing Southern Environmental Law Center, Bob Olsen, Lynn Wilson, Glen Besa, Kate Addleson representing the Sierra Club, Peggy Sanner representing the Chesapeake Bay Foundation, and Emilie Rex and Thomas Burkett representing the Virginia River Healers.

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, including the addition of the following language on page 35, paragraph 29, of the permit (Part I.C.29.a, first paragraph):

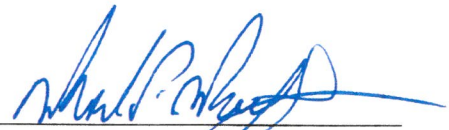
The permittee shall no later than 90 days following this permit reissuance submit a general description of the type of data, studies, experiments, and other information which the permittee intends to submit for the update of the §316(a) demonstration.

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 6 – 0 in favor of staff's recommendation.



Michael P. Murphy
Director, Piedmont Regional Office



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MINUTE NO. 4– Significant Noncompliance Report

Due to upgrades to the agency's data systems and the resulting lag in upload of compliance information to the Environmental Protection Agency, there was no Significant Noncompliance Report presented to the Board.

A handwritten signature in black ink, appearing to read "Kathleen F. O'Connell".

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



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MINUTE NO. 5 – VWP Program; Consent Special Order, Round Hill Investors, LLC

Lee M. Crowell, Petroleum & Wetlands Enforcement Manager, presented to the Board the Consent Special Order for Round Hill Investors, LLC. The Board approved the Order and further authorized the Department's Director to execute the Order on the Board's behalf and to refer violations of the Order to the Office of the Attorney General for appropriate legal action.

A handwritten signature in black ink, appearing to read "Lee M. Crowell", written over a horizontal line.

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



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MINUTE NO. 6 - Public Forum

No one appeared during the public forum.

A handwritten signature in blue ink that reads "Cindy M. Berndt".

Cindy M. Berndt



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EXCERPT FROM THE PROCEEDINGS OF THE STATE WATER CONTROL BOARD AT ITS MEETING ON SEPTEMBER 22, 2016

MINUTE 7- Development of FY 2017 Clean Water Revolving Loan Funding List

Mr. Walter Gills of the Department's Clean Water Financing and Assistance Program made a presentation to the Board based on a staff memorandum dated August 15, 2016 pertaining to the development of Virginia's Clean Water Revolving Loan Fund Project Priority List and Intended Use Plan for FY 2017.

Mr. Gills began by referencing the attachments included with the staff's memorandum providing the Board with a description of the projects being considered and presenting the FY 2017 applications in priority funding order. The 2017 application pool included 24 wastewater projects, 1 for stormwater management, and 1 living shorelines project, requesting a total of \$131 million. He noted that, due to substantial revenues coming in from the Fund's large loan portfolio, continued federal and state match funding, and moderate loan demand over the last several years, there would be sufficient funds available to address all of this year's projects.

Walter summarized the staff's activities in regards to the review of the applications in accordance with the program's policies and procedures, stating that all of the applications were determined to be eligible and provide benefits to water quality. With these considerations, the Board would have sufficient revenue available to fund the \$131 million for all the applications that were received.

Several members of the Board expressed concerns about approving a loan to the City of Petersburg given all of the recent information about the City's financial struggles, including their inability to pay for the wastewater services provided to the City by the South Central Wastewater Authority. Mr. Gills explained that the Board's action was just the preliminary approval step based on the water quality benefits of the projects without any financial considerations. He stated that the Virginia Resources Authority (VRA) co-managed the Fund with DEQ and had the

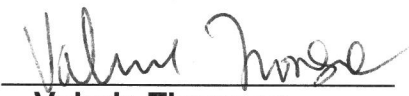
primary responsibility for determining the credit worthiness of all the project applicants. VRA would not close on a loan with Petersburg until they were sure they were a good credit with sound security.

Mr. Gills reminded the Board that staff would be bringing the funding list back to them for final approval in December. The Board agreed that they would approve the recommended funding list subject to the staff obtaining information from the Virginia Resources Authority regarding VRA's financial analysis of a loan to the City of Petersburg for presentation to the Board at their December meeting.

Following discussions, the Board voted unanimously to target the following 26 applicants for loan assistance from available and anticipated funds and authorize the staff to present the Board's proposed FY 2017 Project Priority List and Intended Use Plan for public review and comment:

	Applicant	Project Type	Requested Amount
1	Town of Virgilina	Wastewater	\$310,045
2	City of Norfolk	Wastewater	\$10,000,00
3	Wise County PSA	Wastewater	\$531,127
4	Town of Wytheville	Wastewater	\$1,222,000
5	Town of Clifton Forge	Wastewater	\$1,349,739
6	City of Richmond	Wastewater	\$2,696,622
7	Hampton Roads Sanitation District	Wastewater	\$1,729,713
8	Hampton Roads Sanitation District	Wastewater	\$1,201,200
9	Town of Pennington Gap	Wastewater	\$1,652,791
10	City of Covington	Wastewater	\$498,000
11	Town of Marion	Wastewater	\$346,300
12	City of Petersburg	Wastewater	\$750,000
13	Hampton Roads Sanitation District	Wastewater	\$7,338,652
14	Hampton Roads Sanitation District	Wastewater	\$3,534,541
15	Hampton Roads Sanitation District	Wastewater	\$1,315,241
16	Henry County PSA	Wastewater	\$23,659,400
17	Hampton Roads Sanitation District	Wastewater	\$2,334,378
18	Hampton Roads Sanitation District	Wastewater	\$2,176,098

	Applicant	Project Type	Requested Amount
19	Alexandria Sanitation Authority	Wastewater	\$2,200,000
20	Town of Gate City	Wastewater	\$1,726,278
21	City of Martinsville	Wastewater	\$3,425,000
22	Hampton Roads Sanitation District	Wastewater	\$47,885,843
23	Hampton Roads Sanitation District	Wastewater	\$6,094,306
24	Harrisonburg/Rockingham RSA	Wastewater	\$2,700,000
25	City of Richmond	Stormwater	\$4,307,361
26	Middle Peninsula Planning District Commission	Living Shorelines	\$250,000
		Total =	\$131,234,635


Valerie Thomson
Director, Division of Administration



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MINUTE 8 – Draft Revisions to the Stormwater Local Assistance Fund (SLAF) 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 August 25, 2016. The memorandum discussed the recent legislation expanding the eligibility of the Stormwater Local Assistance Fund (SLAF) to include the purchase of non-point source nutrient credits, the staff's determination of the need to revise the SLAF Guidelines to incorporate that change as well as other revisions to improve the program, and the staff's recommendation for the Board to authorize the staff to present the draft Guideline revisions for public review/comment.

Mr. Gills reminded the Board that the SLAF program had been created by the General Assembly in 2013 and that the Board had approved the original SLAF Guidelines on September 30, 2013. To date \$60 million has been provided to the Fund and DEQ has authorized funding to approximately 150 stormwater projects. The original legislation limited eligibility solely to capital projects but this past session the General Assembly amended the code to expand SLAF eligibility to include the acquisition of non-point source nutrient credits. This necessitated revisions to the SLAF Guidelines and the staff determined that additional changes would be beneficial to the program.

The staff received input from Virginia Municipal Stormwater Association, Chesapeake Bay Foundation, James River Association, and the Reedy Creek Coalition during the revision development process. Mr. Gills discussed the highlights of the revisions which were provided as an attachment to the staff memo to the Board. He noted that the staff was seeking Board authorization to present the draft revised Guidelines 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 staff to present the draft revised Stormwater Local Assistance Fund Guidelines for public review/comment.

A handwritten signature in black ink, appearing to read 'Valerie Thomson', written over a horizontal line.

Valerie Thomson
Director of Administration



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MINUTE NO. 9 - Amendments to the Erosion and Sediment Control Regulations (9VAC25-840)

Prior to the meeting the Board was provided a briefing memorandum, Agency Background Document (TH-09) and the text of the amendments to the Erosion and Sedimentation Control Regulations. Frederick Cunningham from the Office of Water Permits presented a summary of the changes to the regulation.

Amendments to the Erosion and Sediment Control Regulations are necessary to comport with the legislative changes made by the 2016 General Assembly. These amendments clarify that erosion and sediment control plans approved on and after July 1, 2014, and that are in accordance with the grandfathering or time limits on applicability of approved design criteria provisions of the Virginia Stormwater Management Program Regulations are authorized to continue to utilize the old water quantity requirements for flow rate capacity and velocity under the Virginia Erosion and Sediment Control Program

Board Decision

Based on the briefing material and the staff presentation, the Board voted unanimously to adopt the amendments to the Erosion and Sediment Control Regulations (9VAC25-840). 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



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MINUTE NO. 10 – DIVISION DIRECTOR'S REPORT

Ms. Davenport notified the Board that a citizen petition had been received nominating approximately two miles of Laurel Fork in Highland County as an exceptional state water. She informed the Board that staff was in the process of notifying the locality and riparian owners and would be conducting a site visit. She also told the Board that staff would present its recommendation on the petition at the December 2016 Board meeting.

Ms. Davenport also briefed the Board on upcoming local engagement activities related to development of Phase Three of the Watershed Implementation Plan for the Chesapeake Bay TMDL.

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

Melanie D. Davenport
Director, Water Permitting Division



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MINUTE NO. 11 – Future Meetings

The Board confirmed December 12-13, 2016, as the date of their next meeting.


Cindy M. Berndt