

Water Withdrawal Annual Maintenance Fee Workgroup

August 19, 2021

Summary Meeting Minutes

Committee Members Present:

Steve Herzog, Hanover County/VAMDWA
Jim Taylor (alternate), WestRock
Pam Kenel, Loudoun County
Jeff Holliday (alternate), Golf Course Superintendents Association
Ronald Jefferson (alternate), American Electric Power
Beckam Stanley (alternate), VA Agribusiness Council
Anna Killius, James River Association
Jerry Gouldman, King George County Service Authority

Committee Members Absent:

Robert Underwood, Colonial Williamsburg Foundation
Melissa Rollins, Surry County

DEQ Staff:

Jeff Steers, Director of Central Operations
Valerie Thomson, Administration, Director
Jutta Schneider, Water Planning Division, Director
Scott Kudlas, Office of Water Supply, Director
Joseph Grist, Water Withdrawal Permitting and Compliance Program Manager
Shane Balloun, Senior Financial Analyst
Lily Tromblay, Guidance and Regulation Coordinator

Members of the Public:

Michelle Ashworth
Christopher Gill

Proceedings:

1) Welcome and Introductions

Mr. Jeff Steers convened the meeting at 10:05 am and welcomed the body to the second meeting of the water withdrawal annual maintenance fee workgroup.

He also outlined the goal of the meeting, which was to further review project direct costs for the Water Withdrawal Permitting and Compliance Program, answer questions submitted by the workgroup, and review strawman annual maintenance fee approaches.

2) Review and Summary of July 22 Meeting

There were no changes recommended for the July 22 meeting summary.

3) Staff Presentations

Mr. Kudlas provided a general overview of workgroup member questions and comments since the July 22, 2021 meeting, to include those covered in Mr. Herzog's questions in the presentation to follow.

Mr. Herzog commented on the structure of the permitting fee; concerned that under the structure of the permitting process, there are more parties exempted from the water withdrawal permit process than those required to be permitted. Mr. Herzog wanted to ensure the body was willing to recommend actions to either (permitted and unpermitted) looking at the breadth of permitting process, or re-consider the total percentage permitted users will be required to cover.

Mr. Holliday noted that the Golf Course Superintendents Association was unclear as to where golf courses fall in the annual maintenance fee discussion as golf courses have worked closely with DEQ on water withdrawal reporting and drought management.

Mr. Kudlas informed the body that the representatives from Colonial Williamsburg have informed him they will not be continuing their participation in the workgroup due to work related scheduling constraints.

a) Responses to Workgroup Questions

Mr. Balloun and Mr. Kudlas updated the workgroup on the projected direct costs for groundwater and surface water withdrawal permitting program. In response to questions from the July 22, 2021 workgroup meeting, Mr. Balloun provided projected annual direct costs with full staffing for the Office of Water Supply, both for the permitting program specifically and the office overall (including non-permitting direct costs), and answered specific workgroup member questions concerning project annual costs with full staffing. Mr. Balloun also provided an overview of costs by withdrawal program with groundwater withdrawal permitting representing approximately 80% of all direct costs and surface water withdrawal permitting representing the remaining 20% of direct costs.

Mr. Kudlas provided information concerning permitted and unpermitted facilities (groundwater and surface water) to the workgroup in response to requests to identify water withdrawal entities excluded from need a water withdrawal permit or from paying permit application fees. Workgroup members noted that the water withdrawal program is unlike other DEQ permit programs because of the number of permit exclusions that exist, and need to include this information in the final report of the workgroup. Multiple workgroup members commented that the water withdrawal program serves everyone in the Commonwealth, but only those with permits are being asked to pay toward program costs. Multiple workgroup members also commented that surface water permittees may

be asked to contribute disproportionately to the annual direct costs (in response to the 80/20% split in program costs presented by withdrawal type).

Mr. Kudlas also provided the workgroup requested information concerning examples of other existing annual maintenance fee programs within the air, waste, and water programs of DEQ.

b) Review Potential Fee Schedules from Staff

Mr. Kudlas and Mr. Grist provided the workgroup initial examples of strawman annual maintenance fee approaches for review. The strawman options included a standard rate per gallon for permitted annual water withdrawals, a standard rate permit (regardless of withdrawal amount), a various tier rate approaches based on total permits, permitted withdrawal amounts, application categories, and program type. Each strawman included options with and without permitted agriculture facilities included.

4) Workgroup Discussions

The workgroup discussed each option presented, and where available, staff provided additional details per option in regards to user types and specific water withdrawal permit limits and conditions. The workgroup requested the following information be provided by the next workgroup meeting:

- Standard rate per gallon option comparing total permitted withdrawal amounts with most recent annual withdrawal amounts. Include calculations for flow-by operations without annual withdrawal limits, and a comparison including permitted and unpermitted users.
- Tiered permit rates using total permitted distribution by number (with associated withdrawal by gallon ranges), identifying the highest and lowest users in each category
- Tiered permit rates using total permitted withdrawal amounts with most recent annual withdrawal amounts. Include calculations for flow-by operations without annual withdrawal limits, and a comparison including permitted and unpermitted users
- Tiered permit rates using total permitted withdrawal amounts by program cost percentage (with surface water defined by VWP application tiers), and a comparison including permitted and unpermitted users

5) Public Comment

There were no public comments provided.

6) Next Steps

The next workgroup meeting will be September 9, 2021 from 10am to 3pm.

Mr. Steers adjourned the meeting at 3:00 PM.