

Nutrient Scientific Advisory Board Meeting Summary

June 7, 2017

TJCOG- 4307 Emperor Blvd Suite 110, Durham, NC 27703

9:30 am – 12 pm

Attendees

Members

Sandi Wilbur - Durham
Eric Kulz - Cary
Andy McDaniel - NCDOT
Allison Schwarz Weakley – Chapel Hill
Haywood Phthisic - UNRBA
Sally Hoyt - UNC
David Phlegar - Greensboro
Peter Raabe – American Rivers

DWR Staff

Patrick Beggs
Rich Gannon
John Huisman
Jim Hawhee

Guests

Sushama Pradham – NC DHHS
Jen Schmitz - TJCOG
Alix Matos – Brown & Caldwell
Joey Hester – NC DACS
Don O’Toole - Durham
Christina Chen – American Rivers
Keith Larrick – NC Farm Bureau
Teresa Andrews - AWCK
Tom Davis – Orange County
Dan McLawhorn - Raleigh
Frank Park – Guilford County
Justin Gray – Guilford County

Facilitator – Dispute Settlement Services

Andy Sachs

Agenda Topics

1. Annual Report
2. Nutrient Trading Framework Concepts

Meeting Materials available online: deq.nc.gov/nps

- [Agenda](#)
- [Annual Report](#)
- [Nutrient Trading Framework Concepts Powerpoint slides](#)

Summary

Andy Sachs opened the meeting with introductions.

The NSAB approved the September 2016 meeting summary. (It had never been officially approved.)

The NSAB approved the December 2016 meeting summary. (Dec 2016 was the last time the NSAB met.)

Patrick Beggs presented NSAB annual report.

The report was sent to the NSAB at least one week prior to the meeting. The report stated the board had provided input on the DWR nutrient accounting tool, the DEMLR Stormwater Control Measures Credit Document, and four nutrient reduction practices brought forth by UNRBA (Cattle Exclusion; Illicit Discharge Detection and Elimination; Buffer Restoration in Developed Area; and Land Conservation).

The annual report was approved without objection.

NSAB Comments to the annual report presentation:

It isn't clear to me what the board's position is on these practices. Do we as a board endorse the practices? We need more structure to the decisions we make and the advice we give. How do we officially make decisions?

[Andy Sachs reviewed the consensus based decision-making practice for the board.]

[DWR and Andy Sachs will gather NSAB documents containing the decision-making process as well as tasks, roles, responsibilities and present them at the next NSAB meeting.]

Is it available for us to read the public comments on the nutrient reduction practices? The public comments and other board member comments? We commented but I don't know what happened. Can we see the comments for the buffer practice?

[Yes. DWR will supply public comments to the NSAB. The public comments for the Buffer Restoration practice will be available by the August 4 NSAB meeting.]

Maybe the board needs to suggest more things, such as next agenda.

[Yes, it is best if the NSAB members work together with DWR staff and the facilitator to determine upcoming agendas based on need, ability, and availability.]

How do all of the state SAB's and other advisory type groups fit together? Do we overlap?

[DWR can begin to illustrate this. It will not be available at the next meeting.]

Can we have an updated list of nutrient reduction practices?

[Yes, it will be available at the next NSAB meeting.]

What's up with the land conservation credit?

[It is still being discussed among the interested parties.]

Jim Hawhee presented a Trading Framework presentation

Jim reviewed the many possible components of a trading framework and the many questions that still need to be answered. The goal of the presentation was to start the trading discussion with NSAB, and to gather questions and ideas to help DWR research trading further. Jim's presentation is available on the NSAB website. deq.nc.gov/nps

NSAB Comments to the trading presentation:

The NSAB was asked to contribute questions and comments to help DWR to develop the program. Comments below were combined where possible, to ease reporting. Most of the questions were not answered directly. They will be used to inform DWR research.

- Allocation trading is different than nutrient credit tracking. There is a difference between reduction and allocation.
- It sounds like nutrient accounting, or is it a banking structure? Banking is a type of trading – there is stream banking, buffer banking, nutrient crediting. How will all this fit together?
- How does this relate to Division of Mitigation Services? to the credits they generate and trade? How is this related to mitigation banking?
- I'm confused between banking and trading.
- The conflicts are very real in the banking industry.
- Can we frame it all in trading and an accounting framework and make banking just a part of it?
- What is working and not working would be good to understand. Can this be a part of what we talk about moving forward? Are we already using some system that will just be expanded?
- We need to nail down vocabulary and units. As a local government, we have tried to buy credits and it is very confusing.
- Ledgers: There are private bank ledgers, DMS ledgers, DWR ledgers. We need this explained. Do you think there will be more parties keeping ledgers or will there just be one place for all of it to be done. One place to track all would be great for planning. Local governments may also keep ledgers. What would be the incentive for local governments and others to take on a ledger? It may benefit them financially.
- There is a lot of overlapping in all this. We need to look at all these things mentioned. There are many barriers, one of which is the system isn't designed to allow for this and everyone's roles are not clear. For example, who gets the ag credits? This system currently doesn't specify. The current trading systems are not unified.
- Add state and fed entities to the list of potential sellers.
- Water quality hotspots are impaired areas with little to no nutrient treatment. Alternate views were presented including 1) Trading may create or exacerbate hotspots.; and (2) Communities may want to allow an urban stream hotspot so they can do more and greater work elsewhere, instead of mediocre work everywhere.
- Consider contacting the NC Dept. of Commerce for potential advice and help.
- In Falls, local governments can collectively work to achieve goals. Will that be a part of the framework?
- With respect to the mention of a 30-year credit: We build projects that we expect to last more than 30 years. Are people buying for 30 years? For perpetual maintenance? For what?
- We may not need a supersystem approach. We could deal with nutrients collectively on a subwatershed basis. A problem with the rules is our silos. We may not need trading, but a collective watershed approach.
- Retrofits are way too expensive compared to buying offsets.
- It is rare that development overtreats a site. Redevelopment may design for overtreatment. Will you work that in and what will be required?
- The goal is watershed improvement, not a trading system. Our business as local governments is to comply so these collective groups or wastewater associations could work.

- When will more involved stakeholder work begin? will you be planning meetings where you get stakeholders putting words to paper. [Answer: This is just the beginning and we want to start with involving you, the NSAB.]

Other requests:

Can we read the offset nutrient credit study?

[Yes, DWR produced a study titled Evaluating Nutrient Offset Market Dynamics in the Jordan and Falls Lake Watersheds. It was written in response to a legislative request in 2016 session law. It was emailed to the NSAB in June and is available on the NSAB website with the June 2 meeting documents.]

Can you send Deanna Osmund's papers mentioned during the presentation?

[Yes. DWR sent them by email in June.]

Updates:

Nuese / TarPam rules are moving forward. A draft was posted to the website April 3, 2017 and DWR is currently receiving input. We expect to wrap up by the end of June, bring it to the EMC in September, and begin work on a fiscal note. Rule updates are posted online at: www.deq.nc.gov/nps See **What's New?**

North Carolina Policy Collaboratory was established by the state legislature to utilize and disseminate the environmental research expertise of the University of North Carolina for practical use by state and local government. Updates can be found at the website: collaboratory.web.unc.edu

Nutrient Criteria Development Plan (NCDP) is revisiting the nutrient criteria thresholds. The objective of NCDP Scientific Advisory Council (SAC) is to provide advice and recommendations to DWR on site-specific nutrient criteria based solely on data and scientific judgments about pollutant concentrations and their effects. Latest information can be found on the website: <https://deq.nc.gov/about/divisions/water-resources/water-resources-data/water-sciences-home-page/nutrient-criteria-development-plan/scientific-advisory-council>

Next Steps:

- Update list of credit practices and give it to NSAB
- Bring available new nutrient reduction practices to NSAB
- Discuss practice review, comment, and feedback
- Review board charge and structure including membership update, meeting schedule
- Explain and discuss what is working and not working about the current mitigation structure. [DWR needs clarification of what is being requested. Will do at August 4, 2017 meeting]