

Department of Environmental Quality

January 18, 2007

Status of Virginia Water Quality Improvement Fund -Point Sources-



History of WQIF Grant Agreements

Grants For Construction Projects

- 24 grants for nutrient removal (1998-2001)
 - Total grant commitment of \$97.7 M
 - All plants, except one, are meeting expected nutrient technology reductions
 - In 2005, thirteen of these facilities discharged nutrient loads below their recently established allocations

History of WQIF Grant Agreements

Technical Assistance Grants

- 32 grants for preliminary design work
- 2 grants for studies [Swine Odor Study and Clean Fuels Study]
- 2 grants for Nutrient Credit Exchange Assn. to assist in developing trading program
- 3 grants under development
- Total grant commitment of \$4.43 million

Status of WQIF Grant Applications Currently Under Review

- 60 grant applications from significant dischargers
 - Requests for \$609 million to install nutrient removal facilities to meet new nutrient load caps
 - Final WQIF grant agreements will depend upon eligibility determinations and construction bid prices
- Grant agreements with 28 of these facilities anticipated early 2007
 - Projects that have completed preliminary engineering
 - estimate for these 28 projects ~\$302 million
 - nitrogen loads reduced by 1,700,000 pounds per year
 - phosphorus loads by 39,000 pounds per year.
- Remaining applications will be processed as preliminary engineering work completed

Long Term WQIF Needs

# of Projects	Status	Estimated Grant Need [million \$]	Nitrogen Reduction [million lbs/ year]
28	Application Submitted; Prelim Engineering Completed; Final Grant Agreements during FY07	\$302	1.70
32	Application Submitted; Prelim Engineering Work Still Underway	\$307	1.30
33	Application Not Yet Submitted	\$245	3.00
93	Totals	\$854	6.00

Final Schedules Based Upon Compliance Plans Submitted under General Permit.

Estimate of Need

- WQIF Appropriations/Interest = \$388 M
 - Expended and Obligations = \$102 M
 - Available for new work ~ \$300 M
- [assumes additional interest and some unexpended funds]
- Broad projection of total need = \$750 M - \$1 B
 - Current specific total estimate = \$854 M
 - Need 60-70% for initial round = \$512 - \$598 M
- [based on Credit Exchange Program]
- Additional WQIF funds needed to fund initial round of work = \$212 - \$298 M

Final Costs Will Depend Upon

- Efficient use of Nutrient Credit Exchange Program by all of the dischargers
- Prioritizing initial construction projects that achieve greatest reduction for least cost
- Final grant eligibility determinations for each project
- Final construction bid prices from contractors – most likely will increase costs

Permit Program Funding Requests

DEQ's Permit Program Goals

- Protecting Virginia's air, water and land
- Improved certainty, consistency and timeliness
- Prioritizing regulatory efforts based on environmental risk
- More efficient and streamlined permit process with minimal redundancy

Wetlands Permitting - Program Improvements -

Current Program Structure

- Virginia Water Protection Permit Program (VWP)
 - Permits required for impacts to wetlands and streams
 - General Permits available for impacts up to 2 acres
- CWA 404 Permit Program (USCOE)
 - Permits required for impacts to wetlands and streams
 - Does not include areas that are not navigable or adjacent to navigable streams, does not include all types of impacts
 - Must obtain state certification/permit to ensure state standards are addressed.
 - Delegated by EPA to USCOE
- SPGP
 - General Permit issued by USCOE that allows state permits to meet federal permitting needs for impacts up to 1 acre
 - USCOE screens all projects over 1/10 acre of impact
 - Pursuit of SPGP required by HB1170, 2000

Options

- **404 Program Assumption**
 - Does not include tidal waters or many nontidal rivers, streams and wetlands that are considered navigable by federal regulation
 - Decision is made by EPA
- **More Robust SPGP**
 - Increase size and type of projects that DEQ takes lead on
 - Assume state responsibility for historic resource and federal endangered species review
 - Decision is made by COE
- **Improve current programs**
- **Reversion of authority to Federal Gov't.**
 - HB1496, 2006 – Del. Cosgrove
 - Gaps in protection of wetland resources under federal law

Efforts Under Way – Current Program

- DEQ implementation of stakeholder recommendations
- USCOE – DEQ joint process improvement effort
 - Minimize redundancy, ensure environmental stewardship
 - Comparability in guidance
 - Conflict resolution
- Stakeholder review of other options
- Request for additional staffing

Efforts Under Way – More Robust SPGP

- DEQ requested expansion of SPGP – Spring 2006 (request denied by USCOE)
- DEQ submitted options for expanding SPGP to USCOE – August 2006
 - Increase caps for coverage
 - Eliminate USCOE screening of projects (DEQ would kick out the projects that don't meet criteria of SPGP)
 - More clearly defined categories where DEQ would issue permits or where USCOE would issue permits (ex, development, road construction, utility crossings, dredging, mining)
- Corps has advertised intent to expand SPGP
 - effective Spring 2007

Efforts Under Way – 404 Assumption

- **Decision made by EPA**
 - Reviewed by public and by other federal agencies
 - Must demonstrate comparable legal authorities and adequate staff
- **Stakeholder Issues**
 - Assurances that DEQ will have adequate staff and capacity to implement
 - Assurances that state program will maintain level of environmental protection and oversight
- **Anticipate decision on whether to apply formally in Fall 2008**
 - Legislative changes and additional staff will be needed

DEQ Budget Request: 6 FTE

- 1 FTE: Historic Resource Reviews
 - to review Virginia projects for impacts to historic resources and implement expanded SPGP
- 2 FTE: Permit Application Reviews
 - to provide timely review and processing of permits
- 1 FTE: Enforcement Coordination
 - to ensure fair and consistent enforcement
- 2 FTE: Coordination and Training
 - to improve the guidance, training, and coordination available for DEQ staff and the public

Solid Waste

- Program Improvements -

Program Structure and Issues

- **Regulated Facilities**
 - 129 active and inactive landfills
 - 142 landfills in post-closure care
 - 139 others (transfer stations, materials recovery sites, etc.)
- **Increases in solid waste managed in VA**
 - 37% since 1998,
- **End of Post-closure care requirements**
 - 161 landfills stopped accepting waste before 1993 and are subject to minimum of 10 years post closure monitoring.
- **Closure of HB1205 Landfills**
 - 28 total (by 2020) – 7 by 2007, 15 by 2012

Efforts Underway

- **Permit Program Peer Review (2004-2005)**
 - Recommendations in five program areas, with 29 specific tasks
 - Streamline permit applications
 - Expedite review of permit applications
 - Prioritize efforts based on environmental risk
 - Improve quality and consistency of permits
 - Improve quality and timeliness of inspections
 - Implementation underway 2006-2007
- **Program Assessment (2005-2006)**
 - Identified need for improved coordination and support of regional efforts
- **Request for continued program funding**

Budget Request: continued funding for 5 FTE

- Positions appropriated in 2006
 - 1 year of funding provided
- 1 FTE: Permitting Support
 - To improve the guidance, training, and coordination available for DEQ staff and the public
- 3 FTE: Compliance and Permitting
 - To meet quarterly inspection goals at active facilities (annual for closed facilities) and assist in reviewing permit applications
- 1 FTE: Ground Water
 - To evaluate compliance with ground water protection standards, work with facilities seeking release from post-closure care, and process ground water permit modifications