EASTERN VIRGINIA GROUNDWATER MANAGEMENT ADVISORY COMMITTEE
MEETING #5 NOTES – FINAL

MONDAY, OCTOBER 17, 2016
DEQ PIEDMONT REGIONAL OFFICE – TRAINING ROOM

Meeting Attendees:

EASTERN VIRGINIA GROUNDWATER MANAGEMENT ADVISORY COMMITTEE MEMBERS	
John J. Aulbach – Aqua Virginia, Inc.	Sandi McNinch – VA Economic Development Partnership
James Baker – City of Chesapeake	David Paylor – DEQ
Nina Butler – WestRock	Chris Pomeroy – Western Tidewater Water Authority
Tom Frederick – VA Water and Wastewater Authorities Association	Mike Toalson – VA Home Builders Association
Randy McFarland – USGS (alternate)	Dennis Treacy – Smithfield Foods
Bryan Hill – James City County	Brett Vassey – Virginia Manufacturers Association
Marissa Levine – VDH	Ellis Walton – Farm Bureau
Keith Martin – Chamber of Commerce	Bob Wayland - Citizen

NOTE: Advisory Committee Members NOT in attendance: Rhu Harris – Hanover County; Chip Jones – Northern Neck Soil & Water Conservation District; John O'Dell – VA Well Drillers Association; Travis Quesenberry – King George County; Paul Rogers, Jr. – Farmer – Production Agriculture; Nikki Rovner – The Nature Conservancy; Curtis W. Smith – Accomack-Northampton PDC/ Eastern Shore Groundwater Committee; Kurt Stephenson – Virginia Tech

INTERESTED PARTIES ATTENDING MEETING	
Rob McClintock – VA Economic Development Partnership	Susan Douglas - VDH
Michael Vergakis – JCSA	Rhea Hale – WestRock
Doug Powell – JCSA	Alan Knapp - VDH
Chuck Duvall – WestRock	Katie Frazier – VA Agribusiness Council
Jason Early – CARDNO	Jamie Mitchell - HRSD
Joe McMann – JLARC	Cheryl Stephens
Gerrod Seifert – Booz Allen Hamilton	Christine Wolfe - JLARC
David Jurgens – City of Chesapeake	Justin Brown - JLARC
Whitney Katchmark – HRPDC	Tom Greer - JLARC
Jamie Mitchell – HRSD	Jamie Bitz – JLARC
Christopher Gill – Christian & Barton	Robert Hamm – Hunton & Williams
Shannon Alexander – A-NPDC	Eric Rosenthal
Robb Buchanan – Fairfax Water	Wilmer Stoneman – VA Farm Bureau
Johnathan Harding – VA Agribusiness Council	Brent Fults - CBNLT
Robert Crockett – City of Chesapeake/Advantus Strategies	Matt Wells - WestRock
Jeff Corbin – Restoration Systems, LLC	
SUPPORT STAFF ATTENDING MEETING	
Brandon Bull – DEQ	Craig Nicol - DEQ
Angie Jenkins – DEQ	Mark Rubin – VA Center for Consensus Building
Scott Kudlas – DEQ	Jutta Schneider - DEQ
Debra Harris – DEQ	

The meeting began at 1:01 pm with a break from 2:18 pm until 2:39 pm, and the meeting was adjourned at 3:42 pm.

1. Welcome, Introductions and Overview of the Day

Mark Rubin, Executive Director of the Virginia Center for Consensus Building at VCU, opened the meeting and welcomed everyone. All attendees were asked to introduce themselves. After the introductions, Mr. Rubin provided a brief overview of the agenda and handouts (see Attachment A).

2. Report on Findings of JLARC Study

Jamie Bitz, the Chief Analyst for JLARC, presented the JLARC report resulting from their work related to HJR 623. Mr. Bitz presented an overview of the report, *Effectiveness of Virginia's Water Resource Planning and Management* , with the presentation focusing on the EVGWMA.

For this report, JLARC studied water resource planning and management for: (i) the sustainability of surface and groundwater resources; (ii) the effectiveness of state and local water planning; (iii) the effectiveness of water withdrawal permitting; and, (iv) the need for strategies to preserve or increase water supply. Mr. Bitz noted that his presentation does not cover the entire report, just the topics regarding groundwater sustainability, groundwater permitting and water resource planning. Mr. Bitz's presentation is provided in Attachment B.

After the conclusion of the presentation, the EVGMAC was asked if there were any questions or comments on the report. The following were the questions[1] asked of and responses provided by Mr. Bitz and the other JLARC members present:

Q: The chart depicted in the summary does not adequately represent unregulated withdrawals. Approximately, 50 MGD is the estimate for non-regulated withdrawals by 2026. Why is that?
A: The state only controls permitted withdrawals and not the small unpermitted withdrawals. To include these small unpermitted withdrawals would be very costly because of the modeling and the process, and therefore, making it not feasible to regulate these small users.

Q: Did JLARC have the opportunity to discuss technology limits regarding conversion or alternative sources? It should be noted that when converting from groundwater to surface water is it not always gallon for gallon.
A: JLARC did not get into the specifics of the conversion from groundwater to another source. However, during the research for this report, there were discussions with paper mills regarding the limits of technology. It is hoped that those details would be worked out during any planning/recommendation implementation.

Q: What about infrastructure? The report notes that the state role in financing and construction of water supply projects is minimal, but the sustainability challenges are not significant enough to justify changing that role.
A: At this time, JLARC did not feel the need to ask for a larger state role in actual building of water resource projects. The regional water supply planners will be the ones to handle that primary role for these projects.

Q: How did you all find a definition of human consumption?
A: JLARC used the definition from code and it includes the typical household uses such as bathing, washing, drinking, cooking, etc.

Q: Do other states have cushion values in their permits?
A: No, they do not.

Q: Who will decide the highest economic value as discussed in the report?
A: The regional water supply planners will likely have to have input in that decision.

Q: Did JLARC consider that human consumption is more than just household use? For instance, we need agricultural withdrawals to provide food and the industrial withdrawals allow industries to provide jobs. Were all the recommendations driven by the idea that household/human consumption was the priority?
A: It was a little bit of both. There will be implementation details that will need to be worked out for any of the recommendations. This does highlight the need for greater state input in planning of water supply projects.

Q: The report discussed limits on permits, do other states have limits on the permitting process?
A: No.

Q: What about the criteria for permitting, do any other states have that type of criteria on permitting?

[1] The Virginia Manufacturer's Association representative also provided written questions/comments on the JLARC report (see Attachment C).

A: No, we are not aware of other states that use an economic criterion in making permitting decisions. The idea is to treat the groundwater as a public resource and finding ways to monetize it for other uses.

In addition to the questions noted above, the EVGMAC also provided the following comments on the report:

- The "water drops" chart seems to indicate that all groundwater withdrawals shown are equivalent. But, not all withdrawals are equivalent and that is not reflected adequately in the report.
- Prioritizing human consumption is critical and having the municipality partner with industry is better for the future of the water supply.
- The focus on human consumption needs to include the conflict between other needs and human consumption. The near term challenge is to get to point where the water is enough so that there is not a conflict.
- The report does not consider a possible modification of what is defined as human consumption.
- What about agriculture use of the water supply that provides food for the humans to consume? What about industrial use that provides jobs that humans need to make a living? These issues should be considered as things are more related then the report suggests.

At the conclusion of Mr. Bitz's presentation, Mr. Rubin noted that the JLARC report can be very helpful to this group. The report calls for an expanded state role regarding water issues. Currently, it is the localities that have a great deal of control over water issues. Mr. Rubin asked the EVGMAC for their comments on how they see the balance between state and local control. The following comments were noted:

- Virginia is probably more extreme over state control than other states and the state already controls too much. However, there is an issue with a resource like groundwater which is a finite resource. Perhaps users pay for the amount of water that they use? Local governments need to provide the best rates to our citizens so that controls the amounts that public water supplies charge; however, there is no oversight when one user sells to another. We need to look at what are the problems now and see if state could intervene in the area of distribution of water for instance. Additionally, there are areas in water supply planning that need involvement from the state.
- During the drought of 2001 to 2003, there was legislation that was introduced to limit who could connect to water supply. This was never an issue before because Virginia was always a water rich state; however, that is not the case anymore. We are now at a time where we need to discuss the JLARC recommendations. Water supply needs that next level of planning that involves the state intervening in the planning process.
- The reality is that some jurisdictions can grow or cut supply as they need for their use; that is a predicate of a trading system. Not everyone is going to be able to have the equal opportunity to make the changes needed.
- Industry is very efficient with the amount of water that it uses. So there is a boundary on how much industry can grow with limits placed on the water resource even with good management. That needs to be a consideration as well.
- Planning needs to use science to assist in identifying regional solution with public and private stakeholders to inform one another.
- It was noted that the DEQ was not prepared to move forward with a planning discussion involving a more robust role by the state without clear signals from the policymakers. There is always a concern when it comes to the state's role/involvement in a jurisdiction's planning process.
- Does everyone here have the same end goal and what is the balance we are trying to define? After we define that then we can see who, the locality or the state, should be doing what for water supply issues.
- The water supply planning process was contemplated to account for and consider all water users. One of the things that the state plan does give us is the best inventory of existing water uses that we have ever had.
- It is hard to process this question without considering the utility function. Who is really going to deliver the service of the public utility? Delivering water is a different business operation than permitting.
- JLARC's report noted that regional planning seems to be fundamental recommendation as the report concludes that local planning is not working well enough. However, some on the EVGMAC disagree and noted that there is little evidence that regional planning works any better.
- There needs to be incentives to promote regional planning.
- Regional planning would promote interdependence and allow for the region to handle contingencies; however, the commodity nature of the water is something that it is hoped that the regional planning process can sort through.

After all comments were noted, the group took a brief break.

3. Report on Work of Joint Workgroup: Workgroup #1 – Alternative Sources of Supply and Workgroup #2A – Alternative Management Structures.

Andrea Wortzel and Jamie Mitchell presented the scorecard spreadsheet to the EVGMAC (see Attachment D). During the overview of the chart, it was noted that it is difficult trying to put together a plan where everyone gets the water they need and the resource remains sustainable so it was hoped that the chart could help with prioritizing. The chart includes feedback from the workgroups. The group was asked if they had any comments on the chart. The EVGMAC noted the following comments:

- Should be there be a column for ancillary benefits from a project so that they can be captured?
- Perhaps add these columns: (i) other benefits (ancillary – nutrient reduction for instance); (ii) criteria column/established technology?; and, (iii) is technology currently in use in VA?
- May want to say human health not public health on the chart.
- Would fixing leaking pipes be a potential project for the chart – it is not currently captured.
- It will be challenging to fill out the chart fully for generic concepts but there will be some that can be filled in a generic manner.
- Some categories are more subjective. Perhaps, if there is a difficulty found when trying to fill it out, put in the specific reason for the difficulty.
- Some of the issues need to be footnoted since they are subjective so the reasoning can be included.
- Is there any way to capture the JLARC issue on human consumption for these projects?

Mr. Rubin asked if the chart was useful and if the workgroups should continue with the chart's development. The group concluded that the work on the chart should continue. The next step is to finalize the chart and at conclusion of workgroup meetings there will be a complete chart.

4. Report on Work of Workgroup #3 – Alternative Permitting Criteria.

Scott Kudlas presented a report on Workgroup #3's efforts. The workgroup was provided information for the Virginia Department of Health (VDH). The VDH estimated that there are 300,000 private wells in the groundwater management area based on census and other information. VDH broke down the information that they have actual data for which is a subset of the 300,000. VDH has post-2003 date for about 35,000 wells. Of these 35,000 wells, about 67% are for drinking water supply and about 27% for outdoor irrigation. The other 6% is a combination of other uses such as agriculture, geothermal, etc. On average, there are about 2000 new wells a year are being constructed in the management area.

At its next meeting, the workgroup considered if it was important to further regulate these types of wells based on the amount of water they are using. The discussion centered on whether the 300,000 gallons/month limit was low enough for these types of wells. Should it be lower and if so, how low does it need to go? The workgroup also discussed: (i) a way to perhaps charge a fee for the water withdrawal; (ii) providing incentives for individuals to hook up to the public water system ; (iii) further enforce 60% permitting criteria and enhance re-opener clauses; and (iv) how to incentive people to inject more water into the system.

5. Report on Work of Workgroup #4 – Funding Chart.

Mark Rubin provided a report on Workgroup #4. He asked the EVGMAC to look at the chart from the workgroup's last meeting minutes (see minutes excerpt in Attachment E) and to look at the "what" column. It was noted that this chart provides a wish list of concepts that the workgroup thinks would require funding. However, since there is not a source of unlimited funding, how to prioritize this list is the next consideration. Mr. Rubin asked the EVGMAC if they had any ideas on what or how to prioritize this list. Their suggestions were:

- Under DEQ Resources, will need additional resources if you expand the State's role in planning and/or expedited permitting.
- There needs to be an evaluation of land acquisition and an inventory for lands available for water supply projects.
- Dealing with public education (the "ick" factor issues) needs to be considered.
- Any thoughts on stranded assets?
- What about efficiency? Does that address water loss and leakage? Yes, but water efficient fixtures have been put in for the last 10 years.
- As this is a wish list and to do everything would require lots of funding, we would need to know what the priorities are before the costs for DEQ resources can be estimated. It seems infrastructure would be the greatest need of the categories.

- We need to prioritize based on what category gives us the most bang for your buck.
- Based on the JLARC report, it seems that planning should be moved higher on the list.
- The generic list is useful over a list of projects because those generic criteria can be used to make better judgements when the projects do come along.
- What about nonmonetary incentives for doing the right thing?

After the suggestions, Mr. Rubin noted that the workgroups would continue to meet through mid-December. After General Assembly session, the group will begin the very difficult job of making decisions and will be meeting more often in 2017.

6. Public Comment.
Mr. Rubin asked if there was any public comment. There was no comment.

7. General EVGMAC Comment.
Mr. Rubin asked if anyone on the EVGMAC had any further comments. It was suggested that this group have a primer on water quality planning and perhaps see if this fits with the GO Virginia projects/rewards.

ACTION ITEM - DEQ will work on the suggestion for a primer and contacting Go Virginia.

As there was no further comment, the meeting was adjourned.

Attachment A

Eastern Virginia Groundwater Management Advisory Committee Agenda - DRAFT

Monday, October 17, 2016

DEQ Piedmont Regional Office – Training Room

1:00 – 4:00

1. Welcome, Introductions and Overview of the Day
2. Report on Findings of JLARC Study
3. Report on Work of Joint Workgroups – Workgroup #1 – Alternative Sources of Supply and Workgroup #2A – Alternative Management Structures
4. Report on Work of Workgroup #2A – Alternative Management Structures
5. Report on Work of Workgroup #2B – Trading
6. Report on Work of Workgroup #3 – Alternative Permitting Criteria
7. Report on Work of Workgroup #4 – Funding
8. Public Comment
9. Next Steps - Conclusion

Links to Handouts:

Summary: Effectiveness of Virginia's Water Resource Planning and Management
http://jlarc.virginia.gov/pdfs/summary/Rpt486Sum.pdf

Recommendations: Effectiveness of Virginia's Water Resource Planning and Management
http://jlarc.virginia.gov/pdfs/summary/Rpt486Rec.pdf

Attachment B

JLARC slides for
EVGMAC (10-17-16).p

Attachment C

VMA Comments on JLARC Report

VMACommentLetter.pdf

Attachment D

Scoring Chart

Copy of EVGMAC
101016 Scoring Matrix

Attachment E

Funding List

WorkGroup4.pdf