

MINUTES FOR MARCH 9, 2022

The Nitrogen Credit Advisory Board ("Board") meeting was held on March 9, 2022, by video conference at 10:03 a.m.

Call to order:

Nisha Patel (Chairman), Eric Lindquist, Kimberly Masson, Gary Zrelak, and Tom Tyler.

Board members absent none

Other Attendees:

DEEP staff: Christopher Falk and Rowland Denny.

New Business

MOTION: Ms. Patel requested a motion to approve the minutes November 9, 2021 Mr. Tyler second the motion. The motion passed unanimously.

2021 Data Overview: compliance with general permit

Ms. Raffa stated that in 2021 the State discharged 7,020 equalized pounds (eq. lbs./day)) of nitrogen therefore, meeting the Total Maximum Daily Load (TMDL) allocation for the State of Connecticut of 9,162 eq. lbs. N/day. This is the best annual performance since the nitrogen program started. Recently a lot of facilities have done phosphorus removal upgrades therefore some added nitrogen removal is occurring. The Dry weather and low flows also experience during 2021 had a positive impact on nitrogen removal efficiency. In 2021, Killingly WPCF became a project facility, contributing to the state achieving compliance with the TMDL.

Draft Price of Nitrogen Credit 2021

Ms. Raffa presented the cost of nitrogen credit value for buyers in 2021 was \$4.84 for buyers and a value of \$1.160409 for sellers for an equivalent nitrogen credit eq. lbs./day for calendar year 2021.

The nitrogen credit value for buyers of \$4.84 was derived by dividing the total annual project cost, which is based on capital repayment of Nitrogen Removal Project loans and ongoing operation and maintenance costs at Project Facilities (\$31,986,747 as shown in table 1 entitled "Total Annual Project Cost 2021"), by the total annual nitrogen reduction at Project Facilities from the TMDL baseline (6,605,040 eq. lbs/day, as shown in Table 2 entitled "Cost of Equalized Nitrogen Credits for Buyers 2021").

The nitrogen credit value for sellers of \$1,160409 was derived by dividing the total revenue from the buyers (\$1,190,567 as shown in table 3 entitled "LIS Total Nitrogen Credit Exchange 2021") by the seller's equivalent nitrogen credits (2810.93 eq. lbs./day). The buyers' payments are shared proportionally amongst the sellers. Per public Act 15-38, there will be no purchase of excess credits.

Draft memo to Deputy Commissioner for approval of the draft cost of Nitrogen Credit for 2021

Ms. Patel presented a draft memo for the Commissioner which proposed the 2021 Nitrogen Program credit value.

The board was satisfied with the process to calculate the price of nitrogen credit for 2021.

Motion: Ms. Patel requested a motion to approve the price.

Motion: Mr. Tyler moved to approve the draft 2021 price of a nitrogen credit for buyers at \$4.84 and for sellers at \$1.160409. Mrs. Masson seconded the motion, the motion passed unanimously.

Established an Arbitration Panel in Case of Objections

Three members of the board were asked to volunteer to serve on the arbitration panel for appeals of the nitrogen credit bills. Mr. Tyler, Mr. Lindquist, and Mr. Zrelak agreed to serve on the panel.

Vacant Board Positions.

Ms. Patel stated that Mr. Cuevas from Waterbury is working on the paperwork to fill out the requirements to join the board. She also discussed that there are 7 vacancies.

The meeting adjourned at 10:48 a.m.

Additional Notes (to summarize actions subsequent to the March 9th meeting):

Subsequent of the Nitrogen Credit Advisory Board approved the 2021 draft value of nitrogen credits for buyers at \$4.84 and value of \$1.160409 for sellers for the calendar year 2021, the draft Nitrogen Credit Exchange invoices and materials that support the cost of nitrogen credits for 2021 were sent via email to all participating municipalities On March 31, 2022, the DEEP.

The department received comments from Salisbury during the fifteen days provided for review of the proposed value of equivalent nitrogen credits. Upon review of those comments, it was determined that such WPCF entered data incorrectly and subsequently used to determine the draft cost credit.

The price of the nitrogen credit for buyers was not affected because Salisbury is not a Project Facility. The cost of buyers remained at \$4.84. However, for sellers, the value was affected since less money was now being collected from buyers. The value of a credit for sellers is now \$1.0886935 instead of \$1.160409, a change of about 6%.

The DEEP recommended the following:

- Corrected the data for Salisbury WPCF and send a revised invoice.
- Revised the final cost of nitrogen credits for sellers to \$1.0886935 instead of \$1.160409.
- Revised the notification to municipalities and send final invoices for sellers at \$1.0886935 to reflect the price of nitrogen after making changes in the nitrogen data for Salisbury WPCF.

On May 9, 2022, all the Board members concur via email with the recommendations outlined in the April 26, 2022, CT DEEP Nitrogen credit revisions memo explaining the reasons of the changes on the cost of the nitrogen credit and recommendations.

On May 24, 2022, the Commissioner approved the final cost of nitrogen credit of \$4.84 for buyers and a value \$1.0886935 for sellers, calendar year 2021. Final invoices were sent to all the municipalities participating in the Nitrogen Credit Exchange Program.