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CENTER FOR THE INLAND BAYS

BOARD OF DIRECTORS'

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Center for the Inland Bays Office
Rehoboth Beach, Delaware

June 17, 2011

IN ATTENDANCE:

<i>Board Members Present</i>	<i>EPA Representatives</i>
Rick Eakle (<i>Chair</i>)	Ed Ambrogio
Dr. Bill McGowan (<i>Vice-chair</i>)	
Joanne Cabry (<i>Treasurer</i>)	<i>Center for the Inland Bays Staff</i>
Dr. Bill Ullman (<i>STAC Chair</i>)	Ed Lewandowski
Secretary Ed Kee (<i>DDA</i>)	Chris Bason
Gordon Wood (<i>SCAT</i>)	Sally Boswell
	E.J. Chalabala
<i>Board Alternates Present</i>	Loretta Smith
Hal Godwin (<i>Sussex County</i>)	Roy Miller
Frank Piorko (<i>DNREC</i>)	
	<i>Public Attendees</i>
<i>Board Members Absent</i>	Leah Hoenen
Secretary Collin O'Mara (<i>DNREC</i>)	Paul Sample
David Baker (<i>Sussex County</i>)	
	<i>BDO/Auditors</i>
	George Fournaris
	Emilio Rana

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SUMMARY OF MOTIONS

1. Motion by B. Zak to approve the agenda; seconded by J. Cabry. Passed unanimously.
2. Motion by J. Cabry to approve the minutes of the 18 MAR 2011 Board meeting as submitted; seconded by B. Ullman. Passed unanimously.
3. Motion by Sec. Kee to accept the FY'11 Board Budget Summary; seconded by B. McGowan. Passed unanimously.
4. Motion by Sec. Kee to approve the proposed FY'12 Draft Budget while granting the Executive Committee authority to make adjustments up to \$10,000 dependent on the final grant award from Environmental Protection Agency; seconded by B. Ullman. Passed unanimously.

CALL TO ORDER/WELCOME

Chairman R. Eakle called the meeting to order at 9:33 a.m. and welcomed those in attendance. Meeting participants were asked to join in reciting the Pledge of Allegiance.

Administrative Items

The Chair welcomed F. Piorko to the Board as an alternate for the Department of Natural Resources & Environmental Control. He also congratulated G. Wood on his recent reelection as Mayor in Ocean View. The Chair informed meeting attendees that written requests to speak during the Open Forum should be submitted using the appropriate form made available in the rear of the room.

MINUTES:

Approval of the Agenda

The Chair notified the Board that items had been added to the draft agenda. B. Zak moved to approve the agenda as presented; J. Cabry seconded. Passed unanimously

Announcements

E. Lewandowski reported on the publication and distribution of the 2010 Annual Report. Copies of the Annual Report and the summer 2011 Inland Bays Journal were distributed to the Board.

Secretary's Report/Approval of Minutes

J. Cabry moved to approve the minutes of the 18 MAR 2011 meeting; B. Ullman seconded. Hearing no objections, the motion passed unanimously.

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Treasurer's Report/Work Plan Amendments

J. Cabry asked the Board to refer to the FY'11 Board budget summary for the Treasurer's Report. Secretary Kee made a motion to accept the budget summary; B. McGowan seconded the motion. The motion passed unanimously.

The Chair reported that the Executive Director had sent a message to the Executive Committee indicating that EPA funding for FY'12 may have been reduced to \$597,333. The Executive Committee recommended approving the proposed FY'12 budget and granting the Executive Director authority to make necessary changes should the Environmental Protection Agency reduce funding. B. Ullman inquired whether there was any chance that federal or state funding might increase for FY'12 or does the proposed budget reflect what is available. E. Lewandowski stated that news of possible further funding cuts emanated from the Association of National Estuary Programs and hasn't been confirmed by EPA. He deferred to E. Ambrogio for an update on federal funding.

E. Ambrogio described a conference call with EPA headquarters during which this issue was discussed. He stated that there was an across-the-board 0.2% rescission and referred to a funding table for the FY2011 enacted operating plan. The funding amount for NEPs and Coastal Programs was identified as \$26.748M, which was a reduction of \$5.8M from 2010. He said that much of the reduction can be attributed to the elimination of the Congressional earmark. For FY'12, the President's recommended budget is \$27.5M. E. Ambrogio also said that FY'11 funding for the CIB is in the Region III account, but not the entire anticipated amount, since headquarters is still adjusting numbers.

Sec. Kee moved to have the FY2012 budget accepted as presented and also give the Executive Committee the latitude to adjust the budget by up to \$10,000; B. Ullman seconded. Passed unanimously.

J. Cabry inquired about the reduction in funding to the local NEPs that was identified in a chart she prepared and distributed at the 18 MAR Board meeting. E. Ambrogio shared the response he received from headquarters in this matter. The basis for the funding cut was the House passage of HR1, which eliminated the \$5.6M "add-on" provided by Congress in its 2010 appropriation. This amounted to a reduction of \$200,000 per National Estuary Program. The \$600,000 in funding recommended by EPA is consistent with levels for FY'10, FY'11 and FY'12. E. Ambrogio reiterated that the funding cut of \$200K/program was equivalent to the add-on provided by Congress in the FY'10 appropriation; EPA did not receive any increase in its appropriation related to this add-on.

J. Cabry asked if the Board was interested in any further action concerning this matter. The general consensus was that the funding amount should be accepted as is, but watched

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diligently for any changes. E. Lewandowski commented on the efforts of the Association of National Estuary Programs to encourage Congress to reinsert language in the FY'12 bill that directs a specific amount to each local estuary program for CCMP implementation.

FY'10 Audit Report

G. Fournaris from BDO presented the 2009 & 2010 draft Financial Statements and draft A-133 audit report to the Board. A special audit (A-133) was required because CIB spent more than \$500,000 of federal funds in FY'10. Mr. Fournaris noted that the only complication was converting the accounting from a cash basis to an accrual basis to achieve compliance with the requirements of the Single Audit Act. BDO reported a "clean" opinion with no findings identified in the management letter.

B. Ullman inquired whether any additional costs were incurred for the conversion from a cash basis to an accrual basis of accounting. G. Fournaris stated that for this year, there will be a small cost, which he had not yet addressed with the Executive Director. E. Lewandowski responded that CIB had already exhausted the funds that had been allocated for audit/accounting expenses in the current fiscal year, but an increase in this spending line was included in the FY'12 budget.

R. Eakle reiterated that a clean opinion with no findings from the audit is a credit to staff for its diligence in maintaining accurate records and complying with financial policies and procedures.

COMMITTEE REPORTS:

Citizens Advisory Committee (Citizens' Advisory Committee)

B. Zak provided the Citizens' Advisory Committee report. The Committee met once during the report period and heard from two speakers: 1) the League of Women Voters presented information about redistricting around the Inland Bays, and 2) a DNREC engineer discussed improvements at NRG's Indian River Generating Station. CAC is awaiting information from DNREC about the Wandendale construction permit review and the Burton's Island remediation report. The Committee is scheduled to meet on Thursday, 23 JUN.

Scientific & Technical Advisory Committee (STAC)

The Scientific & Technical Advisory Committee met on 6 MAY and heard a presentation by Jack Hayes & Dave Schepens from DNREC regarding the current status of the draft regulations for wastewater systems. The regulations are available on the web for review. Another presentation was offered by Scott Andres from Delaware Geological Survey

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about the wastewater treatment system (Rapid Infiltration Basin) at Cape Henlopen State Park.

B. Ullman reported that Kent Price and Bill Moyer are serving on the Steering Committee that is assisting with the update of the Inland Bays CCMP. Twenty six members of STAC are also assisting in the review of the draft State of the Bays report. Also, the STAC is organizing a technical study group (State, County, municipalities, consultants and private industry) to evaluate the requirements of the revised wastewater regulations.

Executive Committee Update

R. Eakle referred to the notes provided from the most recent Executive Committee meeting.

Strategic Planning Committee

The Committee met once during the reporting period. The proposed work plan and budget for FY'12 were reviewed, including the projects proposed by the Citizens' Advisory Committee and the Scientific & Technical Advisory Committee. A summary list of the completed, on-going and proposed projects was provided for the Board's review. E. Lewandowski recognized C. Bason for his work to develop a Tracking Database for work plan development and reporting. E. Ambrogio asked about the Burton's Island Toxic Leachates Assessment, which is associated with the coal ash landfill at the Indian River Generating Station.

Water Use Plan Implementation Committee Update

E. Chalabala highlighted the aquaculture workshop scheduled for 18 JUN in collaboration with the WUPIC. E. Lewandowski mentioned the annual Inland Bays Clean-up scheduled for 25 JUN. Senator Coons and family are expected to participate at the Massey's Landing site. The CIB continues to publicize the opening of Baker's Channel, where some shoaling has already occurred. DNREC and the USCG are adjusting the markers to account for any navigational hazards.

AGENCY REPORTS:

Delaware Department of Agriculture

Sec. Kee reported on improvements in managing poultry manure in Delaware, particularly the reduction in nutrient content of the manure. This should help Delaware to achieve the goals in the Watershed Implementation Plan for the Chesapeake and will likely translate into meaningful results for the Inland Bays as well. Sec. Kee proposed a workshop with the Citizens' Advisory Committee and Scientific & Technical Advisory

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Committee this autumn to provide an update about the most recent science affecting agriculture and nutrients. B. Ullman indicated that STAC could accommodate such an opportunity at its next meeting in early-SEP. Sec. Kee responded that he would contact B. Ullman to schedule this activity.

G. Wood asked what accounts for the reduction in nutrients. Sec. Kee answered that it is a function of poultry husbandry changes and increased use of enzymes to aid digestion. In addition, the quantity of manure leaving the house has decreased. For example, poultry house clean-outs are no longer scheduled on an annual basis, but rather, are now occurring every 7-8 years.

Sec. Kee said that Pfizer Chemical has ceased its manufacturing of Roxarsone, an arsenic-based feed additive that has been used by the poultry industry for years. The impacts of Roxarsone have not been proven to be an environmental issue in the Inland Bays, but this was an issue discussed at a STAC meeting last fall, which focused on arsenic.

The Young Farmer's Program was passed by the Delaware Senate and is being considered by the House. The program provides no-interest loans for young farmers to get started in the business. Currently, 20% of Delaware's farmland is permanently preserved. This initiative will keep open land in farming instead of being developed.

Delaware Department of Agriculture has also initiated the Delaware Rural Irrigation Program, which will provide no-interest, revolving fund loans to farmers to finance up to 25% of the cost of irrigation. This will result in environmental benefits because it increases efficiency of nutrient uptake by crops.

E. Ambrogio asked about the bankruptcy of Allen's Family Foods. Sec. Kee said the company's failing could be directly tied to the high cost of feed (corn) and a limited marketing strategy. He said that 230 growers and more than 2,000 employees on Delmarva would be impacted. The assets of the company are for sale under the Chp. 11 bankruptcy filing and it's likely that Mountaire Farms may purchase some of those assets.

Sussex County

H. Godwin reported that the County will have assumed control of wastewater treatment for 1,800 EDUs from the Johnson's Corner and Angola Neck wastewater expansions. 1,400 EDUs for Angola Neck will be served by the Inland Bays WWTP and 400 EDUs from Johnson's Corner will be served by the South Coastal WWTP. Oak Orchard and Woodlands of Millsboro projects are anticipated to be on-line for central wastewater treatment by the end of the year.

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Department of Natural Resources & Environmental Control

F. Piorko introduced himself as the Director of the Division of Watershed Stewardship. Communications with the CIB will be the responsibility of this Division. DNREC is trying to expand the use of State Revolving Fund loans to support innovative programs, including Section 320 implementation. A meeting with the estuary programs has been scheduled for 7 JUL to further examine Section 320 project eligibilities.

Applications for the second round of funding for the Community Water Quality Improvement Grants Program will close on 1 AUG. A public workshop has been scheduled for 28 JUN. Funds from the first round supported the Anchorage Canal Stormwater Retrofit project.

Craig Shirey has retired as the Fisheries Administrator. A search for his replacement was initiated by Dave Saveikis, Director of Fish & Wildlife.

F. Piorko recognized E. Buehl for his efforts to collaborate with the Delaware Natural Heritage on the colonial nesting bird survey as well as his participation on a work group considering the beneficial reuse of dredged materials from the Inland Bays.

The Site Investigation & Remediation Branch has completed its review of the remedial investigation for the Burton's Island landfill and groundwater associated with Operating Unit 2 (OU2). A meeting with NRG has been scheduled for 30 JUN to discuss the Department's comments. No date for a public meeting concerning the plan for remedial action has been scheduled.

Chazz Salkin sent words of appreciation for the Center's efforts to coordinate another successful Diamondback Dash 5K Race.

S.B. 64 cleared the Senate. The bill deals with code language concerning floodplain management throughout the State. A 22-member committee has been proposed to develop recommendations for legislative action. This action is in response to the Level of Service Study that was completed with assistance from B. McGowan.

B. Zak inquired when the Wandendale construction permit might be available for public consumption.

J. Cabry asked about the status of efforts to protect freshwater wetlands in Delaware. The Department started conversations earlier this year with the Army Corps about the State's role in assuming authority for the regulatory program. The Corps is interested in

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seeing some type of regulatory framework in place for the State to move forward. The Department considered whether some type of legislative action might be necessary to develop the regulatory framework. There doesn't appear to be any support in the General Assembly at this time to assemble a task force or formal committee to consider this issue. DNREC feels confident that it has the capacity to initiate the development of freshwater wetland regulations without legislative direction. There may be action undertaken by the Department this year to develop the elements of a regulatory framework.

The State's stormwater regulations have been under development for the past four years. The new regulations will be a volume-based approach to stormwater management. The Department is trying to craft regulations that will complement the EPA's federal rule-making for stormwater control. Stormwater pollutant reductions will also be considered in TMDL watersheds for nutrient reductions at the site development level.

Sussex Conservation District

B. McGowan reported that a stormwater maintenance seminar is being coordinated by the District and the CIB for Saturday, July 30.

Fallen trees and branches from the winter storms of 2010 are still found in many of the tax ditches in the County. The District is attempting to secure funds from FEMA to clean out areas that have been clogged by storm debris.

7,000 acres of cover crops were planted last year. 2,200 acres have had Pre-sidedress Nitrogen Tests (PSNT) applied.

Bethany Blues won the Governor's Conservation Award for its green rooftop practices.

Sussex County Association of Towns

G. Wood reported that he is collaborating with E. Lewandowski to schedule a CIB presentation for local municipalities that are impacted by the Inland Bays CCMP.

G. Wood discussed his involvement with the Environmental Appeals Board and the Town of Millsboro's Wastewater Treatment Plant project. He requested an opportunity to consult with CIB staff about this matter.

G. Wood also expressed his concerns about shoreline impacts associated with boating activity following the completion of the White's Creek dredging project. Previously, he had assisted Chuck Williams (DNREC) and Laura Herr (DNREC) with development of a draft dredging regulation that required a shoreline erosion impact study prior to approval of any project. The draft regulation was never pursued by the Department. Mr. Wood

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requested that the CIB consider advancing an action that requires a shoreline erosion impact study. E. Lewandowski responded that the CIB will contact Chuck Williams & Laura Herr for further discussion concerning this issue.

Environmental Protection Agency

E. Ambrogio provided the Agency's report. The 12th Annual EPA States' Meeting was held in May in Rehoboth Beach. He recognized F. Piorko's staff for organizing this function. Mr. Ambrogio commented on the valuable participation of a senior executive from NRCS at the States' meeting. Also, Delaware's 319 program won an award for achieving the highest nutrient load reductions in the EPA3 region.

The Partnership for the Delaware Estuary recently released an economic valuation report that demonstrated \$10B/year in economic and environmental benefits from the Delaware Estuary. The report is available on the PDE's website.

Maryland Coastal Bays Program is hosting its policy committee meeting this afternoon, which will include the release of its annual report card and a celebration of its 15th anniversary. The septic system problem on Chincoteague will also be discussed as part of this gathering.

General Assembly Updates

House

Funding for the CIB will be returned to the Department of Natural Resources & Environmental Control budget as a line item.

Senate

No report.

STAFF UPDATES

E. Lewandowski delivered the staff update, which included a PowerPoint presentation that featured a number of successful projects and activities.

R. Eakle recommended that CIB should pursue more press attention for its programs & activities. S. Boswell commented on the terrific coverage of the CIB by the local media. J. Cabry asked what the cost for a newspaper insert might be. G. Wood and B. Ullman suggested contacts with other local news reporters.

E. Lewandowski recognized Leah Hoennen (Cape Gazette) for her diligence covering the activities of the Center. Leah is leaving the newspaper and moving to Maine. B. Zak

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also acknowledged Ms. Hoennen's reporting on the Inland Bays Citizens' Advisory Committee.

OLD BUSINESS

None

NEW BUSINESS

None

OPEN FORUM

There were no requests from the public to speak during the Open Forum.

B. Ullman asked G. Wood whether he might clarify what his recent concerns are concerning the Millsboro Wastewater Treatment Plant.

ADJOURNMENT

The Chair thanked all of the Board members for their participation at the meeting. At 11:25 a.m., the Chair called for adjournment.

Respectfully submitted,

Bill Zak, Secretary

BZ/eal