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MEDIA RELEASE

Lycoming County completes first local trades; distributes \$51,363.70 in nutrient credit trading revenue to farmers

Farmer participation doubles in second year of County nutrient trading program

The County of Lycoming recently mailed checks totaling \$51,363.70 to local farmers whose nitrogen and phosphorus credits were sold in 2012 through the Lycoming County Nutrient Trading Program. An important milestone was reached when the County's first local credit trades, to Hughesville-Wolf Authority and the West Branch Regional Authority, were completed.

Exactly 27,861 nitrogen and 682 phosphorus credits were generated in 2012 by nineteen Lycoming County farmers—more than double the number who participated in 2011. Each credit represents one pound of nutrient pollution removed from local streams in the Chesapeake Bay watershed. The nineteen participating farmers voluntarily implemented conservation practices to reduce pollution from their farm operations into local waters and the Chesapeake Bay.



In this photo from January 2012, the Lycoming County Commissioners were joined by DEP Secretary Krancer and other dignitaries to present a ceremonial check representing payments to nine farmers for 2011 credit trading revenues. Participation in the program doubled in 2012, with nineteen farms receiving credit payments.

“Successful trades over the past two years have proven to our local producers that there is a benefit to participating in this effort,” said Mark Davidson, manager of the Lycoming County Conservation District. “We’ve enjoyed an increased level of interest within Lycoming County and even beyond the county lines.”

Multiple agricultural Best Management Practices (BMPs) have been implemented on the participating farms, including riparian buffers, no-till and cover cropping, off-stream watering, rotational grazing and manure hauling. The practices generating the credits were certified by Pennsylvania Department of Environmental Protection (PA DEP) and verified by the Lycoming County Conservation District.

To be eligible to participate in the program, farms are required to go above and beyond the minimum legal requirements (in program terms, “baseline” and “threshold”) to do more than what is considered the farm’s fair share of pollution reduction. “These farmers are leading the way for good environmental stewardship in Lycoming County, and we are proud to be a partner in their conservation efforts,” said Jeff C. Wheeland, Chairman of the Board of Commissioners for the County of Lycoming.

“The conservation practices used to generate these credits have local impacts that go above and beyond their benefits to the Chesapeake Bay,” said Wheeland. “These farmers are creating local environmental benefits, such as aquatic and riparian habitat improvements and erosion reduction. It goes to show that if we are good stewards of the land and clean up our own streams, the Bay will take care of itself.”

Local trading begins in 2012

In the second year of active trading for the Lycoming County Nutrient Trading program, the county facilitated two local trades. In the first local trade, 9,776 nitrogen credits were supplied to the West Branch Regional Authority (WBRA), which provides wastewater treatment to Muncy Borough, Montgomery Borough, Clinton Township and part of Muncy Creek Township. In the second local trade, 682 phosphorus credits were sold to the Hughesville-Wolf Authority (HWA).

Prior to purchasing the nutrient credits, HWA’s engineer completed an Act 537 study which determined that purchasing credits could be 89% less costly than upgrading the wastewater treatment plant, and thus was the most cost-effective means of complying with Chesapeake Bay mandates.

WBRA was formed in 2010 to address the challenges of complying with the Chesapeake Bay cleanup while also addressing aged infrastructure. Costs of compliance and infrastructure repair and maintenance for the existing facilities were so significant that a new approach was needed so that the systems could remain sustainable now and for future generations.

“Nutrient trading has been a vital part of our process; it has allowed us the time necessary to consolidate four existing sewer systems and plan for a new regional treatment plant and still remain in compliance with the Chesapeake Bay requirements,” said Eric Moore, Executive

Director. “WBRA intends to work with the County and our municipal partners in the County to keep as much of the cost of credits in our local area as possible.”

In addition to the local trades, Lycoming County also sold 9,153 nitrogen credits through a statewide nutrient credit auction facilitated by the Pennsylvania Infrastructure Investment Authority (PENNVEST), and 15 nitrogen credits through a private sale.

Seventy-five percent of the revenue received by the County in the nutrient trading program is paid out to the nineteen participating farm operations. There are no restrictions on the income, allowing farmers to use it however they choose. The remaining twenty-five percent of the revenue is retained by Lycoming County to recoup the costs of operating the program. Participation in the nutrient trading program and the PENNVEST auction requires County staff to engage in a lengthy process of credit certification, verification, determination of auction eligibility, and auction enrollment.

The statewide nutrient trading program was designed by the Pennsylvania Department of Environmental Protection (PA DEP) as an optional tool to decrease the cost of compliance with Chesapeake Bay pollution reduction mandates. Credit trading allows regulated point sources, such as sewer plants, to purchase credits in lieu of making costly upgrades to their on-site wastewater treatment facilities. In many cases, purchasing credits can dramatically reduce the cost of complying with nutrient reduction mandates, saving ratepayer dollars and increasing economic competitiveness.

In addition to agricultural projects, nutrient credits can also be generated by wastewater treatment facilities that go beyond their required pollution reductions. In the future, additional practices in stormwater management and stream restoration may be incorporated into the program.

The Lycoming County Chesapeake Bay Tributary Strategy (CBTS), originated in 2008, has brought together stakeholders from across the County to craft an innovative program that provides flexible options to wastewater treatment plants, preserves economic opportunities, and improves the environment here at home.

Development of the Lycoming County CBTS initiative has been supported by grant funding from PA DEP, the Pennsylvania Department of Community and Economic Development, the National Fish and Wildlife Foundation, and the Foundation for Pennsylvania Watersheds. For more information, visit the Lycoming County CBTS home page, which can be accessed by visiting: <http://www.lyco.org/Departments/PlanningandCommunityDevelopment/ChesapeakeBayTributaryStrategy.aspx>. Current features include information about the County program, recent news articles, upcoming events, photo slideshows, and links to other resources.

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