



**INCREASING THE PACE, EXPANDING THE SCOPE, AND
IMPROVING THE EFFECTIVENESS OF CONSERVATION**

March 7, 2013

TO: U.S. Environmental Protection Agency, Region 10

FROM: Willamette Partnership (WP) & The Freshwater Trust (TFT)

SUBJECT: Joint Regional Agreement – January 17, 2013 Meeting Summary

Thank you for your participation and efforts at the Water Quality Trading Joint Regional Agreement convening interview meeting held January 17, 2013 at the EPA Region 10 office in Seattle, Washington. This memo includes the upcoming meeting dates, agreed-upon action items, a list of documents provided at this meeting, and a brief synopsis of the meeting.

Upcoming Meeting Dates	Who	Location
<ul style="list-style-type: none"> • <u>March 18, 2013</u> 1:30 pm – 4:30 pm 	Review Medford permit/TMDL/fact sheet/management plan	EPA R10 (Seattle)
<ul style="list-style-type: none"> • <u>April 9-10, 2013</u> 10:00 am – 5:00 pm (4/9/13) 8:00 am – 3:00 pm (4/10/13) 	Inter-agency work group session	Alderbrook Resort 7101 E State Highway 106 Union, Washington 98592

Action Items	Who	When
1. <u>Authorities</u> <ul style="list-style-type: none"> • Coordinate with EPA R10 OGC on legal authorities section of JRA 	Joe Furia	2/2013 – 3/2013
2. <u>Pilot Projects</u> <ul style="list-style-type: none"> • Assess potential pilot projects in Yakima-Toppenish, Boise, Snohomish and Olympia (forestry) 	Bobby Cochran/Neil Mullane	3/2013 - 12/2013
3. <u>Outreach</u> <ul style="list-style-type: none"> • Develop outreach plan 	TFT/WP	3/2013
4. <u>Technical Items</u> <ul style="list-style-type: none"> • Review Medford permit/TMDL/fact sheet/management plan 	OR DEQ, WA Ecology, EPA R10, WP, TFT	3/18/2013

Meeting Documents
The following documents were distributed at this meeting: <ul style="list-style-type: none"> ▪ Convening Questions ▪ Strawman discussion draft of JRA Tier 1

Meeting Summary

Attending:

- *EPA Region 10*: Claire Schary (WQT regional coordinator), Christine Psyk (assistant director, Water and Watersheds), Susan Poulosom (NPDES permits), Dru Keenan (NPDES permits), Chae Park, Dustan Bott (Office of Compliance), Bill Stewart (by phone, in Idaho), Bob Rose (by phone, in DC HQ office)
- *Willamette Partnership*: Bobby Cochran, Neil Mullane, Carrie Sanneman
- *The Freshwater Trust*: Joe Furia, Karin Power, Tim Wigington

I. Introductions and Project Overview:

TFT and WP explained the motivation for the project: WP received a \$1.5 million grant from USDA to develop a joint regional agreement (JRA) on water quality trading (WQT) in the Northwest. The regional product may then be used as a template for other states looking to develop WQT programs. The need for the project is heightened by lack of consistency across markets, and the need to formalize environmentally stringent program standards. The project will occur in three phases: development of JRA (2013), pilot project implementation (2014-2015), and revisions to the JRA based on pilot experiences (2015).

II. Nature of Agreement

The group discussed the possible format the JRA could take, noting that the path/buy-in to agreement approval will vary depending on the content included in the agreement, and the formality of the final product.

III. Tier 1/Authorities Section

EPA discussed the range of options available for Tier 1, and noted that any document that opines on the authority for WQT would have to go through EPA HQ and EPA Office of General Counsel. Consistent with its 2003 trading policy, EPA believes that there is authority for WQT under the Clean Water Act.

IV. Tier 2 Standard Operating Procedures

EPA expressed its preference for WQT in trading environments with comprehensive data. The JRA work group noted that the suggested standard operating procedures would not vary significantly across trading environments. The group also discussed the favorability of building WQT into TMDLs, as opposed to reconstructing WQT in each individual permit. The group discussed specific aspects of WQT programs, including baseline (i.e. not setting too high or too low), nonpoint source inclusion, and the durability of best management practices. EPA Region 10 posited that the participating states may have the greatest level of variability as it relates to baseline. EPA HQ expressed its intention to participate in the upcoming inter-agency workshops.

V. Potential Pilot Project Areas

EPA R10 suggested potential pilot projects to implement in 2014-2015, and suggested locations in Idaho and Washington to pursue (addressing nutrient, temperature, and sediment situations).

VI. Communications & Outreach

EPA R10 suggested reaching out to local conservation and irrigation districts, environmental advocacy groups, groups that represent landowners (farm associations, etc.) to educate them on the benefits/intricacies of WQT. EPA also suggested that the work group continue having conversations with agency stakeholders at both the state and federal level.