



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

March 7, 2013

TO: Oregon Department of Environmental Quality

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

SUBJECT: Joint Regional Agreement – January 16, 2013 Meeting Summary

Thank you for your participation and efforts at the Water Quality Trading Joint Regional Agreement convening interview meeting, held January 16, 2013 at the Oregon Department of Environmental Quality office in Portland, Oregon. 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> 	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>Tier 1/Legal Authorities</u> <ul style="list-style-type: none"> Continue discussion on Tier 1 authorities 	Joe Furia	2/2013 – 3/2013
2. <u>Pilot Projects</u> <ul style="list-style-type: none"> Follow up with OR DEQ about potential pilot project opportunities, including those in the Columbia and Yamhill Basins, and NPDES permit trading outside TMDLs 	Neil Mullane	3/2013 – 12/2013
3. <u>Outreach</u> <ul style="list-style-type: none"> Determine the process required to obtain approval for the JRA within the agency Develop outreach plan 	Neil Mullane TFT/WP	3/2013 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:

- *Oregon Department of Environmental Quality*: Denny Aldes, Gene Foster, Ranei Nomura, Ryan Michie, Dan Turner
- *Oregon Department of Justice*: Larry Knudsen
- *Willamette Partnership*: Bobby Cochran, Neil Mullane
- *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.

II. Discussion on Authority for WQT

The group discussed the authority for WQT under the Clean Water Act, and the state's perspective on the EPA guidance document for WQT. The state expressed its interest in creating a strong implementation framework for WQT, and noted that strong federal leadership in WQT would allow it more freedom to develop alternative implementation mechanisms. The state believes that Tier 1 should have sufficient detail and rigor. The state agreed to support an inter-DOJ/AG discussion on WQT. The state also suggested building WQT into TMDLs more robustly.

III. Tier 2 Discussion – Protocols/Criteria Necessary for WQT

The group discussed the potential to trade with NPDES permits in regions where no TMDLs exist. The group also discussed different options for meeting regulatory baseline. The group also highlighted the value of front-loading WQT work into TMDLs, instead of having to do so much leg-work at the permit stage. Options for achieving this outcome include establishment of wasteload allocation assignment protocols, and identifying priority trading areas. The group next discussed how to address attenuation and risk in WQT.

IV. What Does Success Look Like?

The state expressed its excitement about the project, as well as its desire to retain its creativity, and its hope that WQT can be as equitable as possible. The state hopes that this process will provide the framework to more quickly and efficiently develop consistently robust water quality trades. The state will continue to think about potential pilot projects to implement the JRA in 2014-2015. The state also offered to walk through the Medford NPDES permit (that incorporates WQT) with Washington Ecology, Idaho DEQ, and EPA Region 10.