



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

March 7, 2013

TO: Washington Department of Ecology

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 Washington Department of Ecology office in Lacey, 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> 	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>Pilot Projects</u> <ul style="list-style-type: none"> Assess potential pilot projects in Goldendale, Yakima, LOTT/Thurston County, Whatcom County, and with Avista (Spokane) 	Bobby Cochran & Neil Mullane	3/2013 - 12/2013
2. <u>Outreach</u> <ul style="list-style-type: none"> Determine the process required to obtain approval for the JRA within the agency Develop external outreach plan 	Neil Mullane TFT/WP/WA Ecology	6/2013 3/2013
3. <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:

- *Washington Department of Ecology*: Helen Bresler, Melissa Gildersleeve
- *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. Ecology Perspective on WQT within its Regulatory Structure

Ecology articulated its belief that a WQT program in Washington would need to account for the state's nonpoint source regulations. Ecology does not want WQT to impact its enforcement of nonpoint source regulations.

III. JRA Structure/Tier 1 Authority

Ecology discussed the nature of the authorities section, and how/where the section might be included within the overall agreement. Ecology emphasized that the argument in favor of WQT is strengthened by Washington nonpoint authority, EPA guidance, and strong TMDL analyses, and suggested that these authorities may limit the nature and scope of Tier 1.

IV. Tier 2 Standard Operating Procedures

Ecology discussed the pollutant parameters the state might be interested in trading, and the types of trading environments it would consider eligible. EPA expressed its preference for WQT in trading environments with comprehensive data. Ecology also noted its interest in having federal money dedicated to baseline achievement. Ecology indicated its interest in walking through an Oregon WQT permit to better understand the quantification, verification, and reporting methodologies used by states that have implemented WQT. Ecology also emphasized the importance of carefully selecting quantification methods and trading ratios for different pollutants.

V. Discussion of Potential Pilot Projects

Ecology and the work group discussed potential pilot projects in the state, including those related to nutrient, temperature, and stormwater trading. Ecology noted that trading opportunities in Washington will be impacted by the baseline standards adopted in the state. Ecology also discussed areas where WQT may not be appropriate.

VI. Stakeholder Engagement

Ecology recommended that the JRA work group engage important stakeholder groups at appropriate times in the process, and offered to help make the necessary connections. Ecology suggested reaching out to tribal groups, environmental advocacy groups, and appropriate state and local officials.