UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
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OFFICE OF
WATER AND
WATERSHEDS

JUN 4 2013

Mr. Greg Aldrich, Administrator
Water Quality Division
Department of Environmental Quality
811 S.W. Sixth Avenue
Portland, Oregon 97204-1390

Re: Determination of Progress - Oregon's Nonpoint Source (NPS) Management Program (in 2012)

Dear Mr. Aldrich:

Thank you for submitting the *Oregon Nonpoint Source Pollution Program 2012 Annual Report* (Annual Report), prepared by the Oregon Department of Environmental Quality (ODEQ). Section 319(h)(11) of the Clean Water Act requires States to report annually on progress under their approved NPS Management Programs, including pollutant load reductions and improvements to water quality. The Environmental Protection Agency (EPA) must establish whether the State made "satisfactory progress" each year implementing its NPS Management Program, prior to awarding Section 319 funds. The Annual Report is a primary means (along with other reporting conducted under the program and the new checklist) by which we make this determination and evaluate performance of the open 319 grants.

Based on our review we conclude that Oregon has made satisfactory progress in 2012 under its NPS management program. In our enclosed detailed review comments - entitled *Review Comments on Oregon's NPS Program Progress in (calendar year) 2012* - we acknowledge both the areas of progress and the need for continued emphasis, as pertains to the following: (1) the State's utilization of Section 319 funds; (2) the prioritization and funding of 319 projects through watershed-based planning efforts; (3) the coordination of NPS program objectives with the various State and federal programs and jurisdictions, including the leveraging of funding sources; (4) the process for achieving full approval of the State Coastal NPS Program; and (5) monitoring, achieving results, and the reporting of water quality improvements and pollutant reductions from NPS projects. We appreciate the continued progress the State made the past year addressing these key program issues.

A key EPA management goal stemming from the national NPS program study prepared in 2011 was for 50% of the states (focusing on those with outdated plans) to update their NPS management plans by the end of FY 2013. EPA provided updated guidance on the elements of these plans, particularly as pertains to the updating of program goals, priorities, milestones, and cooperating agency involvement.

Oregon has already included in the Oregon/EPA Performance Partnership Grant (PPG) workplan, which includes some of the state-allocated Section 319 funds, a commitment to update its state NPS plan in 2013. The EPA strongly supports this effort. We encourage the state to report the progress of

this effort under the PPG and in the Annual Report. We will assist in the review of the draft plan, when anticipated, prior to it being finalized and submitted for EPA approval. State NPS plan updates should then provide the framework for prioritization of watershed projects, the annual Section 319 grant/PPG workplans and reviews, and the yearly NPS program progress determinations.

We have also enclosed the "*Checklist for Determining Progress of State NPS Management Programs in 2012,*" completed by the EPA, and applicable to this Oregon review. This checklist, developed under the recommendations of the 2011 national NPS study, is intended to provide a nationally consistent framework for determinations of state progress, and supplements both this letter and the enclosed detailed comments.

The previous (2004) NPS Program and Grant Guidelines applied to this 2012 program review cycle. The new final national program guidelines were recently issued by the EPA on 4/12/13 after being under development for the past year. These new guidelines will apply to next year's FY14 Section 319 funding cycle. We thank ODEQ for all the information and comments provided during the development of the national NPS study and the subsequent revised national NPS program guidelines.

The EPA will continue to work in partnership with Oregon to address NPS water quality issues, including program activities and projects supported directly through EPA Section 319 funding. In particular, we will continue to work together to direct program resources to watersheds within which measureable water quality improvements can be achieved. We appreciate all the hard work and dedication by ODEQ and the State to implement the NPS program this past year.

Thank you again for updating and submitting Oregon's comprehensive 2012 NPS Annual Report. Please feel free to contact me at (206) 553-1855 or Rick Seaborne, our NPS Coordinator at (206) 553-8510.

Sincerely,

Christine Taylor for

Daniel D. Opalski, Director
Office of Water and Watersheds

Enclosures: Review Comments on Oregon NPS Program Progress in (calendar year) 2012
Checklist for Determining Progress of (Oregon's) NPS Management Program

cc: Mr. Gene Foster, Manager, Watershed Management Section, ODEQ (via email)
Mr. Ivan Camacho, 319 Program Coordinator, ODEQ (via email)
Mr. Don Yon, NPS Pollution Coordinator, ODEQ (via email)