~~Dec~~ Nov 30 - Joint Regional Agreement Kick-off Call
8:30 - 10:00 am

WP - Bobby Cochrane
Carrie Sanderson

WRI Todd Gartner

WP/TFT - Neall Mellkane

IDEQ - Michael McIntyre
- Mark

Ecology Helen B
- Josh Baldi

ODEQ - Reene Nomura

TFT - Joe Furman
Tim Widdington
Karyn Power
- David Primovich.

EPA/ID - Myself

Bobby - overview

- PNW has 3 of 8 state guidances in WQT in US
- Need consistent way to report, quantify + track reduction
- Grant funds this work:

Tier I - what authorities in WA for trade

II - what are process + procedure needed to be in place to get what's promised
- what need to be similar [different]

III - State-specific guidance

All three tiers, combined, are what make up JRA

Grant runs 2 yrs - 3 yrs OK.

WP staffed up to support this, TFT also to do the + funds for local outreach, ~~local~~ quantify reduction.

Tier I: existing EPA, state guidances don't go into detail on the authorities for WQT - such it should be fleshed out, eg. w/ legal challenges elsewhere. federal authorities eg.

II - what needs to be in common eg, baselines methodology quantification man stds for 3MP, length of land protection agreements.

III - State differences work will be very linked w/ Tier III...

Helen B — What will be agreed to in the JRA
What does the agreement provide w/
state differences acknowledge

Bobby — Authorities specified under Tier I
Common policies & guidance that can be done in
Common (Tier II)

Helen — What are the advantages of an agreement?
More than the document being produced itself?

Michael M. — Not an MOA or MOU but becomes a state's guidance,
approach to trading that they can implement.

Claire — Not a legal document than can commit (fully)
us but something we can point to that
represents our best thinking & approach after
a lot of effort

Helen — putting it in state policies is more powerful than
an agreement w/ lots of caveats.

Bobby — form of agreement will need to be filled out
later.

What does success look like?

— What trading is where it works, where it doesn't;
EPA buy-in for the states.

Helen — market set up. Not agreement & BMPs themselves but
verifying, creating + bringing them into the market.

Ranei – Strength from a regional approach a policy & in ~~#~~ make state program stronger, w/ agreement on what is the right thing to do.

TEAM

TFTs Joe Furie – main contact for TRA project + general communications at TFT.

+ Tim Widdington + ? will support legal needs

WRI's Todd Gartner will work on outreach esp. across US to other states, pays.

WP Carrie Sanmann – schedule, trading questions.

Neal Mullane – work w/ state WQ agencies

$75k for credit quantification tools

TIMELINE

~~Ask~~ Interviewing contacts w/ collaborators

- 4-hr. mtgs w/ each partner agency
- 2 day Interagency workshops rotating location, every 2-3 mos
- In between gathering sorting through comments.

Tier 1, 2 + 3 identified as we go.
+ identifying what goes in the TRA

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

Meeting Summary

Joint Regional Agreement Kick-off Call
11.30.12; 8:30 - 10AM PST

Action Item Summary

Action	Lead	Timeframe
Provide contact information for Ecology's modelers	Helen and Josh	12/7/12
Schedule a 1 hour call together with the key modelers from each state to lay out our plan, discuss existing work on edge-of-field efficiency rates	Carrie	12/21/12
Create a webpage for this project to store and manage documents for the group.	Carrie	12/7/12
Develop and distribute a contact list, revised version of Figure 1 from proposal including participating individuals	Carrie	12/7/12
Determine which staff at EPA should be involved in the January meeting and other workshops	Bobby and Claire	12/7/12

Attending:

- *Willamette Partnership*: Bobby Cochran, Carrie Sanneman
- *World Resources Institute*: Todd Gartner
- *Industry Expert*: Neil Mullane
- *The Freshwater Trust*: David Primozich, Joe Furia, Karin Power, Tim Wigington
- *Washington Department of Ecology*: Helen Bresler, Josh Baldi
- *Oregon Department Environmental Quality*: Ranei Nomura
- *U.S. EPA Region 10*: Claire Schary
- *Idaho Department of Environmental Quality*: Michael McIntyre, Marti Bridges

Agenda

- Introductions
- Background – project summary, end-goals, why we did this and what does success look like?
- Roles
- Timelines and milestones
- Expectations for the next few months.

I. Overview of Project: Project Summary, End-goal, Definition of Success

A. Project Summary

- **Summary of Need for JRA** (Bobby Cochran): Currently, only 8 states have water quality trading (WQT) guidance (OR, WA, ID, Chesapeake, upper Midwest). As examples of water quality trading are developed and implemented throughout the region, we are seeing common elements and seeing the value in a common framework guiding those trades. This and other factors led us to think of how regional guidance could help drive trading and do so in a way that was rigorous, transparent, and credible. The National CIG proposal submitted last spring was successful, and we are ready to get to work.

- **The joint regional agreement (JRA), as envisioned in the CIG proposal, has three parts** (Bobby Cochran):
    1. Tier I - EPA's authority to allow WQT as a compliance mechanism under the CWA. (Joe Furia noted that currently there is no detailed description on WQT authority in state or federal guidance documents; it will be important to flesh out this authority as legal challenges to WQT arise nationally).
    2. Tier 2 - The process and procedures for implementing trades. These will be the elements common across all states, like the steps of the process and minimum standards - the core pieces that we need to know in order to feel confident that reductions from NPS are real and verifiable (eligibility, baseline, reporting/tracking, minimum BMPs, land protection duration, etc.).
    3. Tier 3 - Issues that need to be handled on a state-by-state level

- **Grant Summary** (Bobby Cochran): The grant runs 3 years and includes staff time with each agency, staff time at Willamette Partnership for facilitation and document prep, TFT providing match for the grant and playing a strong role. There are also funds for local outreach and technical work around the models.

B. What will the JRA Look Like/Do?

- **Questions from Helen Bresler (WA Ecology) regarding the Format/Final Product/Nature of the Agreement**: What form will the final agreement take? What is included and how binding is it? What will the "JRA" do? For how long? What is the advantage of a formal agreement?
- **Responses**:
    - **ID DEQ** (Michael McIntyre): interested in participating in the process. Believes that the JRA might be best thought of as a collaborative guidance document that establishes the processes for trading.
    - **ID DEQ** (Marti Bridges): does not envision the JRA as a formal MOU.
    - **WA DEQ** (Helen Bresler): agreed with ID that regional agreements often become so filled with caveats that it is difficult to ascertain what the parties actually agreed upon. WA suggested that the group should work to agree on everything

that it can, and then seek to integrate as much of that work into their own trading policies.

- **WA DEQ** (Josh Baldi): suggested that a "joint guidance document" might be the best outcome.
- **EPA R10** (Claire Schary): noted that EPA attorneys would be hesitant to sign a non-binding, informal agreement (and in addition, EPA cannot bind itself to something like this). EPA believes that an informal agreement that represents the region's best collective thinking and effort would be most valuable, especially as other groups promote different (possibly less stringent) approaches. EPA views the JRA as a document that could help manage WQT demand and activity.
- **TFT** (David Primozich): stated that its interest is in having alignment amongst the various state and federal agencies so that WQT projects are 1) of high quality (consistency in what counts/is eligible); 2) transparent; 3) properly tracked and monitored over time; and also that 4) agencies consistently issue NPDES permits. TFT believes that the nature and scope of the JRA will develop over time.
- **WP** (Bobby Cochran): agreed that a formal MOU may not be the appropriate end-goal. Ultimately, what is needed is a durable document that all of the states can stand by.
- **Summary**: The format of the agreement itself is not set at this point. The specific content will develop organically throughout this process. The agreement is not necessarily a legal or binding document, but the idea is that we are agreeing that we will support the products from the process. The group wants the products of this effort to be policies that represent our collective best thinking on what water quality trading should include, and what should be consistent across the region.
- ****Willamette Partnership will produce a summary of each discussion to help the group communicate the objectives and expectations for this agreement.**

C. What Will Success Look Like at the End of this Process?

- **EPA R10** (Claire Schary): a thorough understanding of what all the parties can agree on, and a consistent set of practices for WQT across the region, including a consistent understanding of how to trade under TMDLs and in pre-TMDL situations, establish baseline, and encourage best practices for quantification and verification. In addition, EPA believes that it is important for the participating states to commit to undertaking WQT in a consistent way throughout all levels of the agencies. This will also provide a mechanism to show the public that we collectively understand water quality trading, and when it is and is not appropriate.
- **ID** (Marti Bridges): Success is creating something that can serve as the backbone of a trading program beyond the current individuals at the agencies, so that there is consistency in policy even when faces change. ID wants a document that can provide consistency across the region, although it believes that BMPs will ultimately be drafted on the individual state or watershed level. It is especially important for ID to have EPA buy-in given that ID is not a delegated permitting state.
- **WA** (Helen Bresler): guidance for how the WQT market should function in a transparent and trackable manner. Oftentimes, people think they know what they are buying and selling, but the proposals that come into the agencies are inconsistent with this

understanding. Although she believes that practices and verification may not be the same, once verification is complete, tracking should be the same. She is not persuaded that the JRA will consist of BMPs/verification practices because she believes that these will vary too much from state-to-state.

- **OR** (Ranei Nomura): creation of positive inertia to reinforce individual state programs. OR expressed that regional agreement will empower individual state programs (i.e. there is power in numbers).
- **TFT** (Joe Furia): agreement as to what a viable, transparent transaction looks like. There is tremendous potential for WQT, but legal and political uncertainty exists so long as there is not robust, consistent guidance as to how to do it right.
- **TFT** (David Primozich): TFT would like to not have advocate so hard for the incorporation of higher standards into particular projects. So consistency on project, verification, and credit serialization standards is important. This type of agreement will help eliminate bad, untracked projects, thus providing consistency for permittees and regulators.
- **WP** (Bobby Cochran): By bringing together the experiences and understandings of these different entities, we will advance our collective understanding and have a stronger process and standards at the end of it.
- **Neil Mullane**: consistent understanding and communication. In every state, the agency managing WQT will work with other agencies, and so uniformity in addressing WQT (and explaining how all of the states are doing it) will help immensely.

II. Roles

- **Willamette Partnership**: WP will facilitate the process and provide support, helping to move things along. However, WP will not just be a neutral party; rather, it will provide opinions and feedback throughout the process.
  - Bobby Cochran: facilitate the process and provide support; help to move things along.
  - Carrie Sanneman:
    - Leading logistics and document preparation before and between meetings;
    - Checking in on substantive matters and making sure that the group is moving along from a process standpoint;
    - Her expertise is in operating markets, processing eligibility and verification, accrediting and managing third-party verifiers, adapting and updating protocols and standards
- **Neil Mullane**:
  - Connecting with members of the group before, during, and after the workshops.
  - Facilitating the group in a way that makes sure we are covering everything that we need to, nothing gets left out.
- **The Freshwater Trust**: will bring the perspective of an organization implementing water quality trading.
  - Joe Furia (TFT general counsel and senior policy director) is the lead contact; he will be providing the legal expertise for contracting and policy work.
  - David Primozich will also be involved (advocacy and implementation)
  - Karin Power and Tim Wigington (providing legal and program support)

- **World Resources Institute**: has ecosystem service and water quality trading programs.
  - Todd Gartner will provide outreach to other states and other organizations. He will provide the linkage to leverage the consistency that we develop in the JRA process and communicate it to others working in this space.
- **Local groups will help with outreach**

Action Items:
****As we begin technical work, survey for those that have edge-of-field experience (vs attenuation)**
****Early January - get a 1 hour call together with the key modelers from each state to lay out our plan.**
****Helen and Josh - send contact information for modeling from ECY.**
****WP will distribute a contact list and a revised version of Figure 1, updated to include the names of participating individuals.**
****WP will create a webpage to store and manage documents for the group.**

III. Timeline and milestones

- **General Scope of Work** (Bobby Cochran): 8-month window keeps people engaged without overly inundating them.
- **Contracts** (Carrie Sanneman): currently working through draft contracts with each agency and hoping to finalize those in January 2013. It is our hope that we can begin working on this project regardless of whether contracts are signed by then given that the bulk of the work will begin in March 2013.
  - ****Work group will continue conversations with agencies over the next two months.**
- **Convening Interviews** (Carrie Sanneman) - WP will be scheduling 4-hour convening interviews for January 2013 to do a more in depth kick off of the process and begin identifying substantive issues that we want to deal with throughout.
  - **EPA R 10** (Claire Schary): noted that the agencies will need as much lead time as possible to work these into their schedules.
  - ****Bobby will talk with Claire on who should be there in January for the convening interview.**
- **Interagency Workshops** (Carrie Sanneman): In March 2013, the group will begin a series of 4 to 5 two-day interagency workshops at two month intervals. Workshop location will rotate between Seattle, Portland, and Boise.
  - Two weeks before those meetings the agencies will hear from WP with agendas, logistics, and materials that the group will dig into in the meetings.
  - After the meetings, WP will be revising documents and other work products based on comments and the discussions at the meetings and then distributing those back out to the group.
  - This workshop series is where the group will be doing the bulk of agreement crafting.
  - The group anticipates that the JRA drafting process will run until the end of 2013, at which time we anticipate moving into a pilot phase for the policies, with

continued emphasis on refining and improving the JRA product based on what is learned in implementation.
    - The idea will be to space these workshops far enough apart so that folks can still cover all their other duties, and to space the work and comment portions out so that the flow is relatively constant and the JRA process does not take up too much time at any point except the workshop days themselves.
    - The Gantt chart assigns a different tier to each of the workshops, with the bulk of Tiers 2 and 3 overlapping.
- **Scheduling** (Carrie Sanneman): Carrie will try to finalize dates for convening interviews and tentative dates for the workshops in early December. Please respond quickly if you can so that we can get those on the calendar.
    - **Scheduling During Legislative Session** (Ranei Nomura): Very hard to get administrators or DOJ support out of state during legislative sessions, so work group will need to anticipate when we would like them to attend. The work group will be conscious of that and should be able to foresee when we need their input. We will also need to be conscious of when we can take up agency modeler time.
- **State Policy Review & Synthesis** (Carrie Sanneman): Carrie will also be collecting and reviewing existing state policies over the next month and will be drafting an outline to bring into the convening interviews.
    - A central component to this effort is comparing the policies for the states as they currently exist. Carrie has begun this comparison, but she would like to check in with each agency to make sure that she is working from the right documents, and that there are not any other documents or precedents to include.
- **JRA Tier 1 (Authorities)** - TFT will continue investigating the legal authorities and will likely be in touch with agencies who may wish to involve their respective state DOJs.