

NATIONAL WATER PROGRAM

FY 2006 END-OF-YEAR PERFORMANCE REPORT

Office of Water
Environmental Protection Agency
April 2007





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

April 23, 2007

**OFFICE OF
WATER**

MEMORANDUM

TO: Office Directors, Office of Water
Regional Water Division Directors, Regions 1 - 10
Great Waterbody Program Directors

FROM: Michael H. Shapiro, Deputy Assistant Administrator /s/

SUBJECT: *National Water Program FY 2006 Performance Report and Best Practices*

I am pleased to provide you with the final *National Water Program 2006 Performance Report*. The report describes the progress we made in FY 2006 (i.e. through September 2006) toward the goals and objectives described in the *EPA Strategic Plan*. It can also be found on the Internet at (www.epa.gov/water/waterplan).

This *Report* is based on materials and analysis developed during the end of the year by Subobjective Implementation Workgroups addressing each of the ten key subobjectives in the *EPA Strategic Plan* related to the National Water Program and includes three major elements:

- performance overviews, highlights, and management challenges for each subobjective;
- descriptions of “best practices” demonstrating innovations in program implementation that can be more widely adopted to improve program effectiveness; and
- an Appendix including regional data breakouts in the FY 06 End-of-Year slides.

In general terms, water program implementation at the end of FY 2006 was strong and is consistent across the EPA Regional office water programs. EPA and States are making progress toward more effective integration of programs and are expanding efforts to coordinate our work with that of other agencies implementing related programs.

I want to thank the water program managers and staff who supported this performance assessment through the development of end-of-year data and the

organization and presentation of subobjective reviews. I am pleased with our progress to date and look forward to continued progress in FY 2007.

Please feel free to contact me if you have comments or questions (202-564-5700). Please contact Jill Smink if you would like additional printed copies of the *Report*.

Attachment:

National Water Program FY 2006 Performance Assessment

cc: Ben Grumbles
Tim Fontaine
Jeff Peterson
Kathy O'Brien, OCFO
Jackie Harwood, OCFO
Office of Water *Strategic Plan* Implementation Workgroup

TABLE OF CONTENTS

I	Introduction	5
II	End-of-Year Performance by Subobjective Overview, Highlights, and Next Steps	6
1)	Water Safe to Drink	7
2)	Fish and Shellfish Safe to Eat	9
3)	Water Safe for Swimming	11
4)	Restore and Improve Water Quality on a Watershed Basis	12
5)	Protect Coastal and Ocean Waters	18
6)	Protect Wetlands	20
7)	Protect Mexico Border Water	22
8)	Protect the Great Lakes	24
9)	Protect the Chesapeake Bay	25
10)	Protect the Gulf of Mexico	28
III	Best Practices	31

APPENDIX:

Slides of Program Activity Measures Including National/Regional FY 2006 Data

I) INTRODUCTION

The Environmental Protection Agency (EPA) published a new *Strategic Plan* in the Fall of 2003. In April 2005, the National Water Program published *National Water Program Guidance* describing how EPA, States, Tribes, and others would work together in FY 2006 to implement the water elements of the new *Strategic Plan*. This *FY 2006 End-of-Year Performance Report* describes the progress made at in 2006 towards the goals and objectives described in the *Guidance* and the EPA *Strategic Plan*. The *Strategic Plan* and the *FY 2006 Guidance* are available on the Internet at www.epa.gov/water/waterplan, as is this *Report*.

This *FY 2006 End-of-Year Performance Report* is based on materials and analysis developed by teams of Headquarters and EPA Regional staff addressing each of ten subobjectives within the EPA *Strategic Plan* related to the National Water Program (see Table I, below). The briefing materials developed by these Subobjective Teams provide data concerning progress toward environmental and public health goals and accomplishment of key program activities along with recommendations for needed actions. Much of this work is accomplished through grants and this *Report* serves as the Office of Water's primary summary of progress under the Environmental Results Grants Order.

This *Report* includes three key elements:

- performance overviews, highlights, and next steps for each subobjective;
- overall conclusions and recommendations; and
- an appendix of data for environmental and program related measures, including national, and in many cases EPA Region, data.

TABLE I
NATIONAL WATER PROGRAM – KEY SUBOBJECTIVES

- 1) **Water Safe to Drink**
- 2) **Fish and Shellfish Safe to Eat**
- 3) **Water Safe for Swimming**
- 4) **Restore and Improve Water Quality on a Watershed Basis**
- 5) **Protect Coastal and Ocean Waters/Estuaries**
- 6) **Protect Wetlands**
- 7) **Protect Mexico Border Water**
- 8) **Protect the Chesapeake Bay**
- 9) **Protect the Great Lakes**
- 10) **Protect the Gulf of Mexico**

**II) END-OF-YEAR PERFORMANCE BY
SUBOBJECTIVE:
OVERVIEW, HIGHLIGHTS AND NEXT STEPS**

This section provides a summary of the progress toward accomplishment of environmental and program goals described in the *National Water Program Guidance for FY 2006*.

Each subobjective report includes all of the following key information:

- a brief narrative summary of performance with respect to the outcome (i.e. environmental or public health goal) stated in the EPA *Strategic Plan*;
- a list of “Performance Highlights” with respect to program implementation, including both areas of success and areas needing attention; and
- “Needed Adjustments” identifying key next steps to strengthen implementation of the subobjective and improve performance for the future.

It is important to note that more detailed information concerning performance under each of the outcome and program measures is provided in the Appendix to this Report and is available on the Internet at www.epa.gov/water/waterplan.



1) SUBOBJECTIVE: WATER SAFE TO DRINK

Subobjective: Percent of the population served by community water systems (CWSs) that receive drinking water that meets all applicable health-based drinking-water standards through effective treatment and source water protection.

	2004	2005	2006
Baseline	93.5% (2002)	93.5% (2002)	93.5% (2002)
Commitment		93%	90.9%
Mid-Year		90.2%	88.4%
End-of-Year	90%	88.5%	89.4%

Strategic Target: Percent of the population served by community water systems in Indian country that receive drinking water that meets all applicable health-based drinking water standards.

	2004	2005	2006
Baseline	91.1% (2002)	91.1% (2002)	91.1% (2002)
Commitment			90.0%
Mid-Year			86.2%
End-of-Year	90%	86.3%	86.6%

Performance Highlights

Progress in FY 2006 includes:

- In FY 2006, OGWDW released three new national primary drinking water regulations that take a risk-targeting approach to public health protection – the Long Term 2 Enhanced Surface Water Treatment Rule, the Stage 2 Disinfection Byproducts Rule, and the Ground Water Rule.
- From 1993 to 2006, the percentage of Americans served by community water systems meeting drinking water standards increased from 79% to 89.4%. This is a significant increase in public health protection over the last 13 years, not only because compliance rates have improved but also because standards have become more stringent. Attaining the 2011 target of 91% will require overcoming several challenges.
- The percentage of tribal community water systems in compliance has increased from last year to 86.6% but still does not meet the target for a 90% compliance rate.

- The Regions and OGWDW have been successful in communicating and educating systems on the Early Implementation requirements of Long Term 2 Enhanced Surface Water Treatment and Stage 2 Disinfection By-product Rules.
- Community water systems are continuing to make significant progress in minimizing risk through the development and implementation of source water protection strategies. In 2006, 24% of community water systems had substantially implemented strategies that are defined by the State; this is an increase from the 8% completed in 2002. EPA is almost halfway to the target of 50% in 2011.
- The Underground Injection Control program exceeded their commitments for addressing significant violations for Class I, II, and III wells and met the target for addressing Class V violations. EPA also continued to make progress on identifying and closing or permitting high priority wells, which include motor vehicle waste disposal wells, in community water systems' source water protection areas.
- EPA continues to make progress in developing baseline information for using source water protection areas to maximize human health protection through improved implementations of the TMDL program by building on the CWA and SDWA.

Next Steps

Key next steps and needed adjustments identified by the Subobjective Team include:

- Continue to work with Regions and States to improve data analysis to ensure there is a good understanding of violation patterns which can then impact the direction of the Drinking Water program.
- Continue to improve data quality; i.e., working towards the 2011 goal for 90% data quality in SDWIS.
- Continue activities to improve compliance with regulations through early implementation, training and technical assistance.
- Work with earmark grantees to enhance the support of water safe to drink through effective grant management and workplans that complement EPA's efforts to meet commitments in the Strategic Plan.

Additional information concerning performance under outcome measures and program activity measures is provided in the FY 06 End-of-Year slides at the end of this report.

2) SUBOBJECTIVE: FISH AND SHELLFISH SAFE TO EAT

Subobjective (Part A): Improve the quality of water and sediments to allow for increased consumption of safe fish in a percentage of the river miles/lake acres identified by States or Tribes as having a fish consumption advisory in 2002.



	2005	2006
Baseline	485,205 river miles; 11,277,276 lake acres (2002)	485,205 river miles; 11,277,276 lake acres (2002)
Commitment	37%; 25%	1% improved
Mid-Year	0%; 0%	0% improved
End-of-Year	35%; 24%	N/A

Strategic Target: Increase the percentage of shellfish-growing acres monitored by States that are approved or conditionally approved for use.

	2005	2006
Baseline	77% of 21.6 million acres open for use (1995)	77% of 21.6 million acres open for use (1995)
Commitment	80% improved	91% improved
Mid-Year	0% improved	91% improved
End-of-Year	N/A	N/A

Performance Highlights

Progress in 2006 includes:

- Preliminary results were estimated for the percent of lake acres and river miles where fish tissue has been assessed to support consumption advisories. The estimated results meet and exceed the 2006 target by 2%.
- We continue to work towards having states, territories and tribes adopt the fish tissue criterion for mercury, and adopt and apply the national fish advisory guidance.
- The results for the improvements in the quality of water and sediments to allow increased consumption of fish are not available at this time. It is possible that as with the previous year, progress could be less than 1%.
- Data challenges continue to prevent us from reporting progress on the percent of shellfish-growing acres monitored by states that are approved or conditionally approved for use.

Next Steps

Key next steps and needed adjustments identified by the Subobjective Team include:

- Improvements in the measure under this Subobjective are underway with the development of the next Strategic Plan. A new Strategic Target that looks at mercury in blood levels has been developed. Since the primary source of mercury in blood comes from consumption of mercury in fish, it appears this is a good indicator of changes in behavior by consumers informed by the fish consumption advisories.
- A modified version of the current shellfish measure is also included in the next Strategic Plan. We need to ensure that data challenges won't continue to prevent us from reporting progress on the shellfish-growing acres given that the data source is not one that EPA owns.

Additional information concerning performance under outcome measures and program activity measures is provided in FY 06 End-of-Year slides at the end of this report.



3) SUBOBJECTIVE: WATER SAFE FOR SWIMMING

Subobjective: Restore water quality to allow swimming in waters identified by States in 2000 as unsafe for swimming:

	2005	2006
Baseline	90,000 stream miles; 2.6 million lake acres (2000)	90,000 stream miles; 2.6 million lake acres (2000)
Commitment	2% restored	3% restored
Mid-Year	N/A	N/A
End-of-Year	N/A	N/A

Performance Highlights

Progress in 2006 includes:

- The target for the percent of beach season days that coastal and Great Lakes beaches were open and safe for swimming was met with improved performance over the prior year’s results.
- Performance fell slightly short of the target for the percentage of CSO permits with schedules to implement approved Long Term Control Plans, and for the percent of Tier 1 beaches monitored and managed under the BEACH Act. The results were off by 3.5% and 0.6%, respectively, from the FY06 targets.
- Data challenges are still preventing us from reporting progress on the percent of waters restored for swimming.
- We continue to work towards new criteria for pathogens or indicators for recreational waters. 30 states and territories, and 25 tribes have adopted the current pathogen criteria for non-coastal recreation waters. And, seven states (RI, NJ, FL, NC, IA, AZ, and AL) have adopted EPA’s Voluntary Management Guidelines for onsite sewage management.

Next Steps

Key next steps and needed adjustments identified by the Subobjective Team include:

- For FY07 additional funding has been shifted to increase technical assistance to help improve the performance on the percent of CSO Permits with long term control plans.

- In addition, in order to assist in identifying prospective states that will be eligible for adoption of the voluntary management guidelines for on-site sewage management, and to better target future EPA's efforts, OWM is conducting a review of state onsite wastewater programs beginning in FY07. This review will be a multi-year effort, dependent on availability of resources.
- The computation of the results for Tier 1 beaches monitored/managed under the BEACH Act may need to be revised to allow for special instances where closed Tier 1 beaches that are not being monitored are not captured as a lack of performance.

Additional information concerning performance under outcome measures and program activity measures is provided in the FY 06 End-of-Year slides at the end of this report.

4) SUBOBJECTIVE: PROTECT WATER QUALITY ON A WATERSHED BASIS



Subobjective: Use both pollution prevention and restoration approaches to increase the number of watersheds where water quality standards are met in at least 80% of the assessed water segments:

	2005	2006
Baseline	453 watersheds (2002)	453 watersheds (2002)
Commitment		458
Mid-Year		172
End-of-Year	2 (annual); 450 (cum.)	438

Strategic Measure: Restore a percentage of those water bodies identified in 2000 as not attaining standards.

	2005	2006
Baseline		
Commitment	432 (2%)	2,235 (10.3%)
Mid-Year	N/A	2,427 (11%)
End-of-Year	1,955 (9.0%)	2,841 (13.1%)

(NOTE: Measures relating to improvement in water quality on Tribal lands and reduction in homes on Tribal lands lacking access to basic sanitation were not reported at the mid-year but will be reported at the end of the year.)

Performance Highlights

Progress in 2006 includes:

- The program continues to make strong progress in restoring impaired waters. The program has restored a cumulative 13.1% of impaired waters since 2000, compared to the commitment through FY 2006 of 10.3%. An increasing component of this progress has resulted from known restoration activities, or from new monitoring data showing water quality standards attainment where the reason for recovery is unspecified.
- The pace of progress will likely decrease as listings become more accurate and “easy” restorations are completed. Many remaining problems are complex and may take many years to solve (e.g., urban wet weather impairments, persistent legacy pollutants, temperature problems addressed by restoring stream bank trees).

- The program also exceeded its target for 2006 for reducing the number of households on tribal lands without access to basic sanitation. By the end of 2006, the Clean Water Indian Set-Aside Program and the Alaskan Native Village Program had reduced the number of such households from 71,000 to 36,092, well below the target of 59,250 or fewer households lacking access.

- The program is on schedule for improving future outcome reporting. In 2006 EPA released the first statistically valid assessment of national stream condition, the Wadeable Stream Assessment. This is a landmark step in providing scientifically defensible assessments of different water types and evaluating trends in water condition. These assessments will allow us to determine national progress in achieving the Clean Water Act goal of fishable, swimmable waters. In the past, states have largely used site-specific monitoring to focus limited resources on heavily used or problem waters, which resulted in an assessment of only a small percentage of all the Nation's waters.

- The program met FY 2006 commitments for 14 of the 17 Program Activity Measures (PAMs) having targets. Notable results:
 - 45 states and territories were on schedule at the end of 2006 for developing and adopting water quality criteria for nutrients (compared to a commitment of 42). Nutrient over-enrichment is a major cause of water quality impairments nationally.
 - The program reviewed and approved or disapproved 81.4% of state and tribal water quality standards revisions within 150 days, exceeding the commitment of 79%. This strong performance, coupled with success in resolving key long-standing standards disapprovals, enabled EPA to remove the water quality standards program from its list of Agency Weaknesses.
 - The program met its goals of 100% of states and territories implementing water monitoring improvements consistent with their monitoring strategies, and 40 states using the Assessment Database to record their Integrated Assessments of water quality. These efforts will enhance the program's ability to report on environmental outcomes.
 - The program completed 4,525 TMDLs in 2006, significantly exceeding the commitment of 3,524. In comparison, EPA approved fewer than 500 TMDLs in FY 1999. However, TMDL rates may decline due to the increasing complexity of the TMDLs remaining to be completed, increasing effort needed to comply with recent litigation, and the changing capacities of the states (which complete 90 percent of TMDLs annually).
 - The program achieved a rate of 98.5% of high priority state NPDES permits being current, exceeding the commitment of 95%.

- The CWSRF fund utilization rate reached 94.7% in 2006, exceeding the commitment of 93%. Of the \$61 billion of funds available for projects through 2006, the CWSRF's committed \$57.7 billion to loans. For the first time in the program's history, annual project assistance exceeded \$5 billion in 2006. Nationally since 2001, fund utilization has remained relatively stable and strong at over 90%. This high level of performance is expected to continue to be strong in the future.

Next Steps

Key next steps and needed adjustments identified by the Subobjective Team include:

- Accelerated implementation of water restoration activities is a major challenge for the program under the new Strategic Plan.

Several actions already completed or underway are designed to speed the rate of waterbody restoration:

- EPA released the 2008 Integrated Report Memorandum 18 months in advance of the April 2008 Integrated Report due date. A goal of the 2008 IR cycle is to achieve 100 percent on-time submittals of the Integrated Reports (all 56 states and territories by April 1, 2008). Timely submittal and EPA review of integrated reports is important to demonstrate state and EPA success in accomplishing Strategic Plan goals for restoring and maintaining national water quality.
 - EPA dedicated \$100 million (as an annual minimum) of Section 319 funds specifically geared towards addressing impaired waters through the development and implementation of watershed-based plans which meet certain criteria laid out by the NPS Grant Guidelines;
 - EPA released a 400-page handbook going into the details of every aspect of watershed plan development; and
 - EPA continues to highlight projects on the NPS website where waters impaired primarily by nonpoint sources have been restored. Another 10 "success stories" (covering more than 10 restored waters) will soon be added to the NPS website and counted toward the NPS program activity measure.
- EPA will increase efforts with states and tribes to apply core programs on a watershed basis. A focal point of our efforts will be the watersheds of focus – the places we have identified for small watershed improvement. As we work with our partners to achieve these improvements, we need to continually refine our efforts to restore and protect water quality by applying an adaptive management framework.

- Linking the appropriate partners and stakeholders at the state, federal and local levels is critical to achieving and sustaining success because a combination of tools and funding sources is necessary to address the diverse sources of water quality impairment. To that end, we will be increasing our efforts to build the capacity of others, especially at the local level, by effective delivery of EPA tools and technical assistance, developing third-party support networks, and identifying and transferring best practices for watershed management that achieve results for water quality.
- The program needs to continue helping Regions and states make strong progress toward adoption of Assessment Database (ADB) or compatible electronic formats in 2007. Data from the ADB (version 2) (or in a compatible format) are needed to efficiently document outcomes of the surface water protection and section 106 grant programs. These data support the full restoration, partial restoration, and watershed improvement measures in the 2006 – 2011 Strategic Plan and in PART.
- The program needs to complete aligning the National TMDL Tracking System and the Assessment Database. Work is underway to (1) clarify required fields and (2) improve tracking of waters removed from lists of impaired waters (e.g., waters meeting water quality standards as a result of restoration activities, waters meeting standards as a result of new assessment method). The program intends to begin pilot reporting in 2007 using the newly-aligned system.
- The program needs to provide strong support to Indian tribes to implement the *Guidance on Awards of Grants to Indian Tribes under Section 106 of the Clean Water Act* issued in 2006. This will include emphasis on tribes achieving operational status and pilot reporting on the 185 monitoring stations that will track progress under the tribal water quality improvement measure. To improve cross-OW program performance in tribal programs, we will promote a regular dialogue with Regions concerning tribal programs and issues in our respective programs.
- Starting in FY 2008, the program will make several changes to the tribal access measure. These changes include the adoption of an improved baseline, a change in the definition of “basic sanitation projects” (to be defined as Indian Health Service initial deficiency levels 4 and 5), and the use of the Indian Health Service Sanitation Deficiency System database to account for the overall efforts of the federal government in meeting the tribal basic access to sanitation goal.
- The program needs to refine the reporting guidance and reporting procedures for the new watershed improvement measure to ensure Regions and states have a common understanding.

- The program is exploring options for improving monitoring and tracking of impaired waters after TMDLs are completed, or TMDLs are otherwise found unnecessary. State monitoring priorities, and plans for watershed projects and restoration efforts, need to include adequate restoration monitoring.
- Control of storm water offers opportunities to reduce large quantities of pollutant loads from the Nation's waters but there are significant issues in how to implement stormwater permits. Regional and HQ Water Division Directors have identified this as a major challenge that needs increased cross-office coordination and focus.
- Regions should continue to improve timeliness and completeness of entries in the Water Quality Standards Action Tracking Application (WATA). Regions should better synchronize ACS entries with WATA for WQ-5 and 6.
- In collaboration with state partners, OWM has implemented a CWSRF outreach strategy designed to accelerate high priority water quality projects, build demand for the program, maximize the use of available funds, insure that funds are directed to critical projects, and reach new borrowers.

Additional information concerning performance under outcome measures and program activity measures is provided in the FY 06 End-of-Year slides at the end of this report.



5) SUBOBJECTIVE: PROTECT COASTAL WATERS

Subobjective: Improve national and regional coastal aquatic ecosystem health on the “good/fair/poor” scale of the National Coastal Condition Report. (Rating is a 5-point system in which 1 is poor and 5 is good.)

	2005	2006
Baseline	2.4 (2002)	2.4 (2002)
Commitment	2.5	2.7
Mid-Year	2.7	2.7
End-of-Year	2.7	2.7

Performance Highlights

Progress in 2006 includes:

- We only have one Regional target measure (IV-D) (our other measures are either HQ-reported target measures or indicator measures), and once again, we significantly exceeded that target (140,033/25,000 acres). In large part, this was due to one large conservation acquisition of over 74,000 acres in Charlotte Harbor, FL.
- Our other outcome measures (2.2.2, P, and Q) are based on the NCCR scores and the next NCCR (NCCR III) will not be released until late FY07 or early FY08 (C/O-1). The NEP CCR is on schedule for release in December, 2006, so the original release date was not met (C/O-4). [NOTE: There has been ongoing confusion about the dates for the NCCR III and the NEP NCCR. The NCCR III was always planned for FY 2007; the only FY 2006 report was the NEP NCCR which, as we reported at mid-year, has been delayed until FY 2007.] The NEPs continue to produce an extremely high (approximately 10:1) leveraging ratio using Section 320 funds (C/O-6).
- Based on mid-year Regional data entered in ACS, the OSV BOLD was used to monitor 26 ocean dump sites in FY06 (C/O-8). In addition, it spent 89 days during FY06 in support of Gulf of Mexico hypoxia surveys (IV-O). We reported at midyear that the schedule for the Alaskan cruise ship rule was revised in order to work with the cruise ship industry. Under the revised schedule, if we determine that new standards are required, we will propose them in December 2007. We have made significant progress on our data collection (sampling and survey questionnaire) and environmental and economic analyses. We anticipate meeting the revised schedule, with options selection in April 2007.

Next Steps

Key next steps and needed adjustments identified by the Subobjective Team are:

- Since mid-year, we have made several management adjustments addressing the NEP Program:
 - 1) We have established a workgroup to study ways to expedite expenditure of Section 320 NEP funds. The HQ/Regional workgroup is chaired by Marilyn Katz and will: evaluate the factors that are affecting the speed at which NEP funds are spent; look for opportunities to improve our fiscal practices; and develop guidance on spending rates. The work will be coordinated with the larger effort within OW to review spending rates for a number of grant programs.
 - 2) We are studying ways to increase the objectivity and efficiency of implementation reviews for the NEPs using a workgroup of HQ, regional, and NEP staff. While this review is underway, we have suspended conducting any implementation reviews in FY 2007.
- In late FY06, we determined that, given the uncertainties surrounding the FY07 budget, the OSV BOLD would not travel to the West Coast in FY07.

Additional information concerning performance under outcome measures and program activity measures is provided in the FY 06 End-of-Year slides at the end of this report.



6) SUBOBJECTIVE: PROTECT WETLANDS

Subobjective: Working with partners, achieve a net increase of acres of wetlands with additional focus on biological and functional measures.

	2005	2006
Baseline	Annual net loss of an estimated 58,500 acres	Annual net loss of an estimated 58,500 acres
Commitment	100,000	200,000 acres
Mid-Year	N/A	32,000/yr gain
End-of-Year	32,000/yr gain	64,000 acres gain

Performance Highlights

Progress in 2006 includes:

- Increase in wetlands reflects effort and result accomplished through many restoration projects and programs- including USDA Wetlands Reserve Program and CREP, FWS, NAWCA, and WLR, Land Trusts and compensatory mitigation- to replace wetlands and wetlands function lost. The rate of loss has slowed mostly and gains exceeding losses is due to increases in unvegetated freshwater ponds-a wetland category that includes farm ponds, industrial ponds, and golf course hazards- and not vegetated freshwater and estuarine wetlands.
- Data for “no net loss” of wetlands under Section 404 of the CWA will be available beginning in January 2008.
- The performance measures show encouraging national trends in terms of gains in overall wetland acreage. While most of these gains were in unvegetated freshwater ponds, the data indicate that the rate of loss in vegetated freshwater wetlands is decreasing, which is a positive sign. At the same time, the measures show a clear investment from States in wetlands monitoring and assessment. To maintain this trend, EPA will continue efforts to build State monitoring capacity in advance of the 2011 National Condition Assessment. EPA is also undertaking a Program Planning effort to comprehensively examine and identify specific ways to more effectively implement EPA’s wetlands programs.

Next Steps

Key next steps and needed adjustments identified by the Subobjective Team include:

- EPA is dependent on outside agencies for data to assess performance

- U.S. FWS Status and Trends Report
 - Report is issued every 5 years and has a perpetual data lag.
 - For example, the 2006 report discussed trends from 1998 -2004.
 - EPA manages this data lag by applying the most recent annual rate of wetland gains to the current reporting year.
 - EPA is also working closely with U.S. FWS to include a discussion of wetland condition that characterizes function of wetland types such as freshwater ponds.
 - Potential to modify the assessment methodology for the next Status and Trends report in 2011 (see “Best Practices” section).
 - U.S. Army Corps of Engineers
 - Improved regulatory program permit data will be available in January 2008.
 - In partnership with the Corps, EPA has made a significant investment to acquire new, more reliable data to measure performance of the Wetlands Regulatory Program at EPA.
 - EPA interface for ORM database (see “Best Practices” section)
- A need for measures of performance in the CWA 404 regulatory program.

In summary, the Wetlands Program needs a better performance measure of EPA contributions to the CWA 404 regulatory program and may need one or two more PAMs to measure performance of the regulatory program. The Wetlands Program also needs to continue work with our State, Regional and Federal partners to improve wetlands monitoring in advance of the National Condition Assessment in 2011.

Additional information concerning performance under outcome measures and program activity measures is provided in the FY 06 End-of-Year slides at the end of this report.



7) SUBOBJECTIVE: MEXICO BORDER WATERS

Subobjective: Achieve water quality standards currently being exceeded in shared and transboundary waters where standards currently being exceeded:

Measure not operational

Subobjective: Increase the number of homes connected to potable water supply and wastewater collection and treatment systems:

	2005	2006
Baseline	N/A*	N/A*
Commitment		3%
Mid-Year		0.6%
End-of-Year		6.7%

***Baseline under development under Border 2012 workplan.**

Performance Highlights

Progress in 2006 includes:

- In 2006, the baseline for year 2002 was set at 17 for “Achieve water quality standards currently being exceeded in shared and transboundary waters.” This required reaching agreement with Mexico on two key definitions (“significant shared and transboundary waterbodies” and “water quality standards exceeded”). Based on these definitions, EPA used the 2002 CWA Section 305(b) report to identify 10 significant US waters. EPA evaluated those significant waters, and identified 17 instances in which water quality standards were being exceeded. Once the 2006 Integrated Report is received from the States, performance against this measure will be reported for the first time.
- For the measure, “Increase the number of homes connected to potable water supply and wastewater collection and treatment systems,” in 2006, baselines for year 2003 were established of 98,515 homes (US and Mexico) without access to potable water supply and 690,723 homes (US and Mexico) without access to wastewater collection and treatment systems. Performance against this measure was reported for the first time, and at 6.7% significantly exceeded the target of increasing by 3% the number of homes connected to drinking water and wastewater systems. Because FY06 was the first year that EPA set a target for this measure, the Regional Administrators for Regions 6 and 9 made a conservative estimate due to uncertainty associated with project completion. We anticipate that for FY 2007 we will have greater accuracy in setting targets for the revised measure – see explanation below under management adjustments needed.

Next Steps

Key next steps and needed adjustments identified by the Subobjective Team include:

- For 2007, “Increase the number of homes connected to potable water supply and wastewater collection and treatment systems,” we have split this measure into two separate measures that report on (1) connections made to potable water supply and (2) connections made to wastewater systems. This action was taken to improve performance tracking and reporting on this measure. Further, the two new measures are generally aligned with the 2006-2011 Agency Strategic Plan and PART measures and will allow us to report progress made towards meeting our target of providing 25% of those homes without access to safe drinking water or wastewater systems (2003 baseline) with access by 2012.
- A program measure has been set up to report disbursements and track increases in the rate of disbursement on a monthly basis through the EPA Eco-Regions initiative. At the end of FY 2006, the disbursement rate was at 50% of the total value of grants awarded to the NADBank (up from 48% earlier in the year – see attachment).
- A draft policy initiative prepared by OCFO concerning Border Program financial management is currently under review by OWM, OW, OIA, and EPA Regions 6 and 9. Discussions with OCFO have begun and management adjustments likely will be forthcoming in 2007.

Additional information concerning performance under outcome measures and program activity measures is provided in the FY 06 End-of-Year slides at the end of this report.



8) SUBOBJECTIVE: GREAT LAKES

Subobjective: Prevent water pollution and improve the overall aquatic ecosystem health of the Great Lakes using the Great Lakes 40-point scale:

	2005	2006
Baseline	20 points (2002)	20 points (2002)
Commitment	21 points	21 points
Mid-Year	21.9 points	21.9 points
End-of-Year	21.9 points	21.1 points

Performance Highlights

Progress in 2006 includes:

- EPA met its FY 2006 Great Lakes Index target score of 21 out of a possible 40, thus showing long-term progress in the Great Lakes ecosystem condition from a baseline score of 20, although the index did not maintain last year's higher score. Improvements in phosphorus concentrations and air toxics deposition and a decrease in drinking water quality are reflected in the current index score. The drinking water component of the index, reflecting 3 drinking water quality violations in 2005, has proven more volatile than anticipated and is expected to be revised in 2007 to be consistent with EPA's drinking water program.
- Analysis reported in 2006 indicated that on average, total PCB concentrations in whole Great Lakes top predator fish declined 6% annually between 1990 and 2003, meeting the target for declines in concentration trends. Additional reporting for this measure will be delayed until mid-2007, due to a change in principal investigators.
- In 2006, EPA and its state and local partners announced that cleanup efforts had improved conditions enough for the Oswego River Area of Concern (AOC) to be removed from the list of the most polluted areas in the Great Lakes basin. This is the first U.S. area to come off the list of Great Lakes AOCs. The Oswego River has been transformed from an area plagued by a legacy of pollution problems to an environmental success story. EPA is working with states to restore impaired beneficial uses (such as restrictions on fish consumption due to high contaminant levels) in the AOCs in order to delist eight AOCs by 2010 and all by 2025. Monitoring results in 2006 identified impediments to restoring additional AOCs until 2007. EPA has targeted additional resources to accelerate progress in AOCs in order to meet AOC restoration goals.
- In FY 2006, EPA reported the remediation of 375,000 cubic yards of contaminated sediments in calendar year 2005 through the combined efforts of

EPA, states, and other partners, including the second and third Great Lakes Legacy Act projects. Having remediated 4.1 million cubic yards of contaminated sediments through calendar year 2005, EPA and its partners have already substantially exceeded the 2008 goal of remediating 3.3 million cubic yards of contaminated sediments.

- The 4.1 million cubic yards remediated since 1997 is getting close to one tenth of the total Great Lakes remediation need. This will mark a significant milestone, which is likely to be achieved in 2007 and reported in 2008. This is also significant as it relates to the Great Lakes Index, since achieving remediation of ten percent would trigger a 1 point increase in the Index. If there are no downward changes in other Index components, that increase would meet the 2008 target for the Index.

Next Steps

A key next step and needed adjustment identified by the Subobjective Team is:

- Both Canadian and USEPA-GLNPO monitoring programs have detected an unquestioned trend of decreasing populations of amphipods of the genus *Diporeia* spp. in four of the Great Lakes beginning in the early 1990's. *Diporeia* are a major part of the lower food web in the Great Lakes and a healthy population is important to maintaining the biological integrity of the Great Lakes. The decreasing populations are having a negative impact on the “Benthic Health” component of the Great Lakes Index and will likely have an impact on Great Lakes fisheries. Potential causes of the decline include food limitation, toxicity, pathogens, and disease. Large areas of the Great Lakes are now completely devoid of this organism. The areal extent of the decline, although it is spatially heterogeneous, has been observed to start in nearshore areas and progress to offshore depths. The decline in *Diporeia* in a given lake area has generally been preceded by massive increases in *Dreissena* (zebra mussel and quagga mussel). Thus, *Dreissena* appear to be playing a major role in the *Diporeia* decline; however, the mechanisms of *Dreissena* effects are unknown and other stressors may be involved.
- GLNPO is requesting proposals which investigate the mechanisms of the *Diporeia* decline in the Great Lakes. We believe that collaborative efforts initiated by GLNPO are resulting in complementary, and more highly funded, requests for proposals being issued by the Great Lakes Fishery Commission, the Great Lakes Fishery Trust, and NOAA-GLERL.

Additional information concerning performance under outcome measures and program activity measures is provided in the FY 06 End-of-Year slides at the end of this report.



9) SUBOBJECTIVE: CHESAPEAKE BAY

Subobjective: Prevent water pollution and protect aquatic systems so that overall aquatic system health of the Chesapeake Bay is improved and acres of submerged aquatic vegetation increase.

	2005	2006
Baseline	85,252 acres (2002)	85,252 acres (2002)
Commitment	90,000 acres	90,000 acres
Mid-Year	89,659 acres	72,935 acres
End-of-Year	72,935 acres	78,260 acres

Performance Highlights

Progress in 2006 includes:

- We've demonstrated long-term success. As of FY 2006:
 - 78,260 acres or 42% achievement of the long-term SAV restoration goal of 185,000 acres, as compared to 21% in FY 1986.
 - Implementing point and nonpoint source nitrogen reduction practices expressed as 72.25 million pounds/yr or 44% achievement of the long-term goal of 162.4 million lbs/yr reduction in nitrogen from 1985 levels, based on average rainfall simulations, as compared to 0% in FY 1986.
 - Implementing point and nonpoint source phosphorus reduction practices expressed as 8.72 million pounds/yr or 61% achievement of the long-term goal of 14.36 million lbs/yr reduction in phosphorus from 1985 level, based on average rainfall simulations as compared to 0% in FY 1986.
 - Implementing sediment reduction practices expressed as 0.96 million tons/yr or 57% achievement of the long-term goal of 1.69 million tons/yr reduction in land-based sediment from 1985 levels, based on average rainfall simulations, as compared to 0% in FY 1986.
 - 32.68 million pounds/yr reduction or 65% achievement of the long-term goal of 49.9 million lbs/yr reduction in point source nitrogen from 1985 levels as compared to 0% in 1985.
 - 5.07 million pounds/yr or 82% achievement of the long-term goal of 6.16 million lbs/yr reduction in point source phosphorus from 1985 levels as compared to 0% in 1985.
 - 4,606 miles or 46% achievement of the long-term forest buffer planting goal of 10,000 miles, as compared to 0.1% in FY 1998.
- We've performed better than last year, with 5 out of 9 measures either meeting or significantly exceeding our FY06 commitments. However, the FY06 commitments of restoring SAV to 90,000 acres and implementing pollution reduction practices, expressed as 74 million pounds/yr reduction in nitrogen

and 1.06 million ton/yr reduction in sediment, were not met, in part, because pollution reduction strategies for reducing nutrient and sediment pollution loads have not been implemented to levels envisioned by the partners (when they signed the *Chesapeake 2000 Agreement*) due to inadequate program resources. Similarly, program resources were not quite sufficient to meet the target of planting 4,913 miles of forest buffers.

- We expect to meet our commitments for these measures in FY07 since they are based on targets that are ambitious **yet realistic** (taking into account available resources). The FY06 targets were simply ambitious (relevant to meeting long-term goals by calendar year 2010, per commitments made in the *Chesapeake 2000 agreement*).

Next Steps

Key next steps and needed adjustments identified by the Subobjective Teams include:

- To achieve water quality standards in the Chesapeake Bay as soon as possible, EPA is committed to increasing the current pace of restoration. Working with its Bay Program partners, the Agency will make the most cost-effective use of available regulatory, incentive, and voluntary tools; identify opportunities to reduce nutrient and sediment loads; and find new economies and innovations to accelerate progress dramatically. A key strategy to reduce nutrient discharges is implementing advanced wastewater treatment. Another key strategy to reduce nitrogen, phosphorus, and sediment loadings is restoring and protecting riparian forests that prevent sediment and nutrient pollution from entering waterways from the land. Implementing best agricultural management practices to reduce nutrients and sediment is also key to achieving Bay goals, and EPA will work closely with the U.S. Department of Agriculture.

Additional information concerning performance under outcome and program activity measures is provided in the FY 06 End-of-Year slides at the end of this report.



10) SUBOBJECTIVE: GULF OF MEXICO

Subobjective (Part A): Prevent water pollution and improve the overall aquatic ecosystem health of coastal waters of the Gulf of Mexico by 0.2 on the “good/fair/poor” scale of the National Coastal Condition Report, a 5-point system in which 1 is poor and 5 is good:

	2005	2006
Baseline	1.9 (2002)	1.9 (2002)
Commitment	2.4	2.4
Mid-Year	2.4	2.4
End-of-Year	2.4	N/A

Subobjective (Part B): Reduce releases of nutrients throughout the Mississippi River Basin to reduce the size of the hypoxic zone in the Gulf of Mexico:

	2005	2006
Baseline	14,128 km ² (1996-2000)	14,128 km ² (1996-2000)
Commitment	14,128 km ²	14,128 km ²
Mid-Year	14,128 km ²	N/A
End-of-Year	12,700 km ²	14,944 km ²

Performance Highlights

Progress in 2006 includes:

- Served as co-lead for Federal Workgroup helping Gulf States in identification and implementation of priority actions incorporated in Gulf Alliance Governors' Action Plan released at Gulf Summit, March 2006. Processed competition to fund up to \$3M toward implementation of activities in the Action Plan.
- Supported 14 projects in Priority Coastal Area segments/waterbodies. 71 impaired segments have been delisted from the baseline 303(d) listings in the priority areas.
- Completed Phase I of multi-state nutrient characterization of estuarine ecosystems in the Northern Gulf as related to concentrations and loadings. Phase II actions have been identified and prioritized. Eight waterbodies were selected for additional analysis for nutrient load-response characteristics. Areas will be selected for proposed approaches to the development of site specific nutrient criteria. The Northern Gulf Nutrient Pilot Study will be expanded to Florida and Texas.
- Provided support toward the Hypoxia Action Plan reassessment activities such as the

Lower MS River Symposium, the Gulf Hypoxia Science Symposium, and the Source, Fate & Transport Symposium.

- Continued expansion of Regional Microbial Source Tracking technologies and improved methods development and validation to assist state agencies with ability to define contamination source. Workshop held Dec 6-8, 2006, in Biloxi.
- Broadened regional and national consumer outreach and education on *vibrio vulnificus* threats to “high risk” consumers. Initiated process to collect standardized information for each vibrio vulnificus illness and for tracking products implicated in illnesses.
- Supported Gulf States efforts to identify and prepare for the implementation of required post-harvest treatment capacity of 50% of all oysters intended for raw, half-shell market during May to Sept. Reduction in illness rate reported this past year represents a 71% reduction from the baseline for the core reporting states which include Florida, Texas, and Louisiana.
- Completed the first collaborative (EPA/NOAA-NMFS) survey of mercury concentrations in Gulf marine and estuarine fish. With assistance from the Gulf Program, both FL and MS have implemented programs to monitor estuarine and marine fish for mercury.
- Funding through EPA’s Advanced Monitoring Initiative provided expansion for the binational red tide monitoring system framework (HABSOS) to Veracruz, Mexico.
- Initiated projects to restore, enhance, protect acres of coastal and marine habitat. The total of acres is 16,458 achieved toward the 2009 goal of 20,000.
- Completed competitive process and awarded grant to support innovative producer partnership initiative to reduce nonpoint source runoff in Mississippi River Watershed through locally-led nutrient management solutions in the sub-basins.
- Provided assistance to the six MS coastal counties in support of the Gulf Region Water Utility Act which created County Utility Authorities for water, wastewater, and storm water infrastructure planning in the aftermath of Hurricane Katrina.

The Gulf Program incorporated the Alliance activities into the Program’s annual workplan. Strong performance is anticipated in meeting the objectives for the Gulf of Mexico Alliance and in implementing the short-term projects as developed by the Gulf States. With the leverage of the Federal Workgroup partnership, the activities are at 48% completed or on track at this time.

Next Steps

Key next steps and needed adjustments identified by the Subobjective Team include:

- To support the Gulf of Mexico Alliance, the Gulf of Mexico Program redirected \$1M of FY06 funding through a competitive process toward the 11 actions with supporting activities as addressed by the Gulf States in the Governors' Action Plan for Healthy and Resilient Coasts as a stimulus for accelerating the implementation of the Governors' Alliance Action Plan. Combined with the impact of Hurricane Katrina, this proved to be an extremely wise move. Immediately following the Governors release of the Action Plan on March 28, 2006, the Program formulated the competitive grants package for the Agency's Competition Advocate's review and approval.
- The competition capacity is \$3M which includes \$2M of FY 07 funding. Because of continuing resolutions, this funding may not be available so that we can use this capacity and would necessitate a new competition. The Alliance projects to improve the health of the Gulf of Mexico by addressing water quality and public health, priority coastal habitat protection/recovery, and strategic nutrient reductions are short-term projects to be accomplished in an 18-36 month timeframe. An additional competition would likely add 6-12 months before projects can be selected.

Additional information concerning performance under outcome measures and program activity measures is provided in the FY 06 End-of-Year slides of this report.

III) BEST PRACTICES

The following “Best Practices” were selected from discussions with the Subobjective Teams during the FY 06 End-of-Year Reviews for the National Water Program. The Best Practices were chosen using the following criteria: 1) success within the program; 2) innovation; 3) ability to be adopted by other Regions/Offices/States; and 4) direct relation to the Administrator’s priorities.

- 1) Multi-Agency Partnership for Watershed Protection
(Great Lakes National Program Office [GLNPO])
- 2) USDA Support for Impaired Waters Restoration
(Region 5)
- 3) Defining Impaired Watersheds
(Region 6)
- 4) Reducing Nutrients Through Watershed Permitting
(Region 2 and 3 [WPD and Chesapeake Bay Program Office])
- 5) Industry Partnership for Healthy Lawns and Clean Water
(Chesapeake Bay Program Office)
- 6) Effective Management of Clean Water SRFs
(Region 10)
- 7) Region/States Wetlands Monitoring Work Groups
(Region 1 and Region 3)

National Water Program FY 2006 Best Practices

1

Great Lakes Watershed/Habitat Restoration Grant Program

Highlights:

- What: The Watershed Restoration Grant Program addresses habitat and fish and wildlife needs in the Great Lakes.
- Who: EPA's Great Lakes National Program Office (GLNPO), in partnership with the U.S. Fish and Wildlife Service, National Oceanic and Atmospheric Administration (NOAA), U.S.D.A. Forest Service, and the Natural Resource Conservation Service (NRCS), working through the National Fish and Wildlife Foundation (NFWF).
- Why: Leverage dollars from five Federal agencies and a foundation for projects identified by the Habitat/Species Strategy Team of the Great Lakes Regional Collaboration.

Brief Description:

To be eligible for consideration for a grant, projects must directly address of the priority areas identified by the Great Lakes Regional Collaboration's Habitat/Species Strategy Team including:

- Protect near shore and off shore native fish communities
- Protect wetlands
- Protect the tributaries and their watersheds that support the living resources of the Great Lakes ecosystem.
- Protect the Great Lakes shoreline and upland habitats.

Current Status:

On February 8, 2007, in Minneapolis, representatives from five federal agencies met with NFWF to determine which Great Lakes Watershed Restoration Grant Program project proposals would be funded this year. This second year of the Program will fund \$1.2 million for projects. Grants are to have a 1:1 match.

Lessons Learned/Recommendations:

- A mechanism for handling dollars in order to jointly fund projects was found in the form of NFWF and was key to combining resources to work toward collaborative goals.
- States and Tribes were pleased to participate by reviewing proposals and providing recommendations.
- The criteria set out in the RFP was broad enough to accommodate the differing missions of partner agencies.
- In year two, agencies stepped forward to mentor potential grantees and to contribute their expertise in a review of individual grant proposals.

Contact Information: Karen Rodriguez, 312-353-2690
<http://www.nfwf.org/programs/greatlakes/index.cfm> (FY 2007 RFP)

National Water Program FY 2006 Best Practices

2.

USDA Support for Impaired Waters Restoration

Highlights:

- What: Partnership promotes USDA funding priority for impaired waters restoration
- Who: Region 5/USDA
- Why: Access to Farm Bill resources essential to TMDL implementation

Brief Description:

Region 5 fostered effective relationships with USDA to leverage Farm Bill funding for impaired waters restoration. A Water Division staff person is assigned to participate in each USDA State Technical Committee to recommend funding priorities. Water staff highlight impaired watersheds during Committee deliberations and bring environmental data to the table to inform funding priorities. EPA Staff are prepared for this role through initial and ongoing “Working with Agriculture” training. Training ensures basic capabilities and understanding of USDA conservation programs along with updated information on the Region’s water quality priorities and multi-media issues affecting the EPA-USDA relationship.

Current Status:

As a result of our participation, each of the USDA/NRCS State Technical Committees has recommended, and the corresponding State Conservationists have approved, adding points for EQIP-funded practices at farms located within watersheds with approved TMDLs. Most of the State Conservationists have also approved additional points for practices in 303(d)-listed watersheds and where there are 319(h) watershed plans. We continue to work on persuading them all to do so.

Since starting this work, we have persuaded USDA/NRCS to increase each year the money they target at our water quality non-attainment problems (e.g., EQIP money spent on sediment control measures), and to select program priorities that address identified water quality goals (selecting Conservation Security Program watersheds based on wetlands status, Wetlands Reserve Program participation, and EPA Targeted Watershed Grant participation).

Lessons Learned/Recommendations:

- Participate in USDA/NRCS State Technical Committees as an active member
- Provide decision-supporting data to USDA/NRCS in a format and scale that fits their needs and relates to their programs, while highlighting our priorities.
- Be active collaborators working with other environmental interests to develop one message at critical times in USDA’s decision-making process.
- Train EPA Staff on how to work with USDA

Contact Information: For more information, contact Gerald D. Winn at (312) 886-2777.

National Water Program FY 2006 Best Practices

3.

Identifying Impaired Watersheds

Highlights:

- What: Identify watersheds with clusters of impaired waters
- Who: Region 6
- Why: Accomplish greater restoration on carefully chosen watersheds at lower cost

Brief Description:

Region 6 identified priority watersheds based on the highest concentrations of known impaired waters using line density analyses within ArcMAP™. By redirecting attention toward these areas, Region 6 will focus restoration efforts on watersheds contributing to impairment and address the greatest number of section 303(d) listed waters possible with available resources. This work also supports development of programs to support the new watershed measures in the *Strategic Plan*.

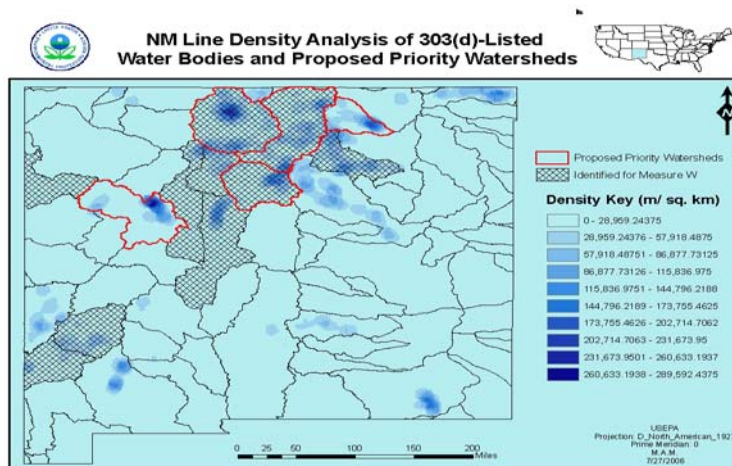
Current Status:

Region 6 is sharing preliminary results and recommendations with State counterparts.

Lessons Learned/Recommendations:

- Analyses must be state-specific, because of differences in densities of 303(d) listings from state-to-state.
- Analyses based on the *Strategic Plan* baseline year may not reflect current conditions.
- Local interest to address the causes of water quality problems must be factored into recommendations for targeted subwatersheds.

Visual Diagram



Contact Information: For more information, contact Jane Watson (214) 665-6653

National Water Program FY 2006 Best Practices

4

Reducing Nutrients Through Watershed Permitting

Highlights:

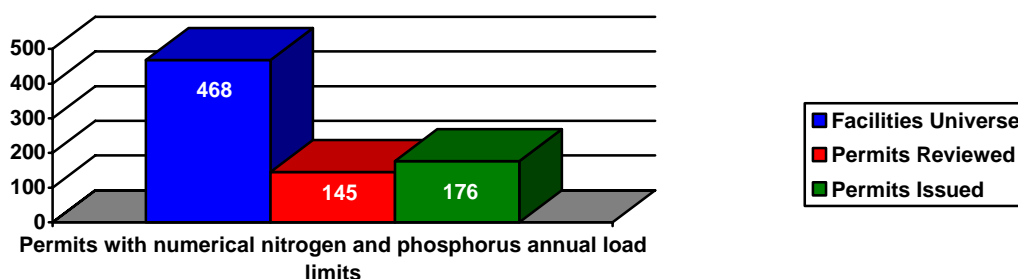
- What: Use a watershed permit strategy to reduce nutrients
- Who: Regions 2 and 3 (WPD and Chesapeake Bay Program Office)
- Why: A watershed permitting management tool--setting deadlines and tracking permits

Brief Description:

Region 2 and Region 3 joined forces to develop a permitting strategy for point source nutrient discharges into the Chesapeake Bay watershed. A total of 468 significant facilities were identified in the watershed and will receive permits with numerical nitrogen and phosphorus annual load limits, with compliance schedules yielding a majority of the wastewater nutrient load reductions by 2010. Numerical nitrogen and phosphorus annual load limits are unprecedented.

Current Status:

As of September 2006, Region 3 issued 176 of these permits and 145 drafts had been reviewed. In September 2006, the Virginia DEQ issued a general watershed NPDES permit for facilities within the Chesapeake Bay watershed that will add an additional 86 drafts (raising the count to 176) and 120 issued permits (raising the count to 133.) PA issued draft permits to 63 facilities accounting for 85% of their point source load in December. Region 3 received these in January and these permits will be incorporated in reporting status for the second quarter of FY 2007.



Lessons Learned/Recommendation:

- Encourage watershed permitting to reduce admin costs and establish limits on a same schedule basis
- Watershed permitting is a key tool to facilitate trading
- Encourage recognition of the need to establish overall management frameworks and financial support to aid implementation

Contact Information: For more information, contact Larry Merrill (215) 814-2706.

<http://www.epa.gov/reg3wapd/npdes/index.htm>

National Water Program FY 2006 Best Practices

5.

Industry Partnership for Healthy Lawns and Clean Water

Highlights:

- What: MOU signed with the lawn care product manufacturing industry
- Who: Chesapeake Executive Council, Members of the Lawn Care Product Manufacturing Industry, and Region 3
- Why: Public-private partnership effort to reduce phosphorous and nitrogen applied in lawn care products

Brief Description:

The Chesapeake Executive Council partnered with the lawn care product manufacturing industry to sign a groundbreaking policy. *The Healthy Lawns and Clean Water Initiative* will, by 2009, reduce by 50 percent the pounds of phosphorus in lawn care products sold in the Chesapeake Bay watershed, compared to the 2006 base year. The manufacturers will self-report to the Chesapeake Bay Program at the end of each calendar year after 2006 the pounds of phosphorus sold at the retail level by State. Each manufacturer will decide how it will achieve this goal.

Current Status: A second initiative addressing nitrogen in fertilizers will be developed for the 2007 Executive Council meeting. As part of this effort, a technical group co-led by members of the lawn care product manufacturing industry and the Chesapeake Bay Program will develop a stewardship program to reduce nitrogen nutrient losses by recommending possible changes in lawn care product content, form, or application method. The recommended Stewardship Program for lawn care products will be finalized by September 2007 to allow the Executive Council and Members of the Lawn Care Product Manufacturing Industry to sign a second Memorandum of Understanding regarding nitrogen at the 2007 Executive Council meeting.

Lessons Learned/Recommendations:

- Watershed-based partnership agreements with the private sector can have significant water quality benefits.
- Lawn care product manufacturers may be willing to reduce phosphorus and nitrogen levels in geographic areas other than the Chesapeake Bay Watershed.

Contact Information: For more information, contact Diana Esher (215) 814-2706.

<http://chesapeakebay.net/info/pressreleases/ec2006/Lawn%20Care%20MOU%20ver1%20color.pdf>

National Water Program FY 2006 Best Practices

6.

Effective Management of the Clean Water State Revolving Fund

Highlights:

- What: Implement innovative and collaborative wastewater infrastructure financing strategies resulting in the highest “fund use rate” for clean water and drinking water SRFs among the Regions
- Who: Region 10 and State CWSRF partners.
- Why: Make efficient use of clean water and drinking water for restoring and protecting the nation’s watersheds.

Brief Description:

Region 10 uses four practices that account for efficient SRF management and are replicable for other Regions:

- States are asked to prepare their Intended Use Plans (IUPs) accounting cumulatively for all the funds they have received from all sources. We also ask that they include an estimate of principle, interest, and fund balance interest that they can reasonably expect to receive during the year for which the IUP is being prepared (rather than just the money they have already have “in pocket.”)
- Where a State had fallen behind in signing loans, we start talking to the State early in the year. If the unobligated balances do not decrease, we let them know that we will not be able to process their capitalization grant until they can show us the need for the additional funds. We set a goal for how much money must be obligated before we will process the next grant applications.
- States are actively encouraged to coordinate with other financing entities in the state like: state bond banks, state-specific infrastructure financing authorities, Rural Development & CDBG.
- In the Region 10, States that have a strong pace, some of the following factors may also be present: 1) low interest rates, 2) some additional subsidy for disadvantaged systems (DW only), 3) strong enforcement which compels systems to seek financing to achieve compliance, and 4) strong marketing of the SRFs and/or technical assistance to help applicants complete the process.

Lessons Learned/Recommendations:

- Encourage coordination among multiple funding sources to streamline procedures, stretch limited resources, and tailor funding packages to best meet community needs
- Encourage watershed-based planning and public participation to direct limited resources to the most important environmental projects
- Employ ambitious outreach efforts to expand the pool of recipients.
- Encourage accelerated loan commitment, where feasible, to increase the pipeline of projects.

Contact Information: Michelle Tucker, 207-553-1414, tucker.michelle@epa.gov
<http://www.epa.gov/owm/cwfinance/cwsrf>

National Water Program FY 2006 Best Practices

7.

Region/State Wetlands Monitoring Work Groups

Highlights:

- What: Regional/State workgroups that provide States with a forum to exchange innovative practices related to wetlands monitoring and program administration
- Who: Region 1, Region 2, and Region 3
- Why: Workgroups have proven to be effective in helping States build wetlands program capacity, with focus on monitoring and assessment.

Brief Description:

There are two established workgroups. Region 1 has the New England Biological Assessment of Wetlands Working Group (NEBAWWG). Region 3 has the Mid-Atlantic Wetland Working Group (MAWWG). MAWWG is a state-federal work group while NEBAWWG is a consortium of federal and state agencies, academic institutions, NGOs, and environmental consulting firms. These councils were established by the Regions to provide targeted technical assistance to the states. Start up funding was provided through Wetlands Program Development Grants and other HQ and Regional funds. Both groups are administered through a cooperative agreement with regional non-profits; Penn State administers the MAWWG and the New England Interstate Water Control Commission administers NEBAWWG.

Current Status:

NEBAWWG and MAWWG continue to be active resources for Region 1 and Region 3 States. Other States – New Jersey, North Carolina and Ohio in MAWWG and New York in both - have also participated in the councils. Both groups meet annually and maintain regular conference calls. The MAWWG is currently planning to carry out a probabilistic condition assessment of Mid-Atlantic inland wetlands. To broaden its collaborative network, NEBAWWG meets annually with the North East Association of Environmental Biologists (NEAEB), a parallel consortium focused on stream and lake monitoring. Region 7 and Region 8 have planned wetlands workgroups for 2008. HQ has offered financial assistance for Regions interested in starting a workgroup.

Lessons Learned/Recommendations:

The collaborative nature of these work groups makes them a valuable tool for building state wetlands program capacity. These groups have advanced state wetlands programs toward broader implementation of monitoring and assessment. MAWWG and NEBAWWG have provided the States with a forum to engage in collective problem solving, including the exchange of best practices and creative implementation activities. This approach has allowed the states to learn from each other and adopt practices they might not have otherwise considered, effectively leveraging their resources to advance EPA's objectives.

Contact Information: For more information, contact: Region Poeske, EPA Region 3; Jeanne Voorhees, Region 1; Michael Scozzafava, EPA HQ.