

Lower Boise River Technical Advisory Committee for Water Quality Trading

ACTION ITEMS FROM April 27, 2016

Thank you all for another great meeting this week! Please look through the following action items. We will provide an updated copy of the draft concept trading framework within the next two weeks. Also, if you have not had an opportunity to review and comment on the State Guidance, the comment period has been extended. The draft document and public comment form can be found [here on DEQ's website](#).

TAC Attendees: Bill Stewart (EPA), Claire Schary (EPA), Andy Waldera (Sawtooth Law), Jim Fronk (Secesh Consulting), Lee Van De Bogart (City of Caldwell), Nate Runyan (City of Nampa), Steve Hubbell (City of Boise), Clint Dolsby (City of Meridian), Graham Freeman (IDEQ), Darcy Sharp (IDEQ), Lance Holloway (IDEQ), Erica Anderson Maguire (ACHD), Liz Paul (Citizen/WAG member), Rob Tiedemann (Clear Water Partners), Justin Hayes (Idaho Conservation League), Delwyn Trefz (SWCC), Christy Meyer (The Fresh Water Trust), Jack Harris (Hyqual Consulting), Chris Mebane (USGS), Neil Crescenti (Willamette Partnership), Bobby Cochran (Willamette Partnership).

Meeting summary: The group discussed carryover topics from March 28th meeting including baseline requirements for credit generating projects, trading ratios and credit life. New concept topics focused on aspects of trading program administration including the process by which projects are reviewed and approved, credit issuance and tracking, compliance and enforcement, and program improvement/adaptive management. Throughout the conversations several items and issues were identified that require further input and discussion. Below are the resulting action items from those discussions, responsible parties, and due dates for completion.

Output expected from group/process: TAC to continue to provide feedback on concept draft of the updated Framework for recommendation to the WAG.

Upcoming Meeting Dates	Who	Location
May 12, 2016	Lower Boise Watershed Advisory Group	Idaho Department of Environmental Quality State Office
June - TBD	Lower Boise River Water Quality Trading Technical Advisory Committee	TBD

Carryover concepts discussed	Discussion from meeting	Option(s) tentatively recommended
<p>BASELINE:</p> <p>Credit-generating projects need to demonstrate progress towards water quality improvements, particularly in the first 10 year phase of implementation.</p>	<p>EPA has submitted comments on the draft concept trading framework pertaining to baseline. Although the Agency is supportive of a phased implementation approach and encourages the development of conservation plans for agricultural operations, credit generating projects need to demonstrate progress towards water quality improvements in all phases of implementation.</p>	<p>Three options were presented at the April 27th meeting. The TAC and EPA were supportive of continuing to explore the following recommendations:</p> <ol style="list-style-type: none"> 1) <u>On-farm BMPs</u>: Completion of conservation plan and implementation of at least one BMP listed in plan. <u>Other Project Types</u>: Retirement of X% of credits generated. 2) Use retirement trading ratio as baseline for all credit generating projects. Currently proposed ratio is 0.2.
<p>TRADING RATIOS:</p> <p>An uncertainty ratio of 2:1 is the ratio most frequently found in water quality trading programs across the country and is consistent with the U.S. EPA recommendations¹. The technical memo notes that uncertainty ratios may be reduced from 2:1 if a program can demonstrate factors such as monitoring that can reduce uncertainty.</p> <p>It is EPA's opinion that uncertainty ratios should be above 1:1.</p>	<p>The TAC continues to discuss what is an appropriate uncertainty ratio and to what extent it can be reduced with additional actions. Members expressed concern and disagreement with the uncertainty ratio proposed in the draft State Guidance of 1.5:1.</p> <p>Members also expressed the need to recognize that certain project types, such as constructed wetlands and basins can achieve a high degree of certainty as to water quality improvement and therefore should be able to significantly reduce their uncertainty ratio.</p> <p>The TAC expressed interest in reviewing pro-forma scenarios of trading to understand cost implications in order to develop a more specific opinion on an uncertainty ratio that balances uncertainty risk with economic feasibility of completing transactions.</p>	<p>The draft concept Framework proposes a base uncertainty ratio of 2.1 with the potential to be reduced by as much as 0.5 (1.5:1) by taking the following actions:</p> <ul style="list-style-type: none"> • The permittee can demonstrate, through direct measurement, in-stream water quality improvements in a manner that reduces the influence of uncertainty; or • The permittee agrees to fund and/or undertake research initiatives investigating the effectiveness of project types at reducing dissolved phosphorus loads within subsurface and baseflow.

¹ U.S. Environmental Protection Agency, Region III, *Accounting for Uncertainty in Offset and Trading Programs* (EPA Technical Memorandum), p.10, (2014) available at http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/TradingTMs/Final_Uncertainty_TM_2-14-14.pdf.

Carryover concepts discussed	Discussion from meeting	Options proposed for further consideration
<p>CREDIT LIFE: EPA has provided comments on the draft concept Trading Framework that it is not supportive of an annual credit life.</p>	<p>This concept action item is currently being held until further discussions among technical staff members of EPA, IDEQ, USGS, WP, and TFT are held.</p>	<p>Willamette Partnership will schedule a webinar to discuss the outcomes of communications among technical staff and proposed recommendations regarding the length of credit life.</p>

Action items	Who	When
Update draft concept Trading Framework based on comments received prior to and at April 27 th meeting.	Willamette Partnership	E-mail to TAC members by May 11th .
Review and provide comments on second draft Trading Framework.	TAC members	Comments due by May 25th .
Webinar: Options and considerations for credit life.	Willamette Partnership	Date TBD prior to June meeting
Webinar: Credit transaction pro-forma scenarios and the implications for determining baseline and trading ratios.	Willamette Partnership	Date TBD prior to June meeting
Draft paragraph to provide clarity in draft Framework on permit review criteria for addressing localized impacts with trades. Incorporate information from previous discussions on City of Boise's Dixie drain project.	Bill Stewart (EPA), City of Boise	May 10th