



CHESAPEAKE EXECUTIVE COUNCIL

DIRECTIVE NO. 04-2

Meeting the Nutrient and Sediment Reduction Goals

– Next Steps –

In its 2003 Directive, “Meeting the Nutrient and Sediment Reduction Goals,” the Chesapeake Executive Council reaffirmed its pledge to achieve the *Chesapeake 2000* commitment to, “By 2010, correct the nutrient- and sediment-related problems in the Chesapeake Bay and its tidal tributaries sufficiently to remove the Bay and the tidal portions of its tributaries from the list of impaired waters under the Clean Water Act.” The Council endorsed the Bay-specific water quality criteria published in April 2003, and the nutrient and sediment allocations for all tributary rivers, and pledged to complete Tributary Strategies to achieve the allocations in 2004. The Council directed the tidal water jurisdictions to complete their regulatory processes to revise their Chesapeake Bay and tidal tributary water quality standards as expeditiously as possible, and that is occurring. The U.S. Environmental Protection Agency pledged to assist the jurisdictions to develop permitting and contractual tools and strategies to control nutrient loadings. The Council also directed the Chesapeake Bay Program to convene a Chesapeake Bay Watershed Blue Ribbon Panel to identify funding sources for implementing the tributary strategies, with the Panel’s detailed report to be completed by October 2004.

Substantial progress has been made in 2004 on all components of the 2003 Directive. The Blue Ribbon Panel produced its report on schedule, after a thorough assessment of nutrient and sediment sources and funding options, and made a number of excellent, far-reaching recommendations. Our Directive No. 04-1 directs the Principals’ Staff Committee to convene a

committee to develop a proposal for the Panel’s central recommendation to create a Chesapeake Bay Financing Authority to assure the financing needed to implement the Tributary Strategy requirements by 2010.

This Directive addresses next steps, each of which will advance Tributary Strategy implementation, and identifies measures to implement several Panel recommendations upon which action can be taken quickly. In addition, we ask each Chesapeake Bay signatory and headwater state to review the full breadth of the Blue Ribbon Panel recommendations and determine those whose implementation would be beneficial in their jurisdictions.

Expanding the Chesapeake Executive Council

As the 2003 Directive noted, we have formed a Chesapeake Bay water quality partnership in which all seven jurisdictions in the watershed are engaged. The Governors of Delaware, New York and West Virginia have agreed, through memoranda of understanding, to participate fully in the nutrient and sediment reduction initiatives of *Chesapeake 2000*. The Blue Ribbon Panel recommended that the bonds between the signatory jurisdictions and the headwater states be strengthened by inviting the headwater states to join the Chesapeake Executive Council. This directive reaffirms that the headwater states may sign the Chesapeake Bay Agreement in its entirety, and thus become Council members. In the meantime, they will continue to act as full partners with the signatory jurisdictions in carrying out this Directive and all other Chesapeake Bay Program initiatives designed to restore water quality.

Determining Funding Priorities

We direct the Principals' Staff Committee to lead a process to reach consensus among the jurisdictions on funding priorities, as recommended by the Blue Ribbon Panel. This will provide invaluable program guidance for making the best use of current federal, state, local and private funding sources, and for directing funding from a regional financing authority.

Engaging the Department of Agriculture

All Tributary Strategies contain ambitious goals for agricultural nutrient and sediment reduction, including restoration of riparian forest buffers. As the Blue Ribbon Panel pointed out, full participation by the U.S. Department of Agriculture (USDA) in the Chesapeake Bay Program is essential to achieving our water quality restoration goals. We will invite the USDA to increase its participation in the Chesapeake Bay Program at all levels, and to appoint a high-level official to participate in all meetings of the Principals' Staff Committee.

Finding Opportunities in the Farm Bill

Furthermore, we call for establishment of an ad-hoc workgroup composed of representatives from each of the signatory and headwater states, as well as the Chesapeake Bay Commission, to identify opportunities associated with the 2007 Farm Bill for further nutrient and sediment reduction in the Chesapeake Bay region. The group will develop a regional proposal in 2005. At a minimum, the workgroup should address the following, as identified in the Blue Ribbon panel recommendations: 1) improvements to the efficiency of agricultural cost-share programs; 2) inclusion of comprehensive nutrient management plans as part of compliance for Farm Bill commodity payment programs; 3) greater emphasis on the Conservation Security Program; 4) increased overall Farm Bill funding for the Chesapeake Bay watershed; and 5) increased funding for forest

buffer restoration in the Conservation Reserve Enhancement Program.

Establishing a Watershed Funding Network

We direct the Chesapeake Bay Program to establish immediately a "Chesapeake Bay Watershed Funding Network" which would include representatives from the Clean Water Act State Revolving Loan Fund programs throughout the watershed, USDA officials responsible for Farm Bill assistance to Bay watershed farmers for conservation and nutrient-sediment best management practices, and other relevant financial assistance entities. The purpose of this network is to establish a better mutual understanding of how existing financing programs operate, explore possibilities for greater effectiveness, and consider ways to improve financing of tributary strategy implementation. Attention should be paid to "co-funding" programs, as referenced in the Blue Ribbon Panel's report, and to establishing an analytical basis for identifying "hardship communities" which would require grant assistance to meet tributary strategy requirements.

Improving Coordination of Federal Agencies

To complement and reinforce the effectiveness of the Network, we call upon the federal agencies involved in the Bay restoration to convene an annual high-level meeting to review program and funding relationships.

Managing Urban Stormwater

The Blue Ribbon Panel emphasized the challenge posed by development patterns in the watershed, and the danger that growth could weaken, and possibly outstrip, our collective efforts to restore the water quality and habitat of the Bay and its tidal tributaries. The projected high costs for correcting urban stormwater pollution in the Tributary Strategies are beyond most jurisdictions' ability to fund at this time, and developments each day are adding to the stormwater pollution burden. The Panel urges

that preventive strategies be fully implemented and enforced. New, more effective, technologies such as “low impact development” to encourage environmentally sensitive design should be emphasized and linked with preservation and restoration of riparian forest buffers. We agree, and direct the Chesapeake Bay Program to develop approaches for urban stormwater management that are more prevention-oriented, more effective and efficient, and that make the best use of regulatory, voluntary and incentive tools.

Implementing and Enforcing Air and Water Laws

The Blue Ribbon Panel stressed the benefits of enforcing relevant Clean Water Act and Clean Air Act regulations vigorously, and we agree. In particular, we direct expeditious implementation of the provisions of the document entitled “NPDES Permitting Approach for Discharges of Nutrients in the Chesapeake Bay Watershed—December 2004”, which was developed in a partnership between the U.S. Environmental Protection Agency and all watershed jurisdictions.

January 10, 2005

CHESAPEAKE EXECUTIVE COUNCIL

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