NATIONAL WATER PROGRAM GUIDANCE: FISCAL YEAR 2006

Office of Water
Environmental Protection Agency
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EXECUTIVE SUMMARY

I) PROGRAM OFFICE: NATIONAL WATER PROGRAM

This *National Water Program Guidance* for FY 2006 describes how EPA, States, Tribes and others will work together in FY 2006 to protect and improve the quality of the Nation's waters. The steps outlined in the *Guidance* are designed to accomplish the public health and environmental goals established in the Environmental Protection Agency *Strategic Plan*.

II) INTRODUCTION/CONTEXT

With the help of States, Tribes and other partners, EPA expects to make significant progress toward protecting human health and improving water quality by 2008 including:

- **Water Safe to Drink:** increase the rate of compliance with drinking water standards from 93% to 95%;
- **Fish and Shellfish Safe to Eat:** reduce pollution in waters with fish advisories so that consumption limits can be relaxed for 3% of problem waters while increasing the percentage of shellfishing acres that are open from 77% to 91%;
- **Water Safe for Swimming:** restore polluted waters to allow swimming again in at least 5% of the waters where swimming was unsafe in 2002;
- **Healthy Watersheds:** restore polluted waters so that, of the 2,262 major watersheds across the Nation, at least 600 have few remaining problems (i.e. at least 80% of assessed waters meet State water quality standards) and at least 200 show improvement;
- **Healthy Coastal Waters:** show steady improvement in seven specific indicators of the health of each of the four major coastal ecosystems around the country; and
- **More Wetlands:** marshal the resources of Federal agencies and others to meet the President's goal to achieve an overall increase in the Nation's wetlands, including restoring, improving, and protecting three million acres of wetlands over five years (by 2009).

The *Strategic Plan* also identifies additional goals for environmental improvements by 2008 in critical waters including the Gulf of Mexico, the Great Lakes, the Chesapeake Bay, and the Mexico Border area.

III) WATER PRIORITIES

The key to the success of the National Water Program is solid execution of the program activities that Regions, States and Tribes identify as most likely to result in progress toward water quality goals. The Office of Water recognizes that Regions, States and Tribes need to retain flexibility in determining the best allocation of resources for achieving environmental goals. Nevertheless, from a national perspective, we believe that special attention should be given in FY 06 to the following priority areas:

– **Improve Monitoring:** Improving monitoring, reporting and environmental goal setting to keep the Nation's waters clean, safe and secure remains a top priority for the National Water Program.

  In FY 2006, EPA will supports States in implementing monitoring strategies developed over the past several years (see Program Activity Measure WQ-7). A key part of this effort is State participation in the "snapshot" of condition of streams across the country. EPA will also continue to support State efforts to strengthen water quality standards, including taking prompt action on State water quality standards submissions (see Program Activity Measure WQ-6).

– **Contribute to the President's Wetlands Goals:** On Earth Day 2004, the President announced a new national goal of achieving an overall increase in the Nation's wetlands, including restoring, improving, and protecting at least three million acres of wetlands over five years (by 2009).

  In FY 2006, EPA will play a leadership role in working other Federal agencies and States to marshal program resources to meet this goal. EPA has committed to contributing at least 12,000 acres toward this goal by 2009 (see Program Activity Measure WT-1). A key step in meeting this commitment is building the capacity of State and Tribal wetlands programs (see Program Activity Measure WT-2).

– **Improve Compliance with Drinking Water Standards:** The percent of the population served by community water systems that are in compliance with health-based standards is declining from the 2002 rate of 94 percent. Without aggressive, targeted efforts by EPA, new regulated contaminants, aging infrastructure, and the challenges posed by small systems will make it difficult to attain the 2008 goal of 95% of the population served by systems in compliance.

  In FY 2006, EPA, States, Tribes and local water systems must redouble efforts to maintain compliance with existing drinking water standards, promptly address cases of noncompliance, and improve the quality of data by which drinking water quality is measured. Conducting sanitary surveys is an effective way to assure compliance (see Program Activity Measure SDW-3).

At the same time, the promulgation of the Ground Water Rule, the Long-Term 2 Enhanced Surface Water Treatment Rule, and the Stage 2 Disinfectant and Disinfection Byproducts Rule will define new monitoring and compliance requirements for water systems.

EPA national program offices and Regions should also give special attention to actions that support State efforts in working with community water systems to develop source water protection programs (see Program Activity Measure SDW-9) and initiate enforcement actions to address violations.

- **Restore and Improve Water Quality on a Watershed Basis:** The National Water Program has proven its ability to reduce pollution loadings using nationally applicable programs and regulations and is now working to match this success by building a nationwide capacity to restore and protect the health of aquatic systems on a waterbody and watershed basis.

  In FY 2006, EPA, States and Tribes should work together to define tailored strategies that align programs to deliver results on a watershed basis. At a minimum, these Regional "Watershed Game Plans" should give priority to:

  - fostering development of watershed plans under State nonpoint source programs (see Program Activity Measure WQ-27);
  - assuring that high priority permits are current (see Program Activity Measure WQ-29);
  - tracking Permitting for Environmental Results program integrity follow-up actions (see Program Activity Measure WQ-17);
  - developing TMDLs for impaired waters "on pace"(see Program Activity Measure WQ-12); and
  - organizing restoration plans on a waterbody basis (see Program Activity Measure WQ-33).

  In support of this work, EPA will continue to give priority attention to key waterbody collaborations, such as work to protect and restore the Great Lakes.

- **Support Sustainable Water Infrastructure:** Much of the dramatic progress in improving water quality is directly attributable to investment in wastewater infrastructure–the pipes and facilities that treat the Nation's sewage.

  Recognizing the need to ensure that the nation's wastewater infrastructure is maintained and sustained over time, EPA will work with States to ensure that the Nation's wastewater and drinking water infrastructure is maintained over time,

giving special attention to the effective operation of the State Revolving Funds (see Program Activity Measures SDW-5 and WQ-23). EPA will also encourage adoption of proven management approaches, including environmental management systems and asset management, and work to and enhance the market for water efficient products. In addition, EPA will participate in a collaborative strategy that will identify keys to success, barriers, incentives, and the roles and responsibilities of all stakeholders in further promoting management systems that lead to sustainability.

IV) IMPLEMENTATION STRATEGIES

The *National Water Program Guidance for FY 2006* describes, in general terms, the work that needs to be done in FY 2006 in order to reach the public health and water quality goals related to water that are identified in the EPA *Strategic Plan.* These public health and environmental goals are organized into ten key "subobjectives" and each of the ten subobjectives is supported by a specific strategy. Each of the ten subojective strategies includes some common elements (see below) that provide a conceptual framework for more detailed plans at the EPA Region, State, and Tribal level.

Common Elements of Subobjective Strategies

This *Guidance* presents ten strategies for accomplishing the improvements in public health and water quality called for in the EPA *Strategic Plan*. More detailed information is available in Subobjective Implementation Plans and Regional Plans which are available on the Internet at http://www.epa.gov/water/waterplan Common elements of these ten subobjective strategies are –

– **Environmental/Public Health Results Expected:** Each subobjective strategy begins with a brief review of national goals for improvements in environmental conditions or public health, including national "targets" for progress in FY 2006.

  In the case of the drinking water and water quality subobjectives, each EPA Regional Office has also identified targets for progress in FY 2006. Setting targets for these results measures at the EPA Region level is intended to shift the focus of program managers from delivery of discrete program activities toward more integrated management of diverse program tools with the aim of accomplishing a measurable improvement in public health and the environment.

– **Key Strategies:** For each subobjective, the key strategies for accomplishing environmental goals are described. The role of core programs s (e.g. State Revolving Funds, water quality standards, discharge permits, development of safe drinking water standards, source water protection, etc.) is discussed and a limited

number of key program activity measures are identified (see Appendix A). Some of these activities are undertaken by EPA (e.g. development of drinking water standards, approval of State water quality standards) while other activities are carried out by States or Tribes.

- **FY 06 Targets for Key Program Activities:** For some of the program activities, EPA, States and Tribes will simply report progress accomplished in FY 2006. For other activities, each EPA has defined specific "targets" for progress in FY 2006 in this *Guidance* (see Appendix A). These targets are a point of reference for development of more binding commitments to measurable progress in State and Tribal workplans for FY 06.

- **Key Regional Strategies:** Subobjective strategies describe innovative programs or approaches developed by EPA Regions, States and Tribes to better address specific circumstances in the Region. Regions and States might choose to adopt an innovative idea from another Region or State.

- **Grant Assistance:** Each of the ten subobjective strategies include a brief discussion of EPA grant assistance that supports the program activities identified in the strategy. Additional guidance concerning the use of individual grants is available on the Internet at http://www.epa.gov/water/waterplan

Region/State/Tribal Contributions to National *Guidance:*

In the Spring of 2005, EPA Regions will use this *Guidance* as they work with States and Tribes to develop annual grant workplans or Performance Partnership Agreements. The goal of this joint effort is to allocate available resources to those program activities that are likely to result in the best progress toward accomplishing water quality and public health goals for that State/Tribe (e.g. improved compliance with drinking water standards, improved water quality on a watershed basis) given the circumstances in the State/Region.

Regional estimates of progress for drinking water and water quality goals, and the Regional targets for program activity measures, are the starting point for discussions with States and Tribes. But, the more formal, State-specific commitments resulting from workplan discussions are intended to reflect environmental and financial circumstances in each State and to supplant the Regional targets in this *Guidance.* As Regions/States finalize commitments for FY 06 this Summer, the commitments will be entered into the Agency Commitment System (ACS). These State/Regional commitments, taken together, form the national commitment. **The tailored, State/Tribal program commitments that result from this process define, in an operational sense, the "strategy" for the National Water Program.** The final Regional and national commitments will also be published in September as *Appendix D* of this *Guidance.*

V) TRACKING PROGRESS

As the strategies and programs described in this *Guidance* are implemented during fiscal year 2006, EPA, States, and Tribes will evaluate progress toward the environmental and public health goals described in the EPA *Strategic Plan*. With this information, EPA will work with States and Tribes, using an "adaptive management" approach, to refine program emphases to improve program performance.

The National Water Program will evaluate progress using three key tools:

- **National Water Program Performance Reports:** The Office of Water will use data provided by Regions, States and Tribes to prepare performance reports for the National Water Program at the mid-point and end of each fiscal year.

- **EPA HQ/Regional Dialogues**: Each year, the Office of Water will visit up to four EPA Regional Offices and Great Waterbody Offices to conduct dialogues on program management, grant management, and performance.

- **Program-Specific Evaluations:** In addition to looking at the performance of the National Water Program at the national level and performance in each EPA Region, individual water programs will be evaluated periodically under the Performance Assessment Rating Tool (PART) program managed by the Office of Management and Budget. Additional program evaluations will be developed by others, including the Inspector General and the General Accounting Office.

VI) PROGRAM CONTACTS

For additional information concerning this *Guidance* and supporting measures contact:

- Michael Shapiro; Deputy Assistant Administrator, Office of Water (202-564-5700)
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INTERNET ACCESS: This *National Water Program Guidance* and supporting documents, including the more detailed Subobjective Implementation Plans that are the basis for this *Guidance*, are available on the Internet at: http://www.epa.gov/water/waterplan

I INTRODUCTION

In October of 2003, EPA published a new *Strategic Plan* defining specific environmental and public health improvements to be accomplished by 2008. This *National Program Guidance* builds on the new *Strategic Plan* by defining the process for creating an operational plan for water programs for fiscal year 2006 (FY 06). Some elements of the operational plan for FY 06 are included in this *Guidance* (e.g. key national program strategies and annual priorities). Additional elements of the FY 2006 operational plan (e.g. program specific commitments for FY 2006) will be developed over the coming months in discussions among EPA Regions, States, and Tribes following the process outlined in this *Guidance*. EPA will publish the final Regional and National "commitments" in a final Appendix to the *Guidance* in October 2005.

Central Theme – Environmental and Public Health Results

The central theme of the new EPA *Strategic Plan* is that the rate of progress toward a cleaner environment can be improved through clearer definition of the specific environmental improvements needed in the foreseeable future (e.g. 5 years). The *Strategic Plan* defines specific improvements in drinking water and surface water quality to be accomplished by 2008 and goes further to outline general strategies for accomplishing these improvements. Although the *Strategic Plan* promises environmental improvements, standing alone, it can't make these improvements a reality. Some of the additional steps that are needed, and are addressed in this *National Program Guidance*, are described below.

- Today, clean water and drinking water programs are too often delivered in discrete programs without the integration among programs that could improve environmental results. This *National Program Guidance* is organized around environmental results (i.e. "subobjectives" from the *Strategic Plan*) rather than traditional programs in an effort to encourage program managers at all levels to adopt an entrepreneurial spirit in using a diverse array of program tools to accomplish environmental improvements (e.g. compliance/enforcement, other EPA programs, programs of other Federal agencies).

- In the past, national program managers have asked Regions to commit to a pro-rated share of annual outputs and Regions have asked States to do the same. Under the new management system described in this *Guidance*, EPA Regions propose to the national program managers annual program output targets that make sense in that Region in a "bottom-up" process. This process allows Regions and States to shift program resources to best fit the environmental in that Region on an annual basis while keeping a long-term national program target in mind.

- Once program commitments are made, it is critical that information about progress toward commitments be evaluated and used to make adaptive management decisions. The management system described in this *Guidance*

provides for a comprehensive process to evaluate progress (see Section III below).

Organization of this Guidance

This *National Program Guidance* is divided into four major sections:

– strategies for attaining the ten key subobjectives related to water in the EPA *Strategic Plan* (see Table I);

– description of the program management system to be used by the EPA generally and the National Water Program more specifically (see Section III);

– slides of "program activity measures" addressing the measurement of program activities that most directly contribute to attaining objectives and subobjectives (See Appendix A); and

– background information on program grants to States, Tribes, and others that support program activities (see Appendix B).

Each of these sections is described briefly below:

I) Subobjective Strategies: The EPA *Strategic Plan* addresses water programs in Goal 2, (i.e. "Clean and Safe Water"), and Goal 4, (i.e. "Healthy Communities and Ecosystems"). Within these Goals, there are ten subobjectives that define specific environmental or public health results to be accomplished by 2008 (see Table I below).

TABLE I

NATIONAL WATER PROGRAM 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

EPA has developed Draft Implementation Plans for FY 06 for each of the ten key subobjectives related to water. These Subobjective Implementation Plans were developed jointly by EPA Headquarters and Regional offices and are based on the plans originally developed for FY 2005. Copies of the revised plans are available on the Internet at http://www.epa.gov/water/waterplan

This *Guidance* provides a summary of the more detailed Subobjective Implementation Plans. These summaries describe the basic strategic approach to attaining each of the subobjectives, identify the key program activities that support this work, and identify the EPA program grants that support the subject area.

Subobjective strategies also highlight opportunities for innovative approaches to program management (e.g. water quality trading, watershed permits). In addition the National Water Program is working with EPA's Innovation Action Council (IAC) to promote program innovations. The IAC has endorsed three priority innovations for full scale implementation: the National Performance Track Program; Environmental Management Systems (EMS); and the Environmental Results Program. Details on these innovations are available at http://www.epa.gov/innovation Regions, States, and Tribes should use these innovative approaches in achievement of their program goals.

II) Water Program Management System: Section III this *Guidance* describes a three step process for management of water programs.

– Step 1 is the development of this National Water Program *Guidance*.

– Step 2 involves consultation among Regions, States, and Tribes to be conducted this Spring and Summer to define Regional and State priorities and develop State and Regional "commitments" to support each of the Subobjective Implementation Plans.

A key product of this consultation process is the conversion of "targets" for FY 06 activities provided in this *Guidance* into more binding "commitments" to be included in State/Tribal workplans and grant agreements (i.e., draft commitments in July and final commitments in September).

– Step 3 involves work to be done during FY 06 to track progress in program implementation and improve program performance based on evaluation feedback.

III) Water Measures: Two types of measures are used to manage water programs – measures of environmental or health change and measures of program activity.

– Measures of environmental or public health changes (i.e. outcomes) are described in the EPA *Strategic Plan* and include long-range targets for FY 2008. These measures, including interim FY 06 targets, are included in the EPA annual budget documents. These outcome measures for each subobjective are described in the opening section of each of the ten subobjective plan summaries in this *Guidance.*

– Program Activity Measures (i.e. output measures) address activities to be implemented by EPA Headquarters, EPA Regional Offices, and by States/Tribes that administer national programs and are provided in Appendix A. They are the basis for monitoring progress in implementing programs to accomplish the environmental improvements described in the new *Strategic Plan*.

Some of the Program Activity Measures have national and Regional "targets" that are intended to serve as a point of reference as Regions and States/Tribes define more formal "commitments" in the Spring/Summer of 2005.

IV) Grant Management: EPA provides a wide range of grant funding to States, Tribes, and others to implement clean water and drinking water programs and projects, including the program activity measures described above. The Office of Water places a high priority on effective grants management and is emphasizing three key areas as these grants are implements:

– standardizing the timing of issuance of guidance for categorical grants;

– ensuring that high priority is placed on effective grant management; and

– linking grants to the achievement of environmental results as laid out in the Agency *Strategic Plan*.

More information about grants management is available in Appendix B and a table of key water grant programs with applicable FY 2006 guidance is provided on the internet at http://www.epa.gov/water/waterplan

II STRATEGIES FOR PROTECTING PUBLIC HEALTH AND THE ENVIRONMENT

For each of the ten key subobjectives related to water addressed in the EPA *Strategic Plan*, EPA has worked with States and other stakeholders to define strategies for accomplishing the improvements in the environment or public health identified for the subobjective. The *Strategic Plan* includes general descriptions of strategies and programs that will apply over the 2004 - 2008 period.

This *National Program Guidance* draws from the *Strategic Plan* but describes plans and strategies at a more operational level and focuses on FY 2006. The text provided below is a summary of more detailed "Subobjective Implementation Plans" for each subobjective. These plans provide additional information concerning the subobjective and further explanation of proposed strategies and actions (see http://www.epa.gov/water/waterplan).

In addition, this *Guidance* refers to "Program Activity Measures" that define key program activities that support each subobjective (see Appendix A). Some of these Program Activity Measures include national and Regional targets for FY 2006 and FY 2008 that will guide discussions with States and Tribes leading to "commitments in the Agency Commitment System (ACS) by September.

1) Water Safe to Drink

For almost 30 years, protecting the Nation's public health through safe drinking water has been the shared responsibility of EPA, the States, and over 52,000 community water systems (CWSs)[1] nationwide that supply drinking water to more than 260 million Americans (approximately 90% of the U.S. population). Over this time, safety standards have been established and are being implemented for 91 microbial, chemical, and other contaminants. Forty-nine States have adopted primary authority for enforcing their drinking water programs. Additionally, CWS operators are better informed and trained on the variety of ways to both treat contaminants, and prevent them from entering the source of their drinking water supplies.

During 2005 - 2008, EPA, the states, and CWSs will not only continue to maintain and build on their success in ensuring safe drinking water but also will work toward achieving a very ambitious goal:

[1]Although the Safe Drinking Water Act applies to 161,201 public water systems nationwide (as of December 2003), which include schools, hospitals, factories, campgrounds, motels, gas stations, etc. that have their own water system, this implementation plan focuses only on CWSs. A CWS is a public water system that provides water to the same population year-round. As of December 2003, there were 53,363 CWSs.

By 2008, 95% of the population served by community water systems will receive drinking water that meets all applicable health-based drinking water standards through effective treatment and source water protection.

This goal reflects the fundamental public health protection mission of the national drinking water program. Health protection-based regulatory standards for drinking water quality are the cornerstone of the program. Water systems meet the national standards using "neighborhood solutions." The standards do not prescribe a specific treatment approach. Rather, individual systems decide how best to comply with any given standard based upon their own unique circumstances. Systems meet standards by employing various elements of what public health experts refer to as "multiple barriers of protection". The multiple barriers may include source water protection; various stages of treatment; proper operation and maintenance of the distribution and finished water storage system; and customer awareness.

A) Environmental/Health Results Expected

Environmental and public health results identified in the new EPA *Strategic Plan* related to safe drinking water nationwide by the year 2008 are described below, along with interim, 2006 targets:

1) 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.

2002 Baseline: 93.6% 2006 Target: 93% 2008 Target: 95%

2) Percent of the population served by CWS that receives drinking water that meets health-based standards for those requirements with which systems need to comply:

As of December 2001:
2002 Baseline: 93.6% 2006 Target: 94% 2008 Target: 95%

As of January 2002 or later:
2002 Baseline: N/A 2006 Target: 75% 2008 Target: 80%

3) Percent of CWSs that provide drinking water that meets health-based standards for those requirements with which systems need to comply:

As of December 2001:
2002 Baseline: 91.6% 2006 Target: 94% 2008 Target: 95%

As of January 2002 or later:
2002 Baseline: N/A 2006 Target: 75% 2008 Target: 80%

4) Percent of the population served by CWS in Indian country that receive drinking water that meets all applicable health-based standards.

2002 Baseline: 91.1% 2006 Target: 90% 2008 Target: 95%

5) Percent of source water areas (both surface and ground water) for community water systems that will achieve minimized risk to public health ("minimized risk" is achieved by the substantial implementation, as determined by the State of source water protection actions in a source water protection strategy).

2002 Baseline: 5 % 2006 Target: 20% 2008 Target: 50%

6) Number of households on Tribal lands lacking access to safe drinking water:

2003 Baseline: 39,000 2006 Target: 30,800 2015 Target: 22,000

B) Key National Strategies

The overall objective of the drinking water program is to protect public health by ensuring that the gains of the previous years' efforts are preserved and built upon. In doing so, drinking water systems, of all types and of all sizes: 1) that are currently in compliance will remain in compliance; 2) that are not currently in compliance, will achieve compliance; and 3) will be preparing to comply with the new regulations that will be taking effect in FY 2006.

EPA and States support the efforts of individual water systems by providing a national program framework that includes core programs delivered by EPA Regional offices and States to reflect the relative priorities of the Region and States. Core national program areas that are critical to ensuring safe drinking water are:

- Development or revisions to drinking water standards;
- Implementation of drinking water standards and ensuring compliance;
- Community water system financing;
- Water security;
- Source water protection;
- Underground injection control; and
- Protection of surface water that is a source of drinking water.

Collectively, these core areas and other interrelated elements of the national safe drinking water program comprise the multiple-barrier approach to protecting public health from unsafe

drinking water. At the national level, implementation of this approach is expected to result in significant progress toward the public health goals described above.

In each of these areas, specific Program Activity Measures indicate progress being made and some measures include "targets" for FY 06 and 08. For these measures with targets, a national target and a target for each Region is provided in Appendix A. The national targets are provided as a general point of reference, but each Region is responsible for allocating resources among programs to best meet the needs in the Region.

Making good decisions to allocate resources among various program areas requires that each Region first work with States to define goals for the program in public health (i.e. "outcome") terms. Table II describes estimates of progress under the national drinking water goals at the national and Regional level.

TABLE II – FY 2006 DRINKING WATER ESTIMATES OF PROGRESS

	Subobjective 2002 Baseline	Subobjective 2006 Estimate	2006 Compliance Estimate: Old Standards	2006 Compliance Estimate: New Standards	Source Water 02 Baseline	Source Water 06 Estimate
EPA Region	% population served by CWSs meeting all health-based standards	% population served by CWSs to meet all health-based standards	% pop. served by CWSs meeting standards with which systems need to comply as of 2001	% pop. served by CWSs meeting standards with which systems need to comply as of 2002	% CWS with Source Water Protection	% CWS with Source Water Protection
1	88%	83%	90%	75%	18%	33%
2	81%	80%	80%	70%	6%	15%
3	98%	93%	94%	75%	6%	10%
4	96%	93%	94%	75%	2%	10%
5	94%	95%	95%	80%	12%	15%
6	93%	93%	94%	75%	2%	10%
7	95%	93%	93%	80%	3%	10%
8	97%	93%	94%	75%	15%	15%
9	99%	93%	95%	75%	2%	5%
10	91%	92%	93%	70%	12%	13%
National 06 Total	**93.6%**	**91.2%**	**92.4%**	**75.2%**	**7.6%**	**13%**
National 06 Goal	**93.6%**	**93%**	**94%**	**75%**	**5%**	**20%**

Again, while Regions should use the national outcome targets as a point of reference, Regional versions of the outcome goals will vary based on differing conditions in each Region.

Regions and States should use these estimates of progress to shift resources among core program areas to best meet these Regional versions of the national goals. The areas of program emphasis would then be expressed as Regional "targets" for Program Activity Measures. For example, a Region with comparatively limited underground injection might put comparatively more emphasis on source water protection or security. In addition, Appendix A provides the Program Activity Measures related to drinking water and provides the framework for regional "targets" for measures.

1) Development or Revisions to Drinking Water Standards

During FY 2006 EPA will be working with States and other stakeholders on two revisions/reviews of existing drinking water regulations (see Program Activity Measure SDW-1):

– ***Total Coliform Rule (TCR) Revisions***: The TCR, which was promulgated in 1989, protects public health by specifying sampling requirements and maximum contaminant levels for bacteria in the distribution systems of public water supplies. EPA is evaluating revisions to the TCR to reduce the implementation burden and to address problems with drinking water distribution systems that may lead to contamination of drinking water. In addition, the Agency will initiate a stakeholder process and analyze upcoming NAS recommendations.

– ***Lead and Copper Rule Review:*** EPA has begun a nationwide review of compliance and implementation of the LCR, which was issued in 1991 and revised in 2000. The major goals are to identify potential issues that are affecting the effectiveness of provisions, determine what changes in guidance and/or training materials could help systems and states better implement the existing rule, and identify which issues, if any, will require a regulatory fix.

EPA will also evaluate the contaminants on the second drinking water Contaminant Candidate List (CCL) and prepare a final determination to regulate or not regulate at least five contaminants. To prepare the Agency's third CCL, the Agency will evaluate a broad universe of chemical and microbial agents and identify the contaminant candidates with a greater likelihood of occurring in drinking water supplies at levels that could affect human health. Finally, EPA will assess data on health effects, occurrence, analytical methods, and treatment technologies for currently regulated contaminants and determine what revisions if any are appropriate to drinking water regulations as part of the second National Primary Drinking Water Rule Review required in 2008.

In addition, EPA will focus tools from the Clean Water Program to better support the drinking water program. EPA will continue work to develop Clean Water Act criteria for high risk drinking water contaminants found in surface waters, including three new criteria in FY 2006. (see Program Activity Measure SDW-2). These criteria are used by States to develop water quality standards for surface waters. EPA will also continue its effort to complete the recalculation of

surface water quality criteria under the Clean Water Act to reflect the new, more scientifically sound, methodology for determining human health effects.

Finally, EPA's Office of Pesticides Programs will work to assure that appropriate management controls, such as label restrictions, limited use in sensitive areas, and additional monitoring, are implemented for all of the 31 pesticides now identified as having a high leaching/persistence potential.

2) Implementation of Drinking Water Standards and Ensuring Compliance

By FY 2006, the Agency will have promulgated the Cryptosporidium (Long Term 2 Enhanced Surface Water Treatment Rule), Disinfection (Stage 2 Disinfectants and Disinfection Byproducts Rule), and Ground Water Rules. In order to facilitate compliance with these new rules, as well as existing rules, EPA will provide the following tools:

- **Sanitary Surveys:** Sanitary surveys are on-site reviews of the water sources, facilities, equipment, operation, and maintenance of public water systems. States are to be in compliance with requirements to conduct sanitary surveys at community water systems once every three years starting in 2004 (see Program Activity Measure SDW-3). For systems determined by the State to have outstanding performance based on prior surveys, subsequent surveys may be conducted every five years. EPA will also conduct surveys at systems on tribal lands (see Program Activity Measure SDW-4).

- **Technical Assistance and Training:** Reference materials for new regulations (i.e., ground water rule, surface water treatment rule, disinfection by products rule) will be developed. These materials will include rollout strategies, implementation guidance, and quick reference guides. EPA will also offer training sessions, both in person and satellite/webcast, on implementation of new regulations. The Drinking Water Academy will deliver training in both English and Spanish. EPA will also continue to provide technical assistance to help systems serving less than 3,300 people meet existing and new drinking water standards.

- **Area-wide Optimization Program:** In FY 2006, through EPA's voluntary Area-Wide Optimization Program (AWOP), drinking water systems or States conduct comprehensive performance evaluations (CPEs) to assess the performance of filtration technology. By optimizing use of filtration technology, systems can go beyond compliance to significantly reduce the human health risks associated with turbidity in finished drinking water. EPA currently provides optimization support for States which, in turn, support many small public water systems nationwide that use surface water sources.
- **Data Access, Quality, and Reliability:** EPA will continue the modernization of the Safe Drinking Water Information System (SDWIS), which serves as the

primary source of national information on compliance with all health-based, regulatory requirements of SDWA. New drinking water program requirements will be incorporated into SDWIS to help States (and those Tribes having access to SDWIS) monitor and report drinking water data. In addition, EPA is continuing to work with States to encourage use of SDWIS/State because of its compatibility and ease of reporting with the national SDWIS.

– **Coordination with Enforcement:** Finally, the Office of Water will also work with the Office of Enforcement and Compliance Assurance to identify instances of actual or expected noncompliance that pose risk to public health and to take appropriate actions as necessary.

3) Water System Financing

The Drinking Water State Revolving Loan Fund (DWSRF), established under the Safe Drinking Water Act, offers low interest loans to help public water systems across the nation make improvements and upgrades to their water infrastructure, or other activities that build system capacity. As of the end of FY 2004, EPA has made available $7.9 billion to finance 3,654 infrastructure improvement projects nationwide

In FY 2006, the DWSRF program set a target of providing over 600 additional loans. Program Activity Measure SDW-5 calls for the DWSRF fund utilization rate (cumulative dollar amount of loan agreements divided by cumulative funds available for projects) to increase from a 2002 level of 75% to 86% in 2008. EPA will also work with States to monitor the number of projects that have initiated operations (see Program Activity Measure SDW-6). For FY 2007, EPA will also ask States to report the number of projects that will assist in returning a Community Water System to compliance with drinking water standards.

In addition, in FY 2006, EPA will work in partnership with States, the water utility industry, and other stakeholders to ensure sustainability of water and wastewater systems. This initiative is to identify and promote new and better ways of doing business in the water and wastewater industry. EPA will work with the water industry to identify best practices that have helped many of the Nation's utilities address their own internal gap and extend their use to a greater number of utilities.

4) Water System Security

EPA provide tools, training and technical assistance that protects the Nation's critical water infrastructure from terrorist threats. Reducing risk in the water sector requires a multi-step approach to: determine risk through vulnerability assessments, reduce risk through security enhancements, and prepare to respond effectively to incidents. Homeland Security Presidential Directives (HSPDs) 7 and 9 direct EPA to help the water sector implement protective measures and develop a comprehensive water surveillance and monitoring program respectively.

As outlined in HSPD 7, the water sector must be provided tools and information to prevent, detect, and respond to a terrorist or other intentional attack. EPA will, in FY 2006, implement prevention, detection, response and recovery activities for the water sector in collaboration with DHS and States' homeland security and water officials. As part of this effort, EPA and stakeholders, led by the National Drinking Water Advisory Committee, will work to develop measures to assess whether systems have adopted active and effective security programs that reduce risk to the public (see Program Activity Measure SDW-7).

Also in FY 2006, EPA will develop and disseminate surveillance and monitoring systems in select pilot cities. These pilots will provide opportunities to evaluate operational experience of different water systems (see Program Activity Measure SDW-8). The Agency will also provide training and technical assistance to water systems on monitoring devices, sampling protocols, analytical methods, consequence management, and reporting results to the Department of Homeland Security.

Finally, EPA will continue to support a secure conduit (e.g. Information Sharing and Analysis Center and the Homeland Security Information Network) to exchange and analyze threat and incident information and to serve as a clearinghouse for sensitive information for all drinking water utilities.

5) Protecting Sources of Drinking Water

In FY 2006, EPA will work with States and water systems to improve protection of sources of drinking water through expanded implementation of source water protection strategies. EPA will promote the concepts of a multiple barriers approach to drinking water program management and will work with States to track, to the extent feasible, the development and implementation of source water protection strategies. EPA has set a goal of increasing the number of source water areas (both surface and ground water) for community water systems that have minimized risk to public health from an estimated baseline of 5% of all areas in 2002. In support of this goal, EPA will monitor development and implementation of source water protection strategies by community water systems (see Program Activity Measure SDW-9).

In FY 2006, EPA will collaborate with national organizations that have a stake in the success of source water protection. This effort will define the roles and responsibilities of various stakeholder groups, such as states, utilities, and the nonprofit sector, in using completed source water assessment information as a guide for source water protection strategy implementation. In addition, EPA will leverage programs within the federal government, such as the Underground Storage Tank Program, to increase source water protection efforts in source water areas for community water systems.

In a related effort, EPA will work to complete source water assessments for Tribal water systems (see Program Activity Measure SDW-10). Finally, EPA will work with States to identify, each year, the most prevalent and threatening sources of contamination to drinking waters (See Program Activity Measure SDW-11).

6) Underground Injection Control:

EPA works with States to control injection of hazardous substances and other waste to prevent contamination of underground sources of drinking water. In 2006, EPA will continue to focus on shallow wells (Class V) in source water areas.

EPA and States will also work to assure that 100 percent of Class I, II, and III wells that are identified in significant violation, and Class V wells that are identified in violation, are addressed (see Program Activity Measure SDW-12). EPA and the States will work to assure that identified Class V motor vehicle waste disposal wells are closed by 2008 (see Program Activity Measure SDW-13). And, EPA will work with States and other partners to develop mechanisms to assure that Class I, II, and III wells maintain mechanical integrity (see Program Activity Measure SDW-14). EPA will also monitor the number and percent of high priority Class V wells identified in ground water based community water system source water areas that are closed or permitted (see Program Activity Measure SDW-15).

Finally, the Agency will continue to work with the Department of Energy on the technology of sequestering carbon dioxide through underground injection and will work with other stakeholders to address injection of drinking water treatment residuals, including brine from desalination plants.

7) Protecting Surface Water that is a Source of Drinking Water

In addition to activities and programs authorized by the Safe Drinking Water Act, EPA is encouraging States and communities to expand their prevention efforts to utilize authorities and resources of other programs to protect drinking water supplies, such as water quality standards under the Clean Water Act, pesticide programs and source control programs, and programs of the U.S. Department of Agriculture (USDA), such as the Forest Service.

State water quality standards under the Clean Water Act play an important role in protecting the Nation's drinking water sources. The Agency's *Strategic Plan* emphasizes continued use of these authorities to protect waters that serve as public water supplies. In FY 2006, the Agency will complete a baseline of state water quality standards identifying the percentage of surface waters that are used as a drinking water source by a community water system that have, wherever attainable, water quality standards with public water supply as a designated use or water quality standards that provide an equal level of public health protection. EPA will also begin a joint review with the States of the extent that their water quality standards support the public water supply use (to be completed by the end of 2005) and, where appropriate, the steps to strengthen state water quality standards (see Program Activity Measures SDW-16 and 17). The Agency will also begin inventorying waters that are impaired for public water supply use and the progress being made in restoring waters to that use (see Program Activity Measures SDW-18 and 19).

C) Grant Program Resources

EPA has several program grants to the States, authorized under the Safe Drinking Water Act, that support work towards the drinking water strategic goals including the Public Water System Supervision (PWSS), Drinking Water State Revolving Fund (DWSRF), Underground Injection Control (UIC), and water security grants. For additional information concerning these grants, see the grant program guidance website at www.epa.gov.water/waterplan.

The PWSS grants to the States support the States' primacy activities (e.g. enforcement and compliance with drinking water regulations). New PWSS grant guidance issued for FY 2005 will continue to apply in FY 2006. Of the FY 06 President's Budget request of $100.6 million, $6.5 million will go to support implementation of the Tribal Drinking Water Programs. EPA Regions directly implement the PWSS program in Indian country, and will be targeting funds towards the same priority activities as the States.

EPA also awards grants to States to carry out primary enforcement (primacy) responsibilities for implementing regulations associated with Classes I, II, III and V underground injection wells. In addition, emphasis is directed to activities that address shallow wells (Class V) in source water areas.

Water security grants will continue to maintain the States' efforts in coordinating their critical water infrastructure protection activities with other homeland security responsibilities.

Finally, grants under section 106 of the Clean Water Act are available to support State ground water protection programs. EPA recommends that States continue to direct Section 106 funding for source water protection actions to protect ground water and drinking water.

Funding for development of infrastructure to address public health goals related to access to safe drinking water comes from several sources within EPA and from other Federal agencies. EPA provides funds "set-aside" from the DWSRF program national appropriation for grants for Tribal drinking water projects, including both upgrading of tribal community water systems and improving access through construction of new systems. These funds are estimated to be about $12.8 million in FY 2006.

EPA also administers a grant program for water and wastewater projects in Alaska Native Villages (about $44 million in FY 2005, divided about equally between drinking water and wastewater). Additional funding is available from other Federal agencies, including the Indian Health Service.

2) Fish and Shellfish Safe to Eat

Across the United States, States and Tribes have issued fish consumption advisories for a range of contaminants covering 850,000 stream miles and over 14 million lake acres. In addition about 10 percent of the 15 million valuable shellfishing acres managed by States are not open for use.

A) Environmental and Health Results Expected

The new EPA *Strategic Plan* calls for improving the quality of water and sediments to allow increased consumption of fish and shellfish:

1) 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.

2002 Baseline: 485,205 river miles and 11,277,276 lake acres under advisory:

By 2006: 1% of advisory waters improved By 2008: 3%

2) Increase the percentage of shellfish-growing acres monitored by States that are approved or conditionally approved for use.

1995 Baseline: 77% of 21.6 million acres open for use:

By 2006: 91% acres open for use By 2008: 91%

B) Key National Strategies

EPA's national approach to meeting safe fish and shellfish goals is described below.

1) Safe Fish

The Agency approach to making fish safer to eat includes several key elements:

- reduce air deposition of mercury;
- implement water pollution control programs to address specific impaired waters;
- use the Superfund program, where feasible, to restore the condition of aquatic sediment, focusing on PCBs; and

– improve public information and notification of fish consumption risks.

Most of the fish consumption advisories are for mercury and a critical element of the strategy to reduce mercury in fish is reducing emissions of mercury from combustion sources in the United States. On a nationwide basis, by 2010, federal regulatory programs are expected to reduce electric-generating unit emissions of mercury from their 2000 level (see Goal 1: Clean Air, Sub-objective 1.1.2: Reduced Risk from Toxic Air Pollutants).

By using *Mercury Maps* (http://www.epa.gov/waterscience/maps/fs.htm) it is possible to reasonably predict the benefits of air emission reductions or control of other sources for a specific waterbody. This tool can also be used to target watershed level efforts to address mercury contamination through water quality standards, TMDL, and wastewater permitting programs. EPA will use this tool to identify priority areas where the combined effect of reduced air emissions and control of other sources of mercury could improve the safety of fish.

Another key element of the strategy to make fish safer to eat is to expand and improve information and notification of the risks of fish consumption. As part of this work, EPA will encourage States and Tribes to adopt the new fish tissue criterion for mercury (see Program Activity Measure FS-1).

The second most frequent cause of fish consumption advisories is PCBs. Based on the historical phase-out of PCB manufacture, EPA expects that the most likely current source of PCBs is sediment release. For this reason, sediment remediation under the Superfund program and sediment remediation in the Great Lakes (see section 8 of this *Guidance*) are important actions for reducing the extent of current fish advisories.

EPA is also actively monitoring the development of fish consumption advisories and working with States to improve monitoring to support this effort. By 2008, EPA expects that fish tissues will be assessed to support waterbody-specific or regional consumption advisories for at least 40% of lake acres and 28% of river miles (see Program Activity Measure FS-2). EPA is also working to encourage increased numbers of States and Tribes to monitor fish tissue based on national guidance (see Program Activity Measure FS-3).

2) Safe Shellfish

Shellfish safety is managed through the Interstate Shellfish Sanitation Conference (ISSC), a partnership of the U.S. Food and Drug Administration (FDA), the State shellfish control agencies, the National Oceanic and Atmospheric Administration (NOAA), and the EPA. The State shellfish control agencies monitor shellfishing waters and can prohibit or restrict harvesting if the waters from which shellfish are taken are considered unsafe.

Success in achieving the shellfish goals relies on implementation of Clean Water Act programs that are focused on sources causing shellfish acres to be closed. Important new technologies include pathogen source tracking, new indicators of pathogen contamination and predictive correlations between environmental stressors and their effects. Once critical areas and

sources are identified, core program authorities, including expanded monitoring, development of TMDLs, and revision of discharge permit limits can be applied to improve conditions.

In addition, a wide range of clean water programs that apply throughout the country will generally reduce pathogen levels in key waters. For example, work to control Combined Sewer Overflows, to reduce discharges from Concentrated Animal Feeding Operations, to reduce storm water runoff, and to reduce nonpoint pollution will contribute to restoration of shellfish uses.

Finally, success in achieving the shellfish goal also depends on improving the availability of State shellfish information. For example, EPA along with the National Oceanic and Atmospheric Administration and the Food and Drug Administration, are encouraging States to participate in the Interstate Shellfish Sanitation Conference and report shellfish information. EPA is also working to enter shellfish program monitoring data into the EPA water monitoring system (e.g., STORET) and improve data concerning location of shellfishing areas.

C) Grant Program Resources

Grant resources supporting this goal include the State program grant under section 106 of the Clean Water Act, other water grants identified in the Grant Program Resources section of subobjective 4, and grants from the Great Lakes National Program Office (see grant guidance website for more information http://www.epa.gov/water/waterplan) as well as funding under the Superfund Program. Grant and Legacy Act guidance from the Great Lakes National program Office is available from http://www.epa.gov/grtlakes/fund/glf.html

3) Water Safe for Swimming

Recreational waters, especially beaches in coastal areas and the Great Lakes, provide recreational opportunities for millions of Americans. Swimming in some recreational waters, however, can pose a risk of illness as a result of exposure to microbial pathogens. By "recreational waters" EPA means waters officially recognized for primary contact recreation use or similar full body contact use by States, authorized Tribes, and Territories.

A) Environmental/Health Results Expected

Environmental and public health results identified in the new EPA *Strategic Plan* related to safe swimming waters are:

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

2000 Baseline: 90,000 stream miles/2.6 million lake acres:

By 2006: 3% of impaired water restored **By 2008: 5%**

2) Percent of days of the beach season that coastal and Great Lakes beaches monitored by State beach safety programs will be open and safe for swimming:

2002 Baseline: 94% **By 2006: 94%** **By 2008: 96%**

B) Key National Strategies

For Fiscal Year 2006, EPA's national strategy for improving the safety of recreational waters will include four key elements:

- establish a new generation of pathogen indicators based on sound science;
- identify unsafe recreational waters and begin restoration;
- reduce pathogens levels in all recreational waters; and
- improve beach monitoring and public notification.

1) Establish Pathogen Indicators Based on Sound Science

EPA is working with States and Tribes throughout the country to implement the adoption of the most recent (i.e., 1986) scientific indicators of unsafe pathogens in all recreational waters. In FY 2006, EPA will continue to place attention on the development of a new generation of pathogen criteria (see Program Activity Measure SS-1) and will begin work with States to adopt the most current criteria for all recreational waters, focusing on new criteria for Great Lakes waters (see Program Activity Measure SS-2).

2) Identify Unsafe Recreational Waters and Begin Restoration

A key component of the strategy to restore waters unsafe for swimming is to identify the specific waters that are unsafe and develop plans to accomplish the needed restoration. A key part of this work is to maintain strong progress toward development of Total Maximum Daily Loads (TMDLs) based on the schedules established by States in conjunction with EPA. Program Activity Measure WQ-12 indicates that most EPA Regions expect to maintain close to 100% compliance with schedules (providing for completion of TMDLs within 13 years of listing).

In a related effort, the Office of Water will work in a new partnership with the Office of Enforcement and Compliance Assurance (OECA) to better focus compliance and enforcement resources to unsafe recreational waters. In addition, wet weather discharges, which are a major source of pathogens, are one of OECA's national priorities for FY 2005 through 2007.

3) Reduce Pathogen Levels in Recreational Waters Generally

In addition to focusing on waters that are unsafe for swimming today, EPA, States and Tribes will work in FY 2006 to reduce the overall level of pathogens discharged to recreational waters using three key approaches:

- reduce pollution from Combined Sewer Overflows (CSOs);
- address sources discharging pathogens under the permit program; and
- encourage improved management of septic systems.

Overflows from combined storm and sanitary sewers in urban areas can result in high levels of pathogens being released during storm events. Because urban areas are often upstream of recreational waters, these overflows are a significant source of unsafe levels of pathogens. EPA is working with States and local governments to fully implement the CSO Policy providing for the development and implementation of Long Term Control Plans (LTCPs) for CSOs. EPA expects that 54% of the 834 CSO permits will have schedules in place to implement approved LTCPs in FY 2006; the FY 2008 goal is 75% of permits with schedules in place (see Program Activity Measure SS-3).

Other key sources of pathogens to the Nation's waters are discharges from Concentrated Animal Feeding Operations (CAFOs) and municipal storm sewer systems and industrial facilities. Program Activity Measure WQ-19 indicates that EPA expects to work with States to assure that CAFOs are covered by permits. Program Activity Measure WQ- 20 indicates that most States will have current general permits requiring storm water management programs for Phase II municipalities and construction in 2006.

Finally, there is growing evidence that ineffective septic systems are contributing pathogens to recreational waters. EPA will work with State and local governments to develop voluntary approaches to improving management of these systems, including design of decentralized treatment systems. Program Activity Measure SS-4 addresses the number of States that have adopted Voluntary Management Guidelines for On-site/Decentralized Wastewater Treatment Systems published by EPA.

4) Improve Beach Monitoring and Public Notification

Another important element of the strategy for improving the safety of recreational waters is improving monitoring of public beaches and notifying the public of unsafe conditions. EPA is working with States to implement the Beaches Environmental Assessment and Coastal Health Act and expects to make available grant funding of almost $10 million to States to carry out this work.

Program Activity Measure SS-5 indicates that EPA expects that 100% of "significant" public beaches will be monitored in accordance with BEACH Act requirements. Significant public beaches are those identified by States as "Tier 1" in their Beach monitoring and

notification programs. Finally, EPA will continue to receive and display State information on beach notifications through the eBeaches system and will look to increase voluntary participation of inland States. EPA will also continue to develop and maintain internet information systems for beach safety (http://www.epa.gov/waterscience/beaches).

C) Grant Program Resources

Grant resources supporting this goal include the Clean Water Act section 106 grant to States, nonpoint source program implementation grants (section 319 grants), and the BEACH Act grant program grants. For additional information concerning these grants, see the grant program guidance website at http://www.epa.gov/water/waterplan

4) Restore and Improve Water Quality on a Watershed Basis

A large share of the resources available to the National Water Program under the Clean Water Act directly support efforts to restore and improve the quality of rivers, lakes, and streams. Over the next several years, EPA will work with States to assure the continued effective implementation and innovation of core clean water programs (including applying core programs on a watershed basis), to accelerate watershed protection, and to use an adaptive management framework to refine our ability to restore and protect water quality.

A) Environmental/Health Results Expected

Environmental and public health results identified in the new EPA *Strategic Plan* related to improved water quality on a watershed basis are:

1) Use both pollution prevention and restoration approaches to increase:

-- **the number of watersheds where water quality standards are met in at least 80 percent of the assessed water segments:**

2002 Baseline: 453 watersheds of the total 2,262 USGS cataloguing unit scale watersheds across the Nation

2006 Target: 472 2008 Target: 600

– **the number of watersheds where all assessed water segments maintain their quality and at least 20 percent of assessed water segments show improvement above conditions as of 2002.**

2002 Baseline: 0 USGS cataloging unit scale watersheds:

2006 Target: NA **2008 Target: 200**

2) **Percent of those water bodies identified in 2000 as not attaining standards where water quality standards are restored.**
2000 Baseline: 21,632 waterbodies

2006 Target: 5% **2012 Target: 25%**

3) **Show improvement of at least 10% in each of four key parameters at a number of the 900 water monitoring stations in tribal waters:**

2002 Baseline: 0 stations **2006 Target: 50** **2008 Target: 90**

4) **Reduce the number of households on tribal lands lacking access to basic sanitation.**

2000 Baseline: 71,000 hholds **2006 Target: 58,930** **2008: 35,000**

Showing progress toward attainment of the environmental improvements described above is challenging because it often requires many years before improvements are seen and because data to accurately detect such changes are other limited. In an effort to inform the development of environmental measures for the next *Strategic Plan,* to be published in FY 07, EPA asked the Watershed Managers' Forum, a group of HQ and EPA Regional program managers working to accelerate watershed protection, to identify measures that might supplement or replace the measures described above in the future (see Appendix C). For example, developmental measure #2 provides the option of partial (rather than full) restoration of impaired segments and would show progress in waters where intractable problems (such as mercury contamination) may delay full restoration. EPA Regions and States have the option of reporting data under one or more of these developmental environmental measures and experiences with this measures will be used in efforts to improve outcome measures in the next EPA strategic plan. Reporting under the existing measures, described above, however, is still required.

B) Key National Strategies

Developing a plan that addresses this complex subobjective requires implementing a new approach that integrates numerous water program elements at a watershed level, employs multi-

scale water quality data, applies innovative ideas, and engages diverse Federal, State and local stakeholders in problem solving. These objectives can best be met using a three part strategy:

- planning and implementing core clean water programs on a watershed basis to protect and restore water quality;
- accelerate watershed protection by supporting local watershed protection efforts and initiating or strengthening protection of critical watersheds/waterbodies; and
- apply an adaptive management framework to make this process work.

Over the past year, EPA HQ and Regional program managers have focused on better defining the "watershed protection" element of this strategy. This FY 06 *National Guidance* differs from the FY 05 *National Program Guidance* in program measures that deliver watershed related benefits are clustered together as an integral group, rather than distributed across this entire subobjective (see Section 3 below). A new element of this effort will be the development of a "Watershed Game Plan" by each EPA Region that will further identify key activities Regions will undertake to improve implementation of this watershed subobjective. In addition, EPA has developed supplemental measures for expressing water quality improvements (see Appendix C) and Regions and States may choose to report under one or more of these measures in addition to existing measures described above.

Regions should take the lead in working with national programs and States/Tribes to allocate resources so that coordinated actions lead to achieving national water quality improvement goals in a manner that is best suited to the conditions and needs within the Region. These Regional allocation decisions are expressed as "Regional Targets" included in this *National Water Program Guidance* and will become more refined "Regional Commitments" within the Agency Annual Commitment System (ACS) by September.

1) Implement Core Clean Water Programs to Protect All Waters Nationwide

In FY 2006, EPA and the States need to continue to effectively implement programs established under the Clean Water Act to protect, improve and restore water quality on a watershed basis. Key tasks for FY 2006:

- strengthen the water quality standards program;
- improve water quality monitoring and assessment;
- develop Total Maximum Daily Loads and related plans;
- implement practices to reduce pollution from all nonpoint sources;
- strengthen the NPDES permit program; and
- support sustainable wastewater infrastructure.

Priorities for FY 2006 in each of these program areas are described below.

- **Strengthen Water Quality Standards:** Water Quality Standards are the regulatory and scientific foundation of water quality protection programs under the Clean Water Act. Under the Act, States and authorized Tribes establish water quality standards that define the goals and limits for waters within their

jurisdictions. They are used to determine which waters must be cleaned up, how much may be discharged, and what is needed for protection.

To help achieve strategic targets, EPA will continue to review and approve or disapprove State and Tribal water quality standards and promulgate replacement standards where needed; develop water quality criteria, information, methods, models and policies to ensure that each waterbody in the United States has a clear, comprehensive suite of standards that define the highest attainable uses; and as needed, provide technical and scientific support to States, Territories and authorized Tribes in the development of their standards. EPA will also continue implementation of the *Strategy for Water Quality Standards and Criteria* (EPA, August 2003), which identifies highest priority actions for strengthening the policy and scientific foundation of state and tribal water quality programs.

More specifically, EPA will develop pollutant criteria documents for high priority surface water pollutants posing the greatest risk (see Program Activity Measure WQ-1) and work with States and authorized Tribes to encourage adoption of new criteria, giving special attention to nutrient criteria for rivers, streams, lakes and reservoirs (see Program Activity Measure WQ-2) and adoption of biological criteria (see Program Activity Measure WQ-3). In a related effort, EPA will encourage and support Tribes to obtain approval to administer water quality standards programs and to develop water quality standards (see Program Activity Measure WQ-4).

As described in the discussion of watersheds in section 2 below, EPA will also work with States and Tribes to help them focus standards efforts on those waterbodies or issues that offer the best opportunities to support watershed improvements (see Program Activity Measure WQ-26).

EPA will also work with States and Tribes to ensure the effective operation and administration of the standards program, including assuring the timely completion of triennial reviews, focused on those changes to water quality standards that will most facilitate achievement of watershed goals and targets (see WQ-5) and the timeliness of EPA's review process (see Program Activity Measure WQ-6).

– **Improve Water Quality Monitoring**: Over the next 5 years, EPA will work with States and Tribes in providing information to make good watershed protection decisions and tracking changes in the Nation's water quality over time.

A top priority for FY 2005 was State development of monitoring strategies consistent with national guidance published in 2003, including State participation in efforts to develop statistically valid monitoring networks and State support of the national STORET water quality database. Also in FY 2005, EPA and States developed a process to take a statistically valid "snapshot" of water quality in key

waterbody types, starting in FY 2006 with wadeable streams. In FY 2006, EPA will work with States and Territories to help implement monitoring strategies on established schedules (see Program Activity Measure WQ-7) and completing monitoring needed for the "snapshot."

In a related effort, EPA will work with States and Territories to develop integrated assessments of water conditions, including reports under section 305(b) of the Clean Water Act and lists of impaired waters under section 303(d) of the Act. EPA is issuing new Integrated Reporting Guidance and, for FY 06, has a goal of most States/Territories providing integrated assessments in 2006 (see Program Activity Measure WQ-8).

In support of this integrated reporting, and to improve State capability to report on environmental progress, EPA is asking States/Territories to report their use of the Assessment Database or a compatible system starting in 2006 (see Program Activity Measure WQ-9). EPA is also preparing guidance to assist Tribes in developing monitoring strategies appropriate to their water quality programs (see Program Activity Measure WQ-10).

Finally, EPA will continue to approve new analytical methods for biological and chemical pollutants (see Program Activity Measures WQ-11).

– **TMDLs and Related Plans:** Development of Total Maximum Daily Loads or "TMDLs" for an impaired waterbody is a critical tool for meeting water restoration goals. TMDLs focus on clearly defined environmental goals and establish a pollutant budget, which is then implemented via permit requirements and through local, State, and Federal watershed plans/programs.

EPA will track the degree to which States develop TMDLs on approved schedules, based on a goal of being 100% on pace each year to meet State schedules or straight-line rates that ensure that the national policy of TMDL completion within 13 years of listing is met (see Program Activity Measure WQ-12). As noted below, EPA is encouraging States to organize schedules for TMDLs to address all pollutants on an impaired segment (see Program Activity Measure WQ-33) and to organize efforts so that segment level restorations are clustered together to provide improvements on a watershed basis.

Finally, EPA will work with both States and Tribes to increase the participation of Tribes in development of TMDLs or related watershed plans to protect impaired waterbodies that effect Tribal waters (see Program Activity Measure WQ-13).

– **Control Nonpoint Source Pollution:** Polluted runoff from sources such as agricultural lands, forestry sites, and urban areas is the largest single remaining

cause of water pollution. EPA and States are working with local governments, watershed groups, property owners, Tribes, and others to implement programs and management practices to control polluted runoff throughout the country.

EPA provides grant funds to States under Section 319 of the Clean Water Act to implement comprehensive programs to control nonpoint pollution, including reduction in runoff of nitrogen, phosphorus, and sediment. EPA will monitor progress in reducing loadings of these key pollutants (see Program Activity Measure WQ-14). In addition, EPA estimates that some 5,967 waterbodies are significantly impaired by nonpoint sources and will track progress in restoring these waters (see Program Activity Measure WQ-15) nationwide. Finally, EPA is encouraging the use of Clean Water State Revolving Funds to support projects related to nonpoint pollution (see Program Activity Measure WQ-16).

As described in more detail in section 2 below, EPA is encouraging States to use the 319 program to support a more comprehensive, watershed approach to protecting and restoring water quality. EPA recently published grant new guidelines for Section 319 program to reserve $100 million for developing and implementing comprehensive watershed plans that are to restore impaired waters on a watershed basis while protecting good waters. EPA has a goal of supporting several hundred watershed plans by 2008 (see Program Activity Measure WQ-27).

– **Strengthen NPDES Permit Program:** The NPDES program requires point sources discharging to water bodies to have permits and pretreatment programs to control discharges from industrial facilities to sewage treatment plants.

In FY 2003, EPA worked with States to develop the "Permitting for Environmental Results Strategy" to address concerns about the backlog in issuing permits and the health of State NPDES programs. The strategy focuses limited resources on the most critical environmental problems and addresses program efficiency and integrity. Beginning in FY 2004, EPA began assessing NPDES program integrity and in FY 2005 and 2006 will continue assessments and track implementation of followup actions (see Program Activity Measure WQ-17).

EPA will continue to work with States to set targets for the percentage of permits that are considered current, with the goal of assuring that not less than 90% of all permits are current by the end of 2006 (see Program Activity Measure WQ-18). In addition, EPA is working with States to expedite reviews of permit renewals and modifications for NPDES permits held by Performance Track facilities.

EPA is also working with States to structure the permit program to better support comprehensive protection o f water quality on a watershed basis. Some key elements of this effort (described in more detail in section 2 below) include;

- **High Priority Permits:** permits that can help implement TMDLs, watershed plans, effluent guidelines, or other environmental needs will be identified as high priority (see Program Activity Measure WQ-29);

- **Watershed Trading:** permits are an effective mechanism to facilitate cost-effective pollution reduction through watershed trading (see Program Activity Measure WQ-30).

- **Watershed Permits:** organizing permits on a watershed basis can improve the effectiveness and efficiency of the program (see Program Activity Measure WQ-31); and

EPA is also working with States, Tribes, and other interested parties to strengthen the permit program in addressing Concentrated Animal Feeding Operations (i.e., CAFOs). In FY 2005, EPA worked with States to updated regulations/statutes where necessary to reflect new CAFO requirements. In FY 2006, EPA and States will work toward a goal of assuring that all CAFOs are covered by a current CAFO permit (see Program Activity Measure WQ-19). In a related effort, EPA will work with States to assure that Phase II stormwater permits are current for all States and to assure that covered municipalities and construction sites are applying for coverage under permits (see Program Activity Measures WQ-20).

EPA and States will monitor the percentage of significant industrial facilities that have control mechanisms in place to implement applicable pretreatment requirements prior to discharging to publicly owned treatment works (see Program Activity Measure WQ-21).

Finally, EPA will estimate the annual reduction in pollutants discharged to water as a result of NPDES permits (see program Activity Measures WQ-22).

- **Support Sustainable Wastewater Infrastructure:** Much of the dramatic progress in improving water quality is directly attributable to investment in wastewater infrastructure—the pipes and facilities that treat the Nation's sewage. But the job is far from over. Communities are challenged to find the fiscal resources to replace aging infrastructure, meet growing infrastructure demands fueled by population growth, and secure their infrastructure against threats. Clean Water State Revolving Funds (CWSRFs) provide low-interest loans to help finance wastewater treatment facilities and other water quality projects.

Recognizing the substantial remaining need for wastewater infrastructure, EPA expects to continue to provide significant annual capitalization to CWSRFs for the foreseeable future. EPA will work with States to assure the effective operation of SRFs including monitoring the fund utilization rate (see Program Activity Measure WQ-23) and the rate of return on Federal investment (see Program Activity Measure WQ-24).

EPA will also encourage State officials to use the CWSRF program to support a watershed approach to protecting water quality. As described in section 2 below, EPA will continue to encourage integrated SRF planning organized on a watershed basis (see Program Activity Measure WQ-32) and will work with State to develop improved outcome and output measures (see Program Activity Measure WQ-25).

Another important approach to closing the gap between the need for clean water projects and available funding is to use sustainable management systems to prolong the lives of existing systems and provide clean water at lower cost. EPA will continue to work with industry leaders, such as Performance Track facilities, and others to share information and encourage the adoption of proven management approaches like environmental management systems (EMS) and asset management. In addition, we will participate in a collaborative strategy that will identify keys to success, barriers, incentives, and the roles and contributions of all stakeholders in further promoting management systems that lead to sustainability.

EPA will identify the range of approaches used to set utility rate structures based on full-cost pricing, collect “lessons learned” from utilities implementing those structures, and use that data to provide a range of options on full-cost pricing to meet the disparate needs of communities. EPA will also continue the modernization and integration of EPA databases and internet tools to provide utilities, fund managers and watershed planners with information that will allow them to assess projects and make decisions on a watershed basis.

EPA is completing research on a possible voluntary program to enhance the market for water-efficient products, modeled after the highly successful Energy Star program. Long-term savings from the program could be as much as 840 billion gallons per year (maximum based upon the top 14 products under consideration).

In a related effort, EPA will work with other Federal agencies to improve access to basic sanitation. The 2002 World Summit in Johannesburg adopted the goal of reducing the number of people lacking access to safe drinking water and basic sanitation by 50% by 2015. EPA will contribute to this work through its support for development of sanitation facilities in Indian country, Alaskan Native villages, and Pacific Islands communities using funds set aside from the CWSRF and

targeted grants. Other Federal agencies, such as the Department of Interior, U.S. Department of Agriculture, and Department of Housing and Urban Development also play key roles in this area and are working with EPA to develop a joint workplan by the Summer of 2005. EPA is also working to improve assess to drinking water and wastewater treatment in the Mexico Boarder area (see section 7 of this *Guidance*).

2) Accelerate Watershed Protection

Strong implementation of core Clean Water Act programs is essential to improving water quality but, by themselves, these efforts are not sufficient to accomplish the water quality improvements called for in the Agency's *Strategic Plan*. Today's water quality problems are often caused by many different and diffuse sources resulting in an accumulation of problems in a watershed. Addressing these complex problems demands an approach that actively seeks broad public involvement and focuses multi-stakeholder and multi program efforts within hydrologically-defined boundaries to protect, restore and improve water quality.

The National Water Program has sustained and positive experience using a watershed protection approach to focus core program activities and to promote and support accelerated efforts in key watersheds. At the largest hydrologic scales, EPA and its partners operate successful programs addressing the Chesapeake Bay, Great Lakes, and Gulf of Mexico, Lake Champlain, Long Island Sound, and National Estuary Program watersheds. Many States, EPA Regions, and their partners have also undertaken important efforts to protect, improve and restore watersheds at other hydrologic scales. Together, these projects provide strong evidence of the value of a comprehensive approach to assessing water quality, defining problems, integrating management of diverse pollution controls, and defining financing of needed projects.

EPA is significantly expanding its work with stakeholders and partners to restore and protect water quality on a watershed basis using innovative financing approaches and strategies beyond those available under the Clean Water Act. These efforts include:

– **Supporting Local Watershed Protection Efforts:** Over the past decade, EPA has witnessed a groundswell of locally-driven watershed protection and restoration efforts. Watershed stakeholders, such as citizen groups, governments, non-profit organizations, and businesses, have come together and created long-term goals and innovative solutions to clean up their watersheds and promote more sustainable uses of their water resources. EPA estimates that there are approximately 6,000 local watershed groups active nationwide. In FY 06, EPA will continue to develop national tools, training, and technical assistance that will help community partnerships be more effective at improving watershed health. EPA will also help local groups design watershed monitoring, plans, and implementation measures.

- **Issuing Targeted Watershed Grants:** In 2002, EPA began a program to encourage collaborative, community-driven approaches to meet clean water goals. The Agency awarded $15 million in grants in both FY 2003 and 2004 and has been appropriated $18 million for FY 2005. Throughout this program EPA will continue to support innovative watershed projects to foster targeted watershed protection and restoration activities in an effort to meet the goals of the *Strategic Plan* (see environmental outcomes describes in section A, above).

- **Strengthening Federal Agency Partnerships:** EPA is also working at the national level to develop partnerships with other Federal agencies to encourage their participation in watershed protection and to promote delivery of their programs on a watershed basis. For example, EPA will work with USDA to promote coordinated use of Federal resources, including grants under section 319 and Farm Bill funds.

As described in Section 1 above, EPA is also realigning its core program work to achieve water quality results on a watershed basis. These efforts include:

- **Water Quality Standards Supporting Watershed Management:** EPA will work with States to identify improvements to State water quality standards processes that will foster the management of water quality on a watershed basis. Starting in 2006, EPA will monitor the number of State that include watershed related improvements in triennial revisions to State water quality standards (see Program Activity Measure WQ-26).

- **Watershed Projects to Reduce Nonpoint Pollution:** In FY 2005, new grant guidelines for the Section 319 program reserve $100 million for developing and implementing comprehensive watershed plans that are to restore impaired waters on a watershed basis while protecting good quality waters. EPA has a goal of supporting several hundred watershed plans over the next five years and expects that nearly 50 of these watershed plans will be substantially implemented by 2008 addressing some 5,000 water miles/acres (see Program Activity Measure WQ-27).

- **Tribal Watershed Plans:** EPA will work with Tribes to support development of watershed plans by Tribes (see Program Activity Measure WQ-28).

- **High Priority Permits:** Each year, EPA and States define a subset of permits that have high environmental priority, including permits needed to support TMDLs and watershed plans. EPA has asked States to develop schedules for issuing these permits and assure that 95% of the permits are current as scheduled (see Program Activity Measure WQ-29).

- **Watershed Trading**: Implementing core programs at the watershed level is an important first step toward creating a framework for trading of pollution control

responsibility among sources in order to reduce the overall cost of attaining water quality goals (see Trading Policy at http://www.epa.gov/owow/watershed/trading).
EPA will monitor the number of discharge permits providing for trading and the number that actually carry out trades (see Program Activity Measure WQ-30). EPA will also encourage States to adopt provisions in nutrient TMDLs to enable trading.

– **Watershed Permits:** Development of discharge permits as part of a larger watershed planning process can result in more efficient management of the permit program and more cost-effective control of pollution sources. In FY 06, EPA will encourage development of watershed permits consistent with the EPA watershed permit policy (see Program Activity Measure WQ-31).

– **Integrated SRF and Watershed Planning:** EPA will encourage Sates to develop integrated priority lists that allocate State Revolving Loan Funds to projects addressing wastewater treatment, nonpoint pollution, and estuaries protection, based on the best opportunities to improve water quality, including support of watershed management plans (see Program Activity Measure WQ-32).

3) Apply and Adaptive Management Framework

The best way to achieve progress in improving and protecting waters and watersheds is to apply an adaptive management approach from the outset to better understand the problems, set challenging but realistic goals, and address opportunities associated with developing programs and building partnerships at the watershed level. Over the next five years, EPA expects to use this adaptive management framework to manage both core programs and accelerated watershed protection efforts in order to accomplish the five year goals for watershed and water quality improvement expressed in the *Strategic Plan*. Without this adaptive management process, progress toward measurable improvements in the Nation's waters will occur in a haphazard and unpredictable manner.

Regional Watershed Game Plans: Key Questions

National initiatives to foster watershed management are important, but significantly expanding the level of watershed management will require expanded efforts by Regions and States to develop and implement protection plans for specific watersheds. In planning for FY 06, EPA Regions have agreed to develop "Watershed Game Plans" for watershed restoration using a common set of key elements. The Game Plan will help Regions identify key activities that Regions should undertake to improve progress in meeting and measuring water quality goals. In developing its "Watershed Game Plan" each Region should consider the following questions:

- **Inventorying/Measuring/Accounting**: How will we address data issues, data management issues, identifying current actions, and developing tracking systems?

- **Targeting** : Where are we working or want to work, where can we make a difference for water quality? Where is the greatest bang for buck– across all programs and funding? How could we develop more documented approaches?

- **Directing**: What resources, financial, technical assistance, programmatic assistance, leveraged assistance, etc, can we bring to bear on these areas we plan to target and emphasize? Can grant guidance help?

- **Engaging**: Who do we need to bring along to make things happen on the ground and get the desired results? What capacity to we need to be building for watershed work that will be sustainable?

Defining Regional Waterbody/Watershed Goals

EPA recognizes that each EPA Region and each State needs to identify the mix of watershed approaches that best suits its needs. Regardless of the specific mix of watershed approaches adopted, however, each Region and State should commit to accelerating implementation of core programs on a watershed basis, expanding support for local watershed protection, and expanding watershed protection in key watersheds.

In the same way that each Region should work with States to define the best mix of watershed approaches, Regions and States should also work together to define the extent to which implementation of watershed approaches can be accelerated over the next five years. In defining the rate of acceleration of watershed approaches, Regions and States should use both the waterbody and watershed restoration and improvement goals in the EPA *Strategic Plan* as a point of reference while taking into account the extent of pollution problems and restoration work already underway.

In 2000, States identified some 21,632 specific waterbodies as impaired (i.e. not attaining State water quality standards) on lists required under section 303(d) of the Clean Water (see section 4/A.2 of this *Guidance*). Although core programs contribute to improving these impaired waters, success in restoring the health of impaired waterbodies requires a waterbody specific focus to define the problem and implement specific steps needed to reduce pollution. In addition, success in restoring a significant percentage of impaired waterbodies requires setting interim and long-term goals to guide this work..

Nationally, EPA has adopted a goal of restoring 25% of those waters identified as impaired by 2012 with an interim goal of restoring 5% of these waters (i.e 1,082 waterbodies) by the end of FY 06. The goal of restoring 25% of impaired waters by 2012 is included in the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA)

Strategic Plan. Table III below provides information about the distribution of impaired waters across EPA Regions and indicates estimates of the progress each Region expects to make in restoring impaired waters by 2006, 2008, and 2012.

TABLE III:
Water Segment Restoration Estimates by Region/Nation (Measure L)

Region	Impaired Water Segments Identified in 2000	*Estimated* 05 Restoration to Attainment	Estimated 06 Restoration to Attainment (cumulative)	Estimated 08 Restoration to Attainment (cumulative)	Estimated 2012 Restoration to Attainment (cumulative)
1	1,909	67	72	82	not reported
2	1,866	37	93	150	225
3	3,321	106	200	300	400
4	3,808	76	190	240	600
5	2,761	39	69	100	not reported
6	1,241	25	62	150	310
7	1,555	50	67	100	168
8	1,075	238	241	338	338
9	673	9	40	50	60
10	3,423	68	172	not reported	not reported
Totals	21,632	715 (3.3%)	1,206 (5.6%)	1,510 (partial)	2,101(partial)
National Goals in Strategic Plan	na	2005 Goal: 432 waters (2%)	2006 Goal: 1,082 waters (5%)	2008 Goal: TBD	2012 Goal 5,408 waters (25%)

In addition, States and Regions have indicated that the time-frame for full restoration of impaired waters can be long and that the significant program efforts to put plans in place to restore waters need to be better recognized. Recognizing this issue, EPA will work with States to report the number of impaired water segments where restoration planning will be complete by the end of FY 06 (see Program Activity Measure WQ-33). The completion of planning is an essential, intermediate step toward full restoration of a waterbody and can be documented more quickly and easily than actual waterbody improvement. In general, planning for restoration is complete when all the pollutant specific Total Maximum Daily Loads (TMDLs) for the waterbody are approved by EPA, or a watershed restoration plan that is an acceptable substitute for a TMDL, is complete.

Regions and States also have the option of estimating progress in restoring impaired waters as measured by attainment of some, but not all, designated uses (see Supplemental Measures in Appendix C). This "partial restoration" measure gives credit to numerous activities that have improved waters that would not have been recognized otherwise.

In identifying segments for which planning is complete, or will be complete in FY 06, Regions and States should give priority to these segments where a coordinated effort to address multiple segments is likely to result in progress on a larger, watershed basis. EPA encourages States to develop TMDLs or related segment specific plans on a watershed basis wherever this is possible.

At the national level, EPA has adopted a goal of bringing an additional 10 watersheds into attainment of the watershed goal in FY 2006 and an additional 128 watersheds by the end of 2008. EPA has not adopted a national goal for watershed improvement by 2012. EPA recognizes that his goal poses substantial challenges, but expects that addressing the challenges will build capability to protect watersheds at any scale.

Table IV, below, provides information on the distribution of watersheds meeting the goals described in the EPA *Strategic Plan* across EPA Regions and indicates estimates of the progress each Region expects to make in increasing the number of watersheds meeting this goal by 2006 and 2008.

TABLE IV:
Watershed Restoration Estimates by Region/Nation (2.2.1a)

Region	Watersheds (8 digit)	Watersheds Meeting Goal by 2002	Watersheds Expected to Meet Goal by 2005	Estimated Watersheds Meeting Goal by 2006 (cumulative)	Estimated Watersheds Meeting Goal by 2008 (cumulative)	Estimated Watersheds meeting Goal by 2012 (optional) (cumulative)
1	56	9	9	9	10	not reported
2	74	5	6	6	8	not reported
3	108	24	24	24	26	28
4	278	89	90	91	not reported	not reported
5	252	29	30	23	not reported	not reported
6	366	131	132	133	not reported	not reported
7	202	18	19	19	22	not reported
8	337	113	114	114	116	119
9	263	19	21	21	TBD	TBD
10	338	16	17	19	not reported	not reported
Totals	2,274	453	462	459	182(partial)	147(partial)
National Goals	N/A	453	2005 Goal of 462 watersheds	2006 Goal of 472 watersheds	2008 Goal of 600 watersheds	N/A

In addition, EPA recognizes that watershed restoration takes time. Regions have the option of including an estimate of watershed restoration progress by 2012 as well as under several other measures of progress being considered for adoption in the next *Strategic Plan* (see Supplemental Measures in Appendix C).

In developing these Regional estimates of progress, each Region should use the national goals in the EPA *Strategic Plan* as a point of reference and strive to accomplish waterbody and watershed restorations that will significantly contribute to meeting these national goals. Some Regions may find that continued implementation of core programs and related waterbody and watershed restoration work, will result in a significant contribution to these national goals.

In the event, however, that a Region finds that its existing program delivery and alignment is not likely to result in a significant contribution to national watershed goals, the Region should use the process of developing the Watershed Game Plan as an opportunity to work with States to rethink and redesign the delivery of clean water programs to more effectively protect, improve and restore watersheds. Regional estimates of progress should be the Region's best effort to restore impaired waters and watersheds based on an affirmative effort to redesign and refocus program priorities and delivery methods where this is necessary.

Marshaling Resources to Support Regional Watershed Game Plans

Regions are encouraged to use some or all of the following strategies in marshaling resources to support Watershed Game Plans:

- realign water programs and resources as needed, including proposal of reductions in allocations among core water program implementation as reflected in commitments to annual program activity measure targets;
- coordinate Regional Watershed Game Plans with Targeted Watershed Grants;
- coordinate the Regional Watershed Game Plan with section 319 funds reserved for development of watershed plans;
- make effective use of water quality planning funds provided under section 604(b) of the Clean Water Act;
- make effective use of Regional Geographic Initiative Funds within the Region;
- leverage resources available from other Federal agencies, including the US Department of Agriculture; and
- apply funds appropriated by Congress for watershed or related projects.

C) Grant Program Resources

Key program grants that support this subobjective are:

-- the section106 State program support grants and Tribal program support grants;
-- the section 319 State program grant, including set-aside for Tribal programs;
-- Targeted Watershed Assistance grants;
-- Alaska Native Village Water and Wastewater Infrastructure grants;

-- Clean Water State Revolving Fund capitalization grants, including set-asides for planning under section 604(b) of the Clean Water Act and for grants to Tribes for wastewater treatment infrastructure.

For additional information concerning these grants, see the grant program guidance website at http://www.epa.gov/water/waterplan

5) Protect Coastal and Ocean Waters

Estuaries and coastal waters are among the most productive ecosystems on Earth, providing numerous ecological, economic, cultural, and aesthetic benefits and services. They are also among the most threatened ecosystems, largely as a result of rapidly increasing growth and development. About half of the U.S. population now lives in coastal areas and coastal counties are growing three times faster than counties elsewhere in the Nation. Overuse of resources and poor land use practices have resulted in a host of human health and natural resource problems.

A) Environmental/Health Results Expected

Environmental results identified in the new EPA *Strategic Plan* related to protecting coastal and ocean waters are:

1) 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.

2002 Baseline: "fair/poor" or 2.4 2006 Target: 2.7 2008 Target: 2.6*

2) Maintain water clarity and dissolved oxygen in coastal waters at the national levels reported in the 2002 National Coastal Condition Report.

2002 Baseline: 4.3 for water clarity; 4.5 for dissolved oxygen

2006: Maintain clarity; DO to 4.6 2008: Maintain(clarity at 4.3; DO at 4.5)*

3) Improve ratings reported on the national "good/fair/poor" scale of the National Coastal Condition Report for:

– Coastal wetlands loss:
2002 Baseline: 1.4 2006 Target: 1.7 2008 Target: 1.6*

– **Contamination of sediments:**
2002 Baseline: 1.3 2006 Target: 2.1 2008 Target: 1.5*

– **Benthic quality:**
2002 Baseline: 1.4 2006 Target: 2.0 2008 Target: 1.6*

– **Eutrophic conditions:**
2002 Baseline: 1.7 2005 Target 3.0 2008 Target 1.9*

4) Working with National Estuary Program partners, protect or restore additional acres of habitat within the study areas for the 28 estuaries that are part of the NEP.

2002 Baseline: 0 acres restored 2006 Target: 25,000 (annual additional) 2008: 250,000

*** 2008 Target fixed in EPA Strategic Plan; to be revised FY 07**

B) Key National Strategies

For Fiscal Year 2006, EPA's national strategy for improving the condition of coastal and ocean waters will include key elements identified below:

– improve coastal monitoring and assessment;
– support State programs for coastal protection;
– implement the National Estuary Program; and
– protect ocean resources.

1) Coastal Monitoring and Assessment

EPA has made improved monitoring of water conditions a top priority for coastal as well as inland waters. In FY 2006, the National Water Program will work with the EPA Office of Research and Development to develop the third national Coastal Condition Report describing the health of the major marine ecoregions around the United States (see Program Activity Measure C/O-1). This report will build on past Reports in 2002 and 2004 and will allow for valid trend assessment. These assessments are the basis for the environmental measures of progress used in the EPA *Strategic Plan*.

In a related effort, EPA will continue to support the work of the Ocean Conservancy in the implementation of the National Marine Debris Monitoring Program (see Program Activity Measure C/O-2). The program provides valuable information on the extent and likely sources of marine debris and the possible impact on wildlife and on recreational uses of waters, especially beaches.

EPA has also recently acquired a new Ocean Survey Vessel (OSV), the *OSV Bold*, to replace the *OSV Peter W. Anderson.* The *Bold* is larger and more versatile than the *Anderson*, and has greatly increased the diversity of monitoring activities that EPA will undertake.

2) State Coastal Programs

States play a critical role in protection of coastal waters through the implementation of core Clean Water Act programs, ranging from permit programs to financing of wastewater treatment plants. States also lead the implementation of efforts to assure the high quality of the Nation's swimming beaches, including implementation of the BEACH Act (see subobjective 3).

In addition, States work with both EPA and the National Oceanic and Atmospheric Administration (NOAA) in the implementation of programs to reduce nonpoint pollution in coastal areas. In FY 2006, EPA will continue work with States to assist in the full approval of coastal nonpoint control programs in all coastal States.

In a related effort to support State coastal programs, EPA will work with coastal State to support the establishment of mercury monitoring stations in all coastal States (see Program Activity Measure C/O-3).

3) Implement the National Estuary Program

The National Estuary Program (NEP), which provides inclusive, community-based planning and action at the watershed level, plays a critical role in conserving coastal and ocean resources. A top priority in FY 2006 is to continue supporting the efforts of all 28 NEP estuaries to implement their Comprehensive Conservation and Management Plans.

In FY 2006, EPA will work with National Estuary Programs to improve information about conditions in the estuaries. EPA will develop a baseline report on the condition of National Estuary Program estuaries modeled after the National Coastal Condition Report to be issued in 2006 (see Program Activity Measure C/O-4). By 2005, most programs had indicators in place to track environmental trends in the estuary.

A critical measure of success is the number of priority actions in these plans that have been initiated and the number that have been completed. EPA has created a baseline to track priority actions initiated and completed (see Program Activity Measure C/O-5). EPA will also track the cumulative dollar amount of the resources leveraged by EPA grant funds (see Program Activity Measure C/O-6).

The health of the nation's estuarine ecosystems also depends on the maintenance of high-quality habitat. As a result, one of the environmental outcome measures under the Ocean/Coastal Subobjective (see A.4 above) is protecting or restoring additional habitat acres within the NEP study areas. For FY 2006, EPA has set a goal of protecting or restoring an additional 25,000 acres of habitat within the NEPs

4) Ocean Protection Programs

Several hundred million cubic yards of sediment are dredged from waterways, ports, and harbors every year to maintain the Nation's navigation system. All of this sediment must be disposed of safely. EPA and the U.S. Army Corps of Engineers (COE) share responsibility for regulating how and where the disposal of sediment occurs. EPA and COE will focus on improving how disposal of dredged material is managed, including designating and monitoring disposal sites, involving local stakeholders in planning to reduce the need for dredging, and support beneficial use of dredged materials (see Program Activity Measures C/O-7 and C/O-8).

One of the greatest threats to U.S. ocean waters and ecosystems is the uncontrolled spread of invasive species. Invasive species commonly enter U.S. waters through the discharge of ballast water from ships. In FY 2006, EPA will assist the U.S. Coast Guard in its efforts to develop ballast water exchange requirements and discharge standards and will work with other nations for effective international management of ballast water (see Program Activity Measures C/O-9 and C/O-10). In addition, EPA is working to develop improved measures for monitoring the rate of increase of invasive species.

EPA will also focus on enhancing regulation of discharges of pollution from vessels. Key work for FY 2006 includes working to develop standards for cruise ships operating in Alaskan waters (see Program Activity Measure C/O-11) and cooperating with the Department of Defense to develop discharge standards for certain armed forces vessels.

C) Grant Program Resources

Grant resources directly supporting this work include the National Estuary Program grants and coastal non-point pollution control grants under the Coastal Nonpoint Pollution Control Program administered jointly by EPA and the National Oceanic and Atmospheric Administration (section 6217 grant program). In addition, clean water program grants identified under the watershed subobjective support this work. For more information, see the grant guidance website http://www.epa.gov/water/waterplan

6) Protect Wetlands

Wetlands are among our Nation's most critical and productive natural resources. They provide a variety of benefits, such as water quality improvements, flood protection, shoreline erosion control, and ground water exchange. Wetlands are the primary habitat for fish, waterfowl, and wildlife, and as such, provide numerous opportunities for education, recreation, and research. EPA recognizes that the challenges the Nation faces to conserve our wetland heritage are daunting and that many partners must work together for this effort to succeed.

A) Environmental/Health Results Expected

Environmental and public health results identified in the new EPA *Strategic Plan* related to protection of wetlands are:

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

2002 Baseline: annual net loss of an estimated 58,500 acres.

2006 Target: 200,000 (cumulative) **2008 Target: 400,000 (cumulative)**

2) Annually, beginning in FY 2004, work with the U.S. Army Corps of Engineers (COE) and other partners to achieve no net loss of wetlands under Section 404 of the Clean Water Act regulatory program.

2006 Target: no net loss **2008 Target: no net loss**

Note: In April of 2004, President Bush announced a new national goal to achieve an overall increase in the Nation's wetlands, including restoring, improving and protecting at least three million acres of wetlands over the next five years.

B) Key National Strategies

The President's Earth Day 2004 Wetlands Initiative announced a performance-based goal to restore, enhance, and protect at least three million wetland acres over the next five years. In support of this goal, EPA and other Federal agencies will work closely with Federal, State, Tribal, local, and private entities to implement a coordinated program to protect wetlands.

EPA's commitment under the Presidents Initiative is to achieve an increase of 6,000 acres of restored wetlands and 6,000 acres of enhanced wetlands over the five-year period (1,200 acres per year in each category). EPA will track this commitment as a sub-set of the overall net gain goal and will track and report results separately under Program Activity Measure WT-1. These acres may include those supported by Wetland Five-Star Restoration Grants, the National Estuary Program, S. 319 Nonpoint Source grants, Brownfield grants, or EPA's Great Waterbody Programs.

EPA's national strategy for meeting wetland goals in the EPA *Strategic Plan*, as well as those identified in the President's Earth Day initiative is described below.

– **Net Gain Goal:** Meeting the "net gain" element of the wetland goal will be primarily accomplished by other Federal programs (Farm Bill agriculture

incentive programs and wetlands acquisition and restoration programs, including those administered by Fish and Wildlife Service) and non-federal programs. EPA will improve levels of wetland protection by States and other Federal programs through actions that include:

-- working with and integrating wetlands protection into other EPA programs such as Clean Water Act Section 319, State Revolving Fund, National Estuary Program, and Brownfields;

-- working with the Corps and/or States on permitting and mitigation compliance; providing grants and technical assistance to State, tribal or local organizations; and

-- developing information, education and outreach tools.

A key to the success of this effort is building the capacity of States and Tribes in wetland monitoring, regulation, restoration, water quality standards, mitigation compliance and partnership building (see Program Activity Measure WT-2). This measure is meant to reflect EPA's goal of increasing State and Tribal capacity in wetlands protection. In reporting progress under the measure, EPA will be looking for substantial progress under four of the six elements of the measure (i.e. monitoring, regulation, restoration, water quality standards, mitigation compliance, and partnership building).

In a related effort, EPA will continue to support watershed based and wetlands and stream corridor projects by States/Tribes (see Program Activity Measure WT-2).

– **No Net Loss**: EPA contributes to achieving no overall net loss in EPA's regulatory programs, including Clean Water Act section 404/401 permit review, compliance and enforcement, and other programs, such as Sections 402 and 311. Additionally, as part of the National Mitigation Action Plan, the Corps, EPA, USDA, DOI, and NOAA will establish a shared mitigation database by the end of FY 2005. Utilizing the shared database, the Corps, in conjunction with EPA, USDA, DOI, and NOAA, will provide an annual public report card on compensatory mitigation to complement reporting of other wetlands programs by FY 2006.

EPA will continue to work with the US Army Corps of Engineers to ensure application of the 404(b)(1) guidelines which require that discharges into waters of the U.S. be avoided and minimized to the extent practicable. Each Region will also identify opportunities to partner with the Corps in meeting performance measures for compensatory mitigation. At a minimum, these include:

– participation in joint impact and mitigation site inspections;
– participation on Mitigation Bank Review Team activities;

- assistance on development of mitigation site performance standards and monitoring protocols; and
- enhanced coordination on resolution of enforcement cases.

- **Wetland Monitoring:** EPA is working with States to build the capability to monitor trends in wetland condition as defined through biological metrics and assessments and has the goal of at least 14 States using these methods by 2008 (see Program Activity Measure WT-4).

  This measure is meant to put a spotlight on the further development of state wetland monitoring and assessment activities. The target is meant to reflect cumulative achievements expected by 2008 that States will generate baseline condition, ideally for at least 20% of the State, and then resurvey and report any change in that condition by 2008. To establish a trend, baseline condition may be established for a year prior to 2005 using landscape assessment (Tier I).

  Regions and States are encouraged to be as creative and rigorous as possible in conducting these wetland assessments, resources permitting. The monitoring design should include some Tier 2 (Rapid Assessment) and/or Tier 3 (Intensive Site Assessment) monitoring to ground truth and calibrate the Tier 1 (Landscape Assessment) method. There is a high degree of flexibility in designing the assessment protocols, however all assessment approaches must be well documented and defensible and ultimately provide a systematic method for reporting on wetland condition. State wetland monitoring should be consistent with national monitoring guidance published in 2003.

C) Grant Program Resources

Examples of grant resources supporting this work include the Wetland Program Development Grants, the Clean Water Act Section 319 Grants, the Brownfields grants, and the National Estuary Program Grants. For additional information concerning these grants see the grant program guidance website at http://www.epa.gov/water/waterplan

7) Protect Mexico Border Water Quality

The United States and Mexico have a long-standing commitment to protect the environment and public health in the U.S.-Mexico Border Region. The U.S.-Mexico Border 2012 Program, a joint effort between the U.S. and Mexican governments, will work with the 10 border States and with border communities to improve the region's environmental health.

A) Environmental/Health Results Expected

Environmental and public health results identified in the new EPA *Strategic Plan* related to water quality along the Mexico Border are:

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

2002 Baseline: n/a* 2006 Target: 5% 2012 Target: >50%

2) Increase the number of homes connected to potable water supply and wastewater collection and treatment systems.

2002 Baseline: n/a* 2006: 3% 2012:25%

***Baseline being developed in 2005 under Border 2012 workplan.**

B) Key Strategies

The basic approach to improving the environment and public health in the U.S. Mexico Border Region is the Border 2012 Plan. Under this Plan, EPA expects to take the following key Actions to improve water quality and protect public health.

1) **Core Program Implementation:** EPA will continue to implement core programs under the Clean Water Act and related authorities, ranging from discharge permit issuance, to watershed restoration, to nonpoint pollution control.

2) **Wastewater Treatment Financing:** Federal, State, and local institutions participate in border area efforts to improve water quality through the construction of infrastructure and development of pretreatment programs. Specifically, Mexico's National Water Commission (CNA) and EPA provide funding and technical assistance for project planning and construction of infrastructure.

Congress has provided $725 million for Border infrastructure from 1995 to 2004. The International Boundary and Water Commission (IBWC) also provided

assistance in the development of infrastructure facilities. For FY 2006, EPA expects to be able to provide funding for these projects. This funding will support significant project implementation, but will not be adequate to meet the targets for access to basic sanitation. EPA will continue working with all its partners to leverage available resources to meet priority needs.

3) **Build Partnerships:** Partnerships are critical to the success of efforts to improve the environment and public health in the Border Region.

Since 1995, the NAFTA-created institutions, the Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB), have had the primary role in working with communities to develop and construct infrastructure projects. BECC supports efforts to evaluate, plan, and implement financially and operationally sustainable water and wastewater projects; NADB helps project sponsors develop the appropriate financial package. EPA will continue to support these institutions.

In FY 2006, EPA will establish a workgroup with Mexico to develop a workplan to define specific steps needed to accomplish the water quality improvement goals expressed in the Border 2012 Plan.

4) **Improve Measures of Progress:** During FY 2006, EPA will work with Mexico. States, Tribe and other institutions to improve measures of progress toward water quality and public health goals.

C) Grant Program Resources

A range of national program grants are used by States to implement core programs in the U.S. Mexico Border Region. Allocations of the funding available for infrastructure projects are not provided through guidance, but through the cooperative processes of the applicable financing authorities (e.g., NADB, BECC).

8) Protect the Great Lakes

As the largest surface freshwater system on the face of the earth, the Great Lakes ecosystem holds the key to the quality of life and economic prosperity for tens of millions of people. While significant progress has been made to restore the environmental health of the Great Lakes, much work remains to be done.

A) Environmental/Health Results Expected

Environmental and public health results identified in EPA's *Strategic Plan* related to the Great Lakes are:

1) Prevent water pollution and improve the overall aquatic ecosystem health of the Great Lakes using the Great Lakes 40-point scale:
2002 Baseline: 20 points 2006 Target: 21 2008 Target: 22

2) Reduce the average concentrations of PCBs in whole lake trout and walleye samples will decline from 2000 levels:

2006 Target: 5% decline 2008 Target: 25%

3) Reduce the average concentrations of toxic chemicals (PCBs) in the air in the Great Lakes basin from 2000 levels:

2006 Target: 7% decline 2008 Target: 30%

4) Restore and delist Areas of Concern within the Great Lakes basin:

2002 Baseline: 0 AOCs restored 2006 Target:3 2010 Target: 10

5) Remediate cubic yards of contaminated sediment in the Great Lakes:

2002 Baseline: 2.1 million 2006 Target: .3 2008 Target: 3.3

B) Key Strategies

In May 2004, President Bush signed a Presidential Executive Order recognizing the Great Lakes as a national treasure, calling for the creation of a "Regional Collaboration of National Significance" and a cabinet-level interagency Task Force. In December of 2004, dozens of government officials and tribal representatives signed a Great Lakes Declaration in December

2004 and adopted a framework document for the Great Lakes Regional Collaboration to restore and protect the Great Lakes ecosystem.

The Great Lakes Regional Collaboration Framework establishes strategy teams, made up of government, quasi-government and other regional stakeholders, as the working bodies responsible for drafting action plans that will be used for the draft Great Lakes strategy. The teams will use the nine priorities identified in October 2003 by the Great Lakes Governors and since adopted by the Great Lakes Mayors and ratified by the Great Lakes Commission as their organizational foundation. This strategy will be presented to the members of the Great Lakes Regional Collaboration for resolution of final issues and adoption at Summit I, scheduled for the summer of 2005.

A new Great Lakes strategy will set new directions for efforts to protect the Great Lakes. As this planning proceeds, EPA and the Great Lakes National Program Office (GLNPO) will work with States in the Great Lakes area to implement the existing Great Lakes Strategy to maintain a strong and effective program to protect the Great Lakes, giving special attention to work in the following four key areas:

-- implementing core clean water programs;
-- implementing the Great Lakes Legacy Act with significantly expanded funding;
-- implementing expanded beach safety programs; and
-- addressing emerging issues, including a "dead zone" in Lake Erie and invasive species.

Each of these four key areas, which may be revised as new plans are developed, is briefly described below.

1) Core Clean Water Programs:

The core programs under the Clean Water Act provide a foundation of water pollution control that is critical to the success of efforts to restore and protect the Great Lakes. While the Great Lakes face a range of unique pollution problems (extensive sediment contamination) they also face problems common to most other waterbodies around the country. Effective implementation of core programs such as discharge permits, nonpoint pollution controls, wastewater treatment, wetlands protection, and appropriate designation of uses and criteria must be fully and effectively implemented throughout the Great Lakes Basin.

In addition, for the Great Lakes Basin, EPA will focus in FY 2005 on two key measures of core program implementation -- improving the quality of major discharge permits and implementing the national Combined Sewer Overflow (CSO) Policy. In the case of discharge permits, EPA has a goal of assuring that 100% of the major, permitted discharges to the Lakes or major tributaries have permits that reflect the most current standards by 2008. This is an increase from the 2002 baseline of about 37%. The FY 2006 target for this measure is 91% of permits (see Program Activity Measure GL-1).

In the case of the CSO Policy, EPA has a goal of 100% of permits being consistent with the Policy. The 2002 baseline is 83% of permits consistent with the Policy and the FY 2006 target is 91% of permits (see Program Activity Measure L-2).

2) Great Lakes Legacy Act:

Restoration of contaminated sediments around the Great Lakes is a critical step toward meeting water quality goals. In FY 2006, the Administration has proposed funding under the Great Lakes Legacy Act of $50 million in order to expedite work to address contaminated sediment. EPA has set a goal of completing not less than three sediment remedial actions each year (see Program Activity Measure GL-3).

3) Implementing Expanded Beach Safety Programs:

Making recreational waters of the Great Lakes safe for swimming is a common goal of the EPA *Strategic Plan* and other EPA Regional and Great Lakes plans. In FY 2006, EPA will work with States to both improve the State water quality standards for bacteria in recreational waters and to implement the BEACH Act (see section 3 of this *Guidance*). EPA has a goal of assuring that 100% of high priority beaches around the Great Lakes are served by water quality monitoring and public notification programs consistent with the BEACH Act guidance (see Program Activity Measure GL-4). EPA's Great Lakes National Program Office will continue to work with Regions and States to make and track progress toward the Great Lakes Strategy goal of 90% of monitored, high priority Great Lakes beaches meeting bacteria standards more than 95% of the swimming season.

4) Address Emerging Issues:

During FY 2006, EPA will work with Great Lakes States to gather information and develop proposed response actions concerning high levels of phosphorus in Lake Erie and the spread of invasive species throughout the Great Lakes Basin.

C) Grant Program Resources:

The Great Lakes National Program Office issues an annual Funding Guidance, soliciting projects furthering protection and clean up of the Great Lakes ecosystem. Priorities are expected to include Contaminated Sediments, Pollution Prevention and Toxics Reduction, Habitat (Ecological) Protection and Restoration, Invasive Species, Strategic or Emerging Issues, and specific Lakewide Management Plan or Remedial Action Plan (LaMP/RAP) Priorities (see: http://www.epa.gov/glnpo/fund). Additional information concerning these grants is provided in the grant program guidance website: http://www.epa.gov/water/waterplan

9) Protect and Restore Chesapeake Bay

The Chesapeake Bay is the largest estuary in the United States and a water resource of tremendous ecological and economic importance. For over twenty years, efforts to protect and restore the Bay have been led by the Chesapeake Bay Executive Council—Bay area governors, the mayor of the District of Columbia; the EPA Administrator, and the chair of the Chesapeake Bay Commission, a tri-state legislative body. This unique regional partnership has defined environmental improvements needed in the Bay and developed a strategy that blends regulatory and voluntary processes.

The Chesapeake Bay Program has shown how federal agencies and states can work together collaboratively, augmenting the results of individual agency programs through collective approaches. The greatest program management success for the Program in the last four years has been the water quality initiative. This huge basin-wide effort has resulted in:

- new, innovative water quality criteria for the entire Bay and its tidal tributaries, that are both more attainable and more valid scientifically, and that are being adopted by the tidal water states as regulatory water quality standards;
- adoption of nutrient (nitrogen and phosphorous) and sediment allocations for all parts of the 64,000 sq. mile watershed, which are sufficiently stringent to meet the living resource needs of the Bay and reflect a consensus of all six basin states, the District of Columbia and EPA;
- tributary-specific pollution reduction plans which spell out the treatment technologies and best management practices which must be employed to achieve the allocations; and
- a common NPDES permitting approach that unites both upstream and downstream states in the enforcement of the new water quality criteria and allocations.

The new water quality standards and permitting approach will help us take dramatic steps forward with nutrient reductions from wastewater facilities. For non-point source control, the new tributary strategies will help EPA, the Bay states and funding programs such as the Farm Bill programs focus much more effectively on Bay water quality priorities.

A) Environmental and Health Results Expected

The chief goal of Bay water quality restoration is protection of living resources and aquatic habitat. While there are a number of measures used by the Program, a key measure of success, which integrates both water quality and essential aquatic habitat, is the restoration of

submerged aquatic vegetation. To achieve improved water quality needed to restore submerged aquatic vegetation, the Chesapeake Bay Program partners committed to reducing nutrient and sediment pollution loads sufficiently to remove the Bay and the tidal portions of its tributaries from the list of impaired waters (see measures below).

1) **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.**

2002 Baseline: 85,252 acres	**By 2006: 100,000**	**By 2008: 120,000**

2) **Reduction in number of pounds of nitrogen entering the Bay each year from 1985 levels:**

2002 Baseline: 51 million lb.	**By 2006: 80**	**By 2008: 94**

3) **Reduction in number of pounds of phosphorus entering the Bay each year from 1985 levels:**

2002 Baseline: 8 million lb.	**By 2006: 9.0**	**By 2008: 9.7**

4) **Reduction in number of tons of sediment entering the Bay each year from 1985 levels:**

2002 Baseline: 0.8 million tons	**By 2006: 1.16**	**By 2008: 1.37**

Additional information concerning these goals is available on the Web at http://www.chesapeakebay.net/status.cfm?sid=88 and http://www.chesapeakebay.net/status.cfm?sid=186

B) Key Strategies

EPA and Bay area States have agreed to an approach to meeting restoration goals for Chesapeake Bay including the following key actions for FY 2006:

- fully implement base clean water programs in the Bay watershed;
- focus available non-point source control funding and technical assistance on the best management practices spelled out in the river-specific tributary strategies;
- continue regional-level cooperation to find more cost-effective practices for agriculture and stormwater management;
- implement recommendations of expert panel on funding options; and
- enhance monitoring and modeling to better report state of the Bay and its restoration;
- implement pollution reduction strategies; and

– link significant pollutant reduction with improved, ecosystem-based fisheries management and "Bay-friendly" land management practices.

In order to achieve success, EPA and the states need to further strengthen partnerships with complementary federal agency programs which fund agricultural conservation and ecosystem restoration, manage fisheries, and contribute to Bay scientific understanding.

In 2004, States developed pollution reduction strategies for each of the watersheds within the larger Bay watershed. These strategies define specific, localized approaches to meeting new State water quality standards and to restoring impaired waters by the year 2010. Although each strategy describes a series of steps specifically designed for that watershed, most strategies will include the following measures:

1) Implement advanced treatment and/or process changes at significant sewage treatment plants and industrial point source facilities (see Program Activity Measure CB-1) providing for cumulative nitrogen (N) and phosphorus (P) reductions from point sources in the watershed since1985. Additional information concerning this measure is available on the Web at http://www.chesapeakebay.net/status.cfm?sid=127 and http://www.chesapeakebay.net/status.cfm?sid=128

– Implement watershed permits that support pollution trading and promote state-of-the-art technologies. Most of the reductions in nutrient loads have come from the point source sector, and the new NPDES permitting approach will assure more rapid reduction in nutrient pollution from wastewater treatment facilities.

– Reduce nutrients and sediments from farms through effective implementation of CAFO permits and voluntary programs for the reduction of non-point sources of pollution and issuance of permits for confined animal feeding operations. Agricultural operations are not just sources of nutrients and sediments to the Bay – they are a vital part of the economy, landscape integrity and culture of the watershed. Dealing with agricultural non-point source pollution will require funding to support farmers, and the development of new tools such as precision feeding to manage this important sector.

– Expand the number of streamside forest buffers (see Program Activity Measure CB-2 providing for an increase in the miles of forest buffers from a 2002 baseline of 1,298 to 7,000 in 2008). Additional information concerning this measure is available on the Web at http://www.chesapeakebay.net/status.cfm?sid=83

– Protect, restore and enhance wetlands by restoring 25,000 acres by calendar year 2010 in the Wetlands Restoration Program (see Program Activity Measure CB-3). In addition, the states' regulatory programs will achieve a no-net loss of wetlands. Additional information concerning this measure is available on the Web at http://www.chesapeakebay.net/status.cfm?sid=198

– Develop innovative approaches for watershed scale management of water quality and implement locally supported watershed management plans in two thirds of the Bay watershed by calendar year 2010 (see Program Activity Measure CB-4).

  These plans will address the protection conservation and restoration of stream corridors, riparian forest buffers and wetlands for the purposes of improving habitat and water quality, with collateral benefits for optimizing stream flow and water supply. Also among the most pressing challenges for the Program is to influence new development practices in the watershed sufficiently to slow the loss of forest and the rampant increase in impervious surface cover – which in the decade of the 90s was five times the growth of population. Institutionalizing new "low impact" stormwater management in development throughout the watershed, allied with protection and restoration of riparian forest buffers, will be necessary to maintain the sustainable nutrient and sediment retention capacity of the watershed.

EPA and State partners will continue to implement core clean water programs that are essential to maintaining past progress in improving the health of the Bay. For example, Bay area States will continue to provide low interest loans for the financing of sewage treatment systems, will continue to implement comprehensive, statewide programs for reducing nonpoint sources of pollution, and implement the discharge permit program with respect to discharges from storm water facilities, concentrated animal feeding operations, sewage treatment plans and combined sewer overflows. EPA CBPO will work closely with Region 3 Air and Water Protection Divisions and HQ Offices of Air and Water to better quantify the water quality benefits due to air programs.

In December 2003, the Chesapeake Executive Council held its annual meeting and directed the establishment of a Blue Ribbon Finance Panel to study the costs of restoring the Bay and to come up with recommendations. The Panel, chaired by former Virginia Gov. Gerald L. Baliles, issued its report in October 2004. The primary recommendation was to establish a Bay-wide Financing Authority, capitalized by Federal and State sources.

Based on the projected costs of state "tributary strategies," the Panel recommended a $15 billion commitment over the next six years. In January 2005 the Executive Council met again and directed the Program to come up with a detailed recommendation, by no later than July 1, 2005, including necessary enabling legislation, to institute such a financing structure. The Executive Council also directed the Program to take a number of other immediate steps, including establishing a watershed funding network, developing a consensus process for determining funding priorities, and improving the coordination of federal agencies in Bay restoration activities.

In FY 2006, the Chesapeake Bay Phase 5 Watershed Model will be calibrated and verified for management application. Work will be in progress on upgrades to the Chesapeake Bay water quality model to incorporate a sediment transport submodel along with enhanced calibration of a new modeling grid. Implementation of the six-state Chesapeake Bay watershed nontidal water

quality monitoring network will be in its second full year in FY2006. Working with the scientific community through the Chesapeake Bay Program's Scientific and Technical Advisory Committee, reporting of water quality and nutrient/sediment load reduction progress will be fully integrated between these various ambient monitoring (nontidal and river input) and watershed model simulation efforts.

C) Grant Program Resources

Grant resources supporting this goal include the Chesapeake Bay Small Watershed Grants as well as a range of water program grants to States. In FY 2006, EPA expects to be able to implement the $8 M, FY 2005, Targeted Watershed Assistance Grant Program.

10) Protect the Gulf of Mexico

The Gulf of Mexico basin has been called "America's Watershed." Its U.S. coastline is 1,630 miles, it is fed by thirty-three major rivers, and it receives drainage from 31 States in addition to a similar drainage area from Mexico. One sixth of the U.S. population now lives in Gulf Coast States, and the Region is experiencing remarkably rapid population growth. In addition, the Gulf yields approximately forty percent of the Nation's commercial fishery landings. Gulf Coast wetlands comprise about half the national total and provide critical habitat for seventy-five percent of the migratory waterfowl traversing the United States.

A) Environmental/Health Results Expected

Environmental and public health results identified in the new EPA *Strategic Plan* related to the Gulf of Mexico are:

1) **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:**

   2002 Baseline: fair/poor or 1.9 2006Target: 2.4 2008 Target: 2.5

2) **Reduce releases of nutrients throughout the Mississippi River Basin to reduce the size of the hypoxic zone in the Gulf of Mexico:**
   Baseline: 1996-2000 running average size is 14,128 km2

   2015 Target: less than 5,000 km^2

B) Key Strategies

For FY 2006, EPA has worked with States and other partners to define key activities to support attainment of environmental and health goals. These activities fall into three categories:

- implementation of core clean water programs, in support of both the environmental goal for the Gulf of Mexico and in support of actions in the Mississippi Basin that help reduce Gulf hypoxia;
- activities that support meeting water quality and habitat restoration goals for the Gulf; and
- activities specifically focused on the Mississippi Basin that are designed to reduce the size of the Hypoxic Zone in the Gulf.

1) Core Clean Water Programs:

The Clean Water Act provides authority and resources that are essential to protecting water quality in the Gulf of Mexico and in the larger Mississippi River Basin that contributes pollution, especially oxygen demanding nutrients, to the Gulf. EPA Regions and the Gulf of Mexico Program Office will work with States to assure the continued effective implementation of core clean water programs, ranging from discharge permits, to nonpoint pollution controls, to wastewater treatment, to protection of wetlands.

In addition, the Gulf of Mexico Program Office has a long-standing commitment to development of effective partnerships with other programs within EPA, in other Federal agencies, and with other organizations. For example, the Program Office is working with the EPA Office of Research and Development and other Federal agencies to develop and implement a coastal monitoring program to better assess the condition of Gulf waters. The Program Office is working closely with the US Department of Agriculture to coordinate allocation of technical assistance and funding to priority geographic areas around the Gulf. EPA is also working with the National Oceanic and Atmospheric Administration, environmental organizations, the Gulf of Mexico foundation, and area universities to identify and restore critical habitat.

2) Protecting and Restoring the Gulf of Mexico:

A central pillar of the strategy to restore the health of the Gulf is restoration of water quality and habitat in 12 priority coastal watersheds. These 12 watersheds include 354 of the impaired segments identified by States around the Gulf and will receive targeted technical and financial assistance to restore impaired waters. The 2008 goal is to fully attain water quality standards in at least 20% of these segments (see Program Activity Measure GM-1) with a 2006 restoration goal of 42 segments.

Another key element of the strategy for improving the water quality in the Gulf is to restore, enhance or protect a significant number of acres of coastal and marine habitat. The overall wetland loss in the Gulf area is on the order of 50 percent and protection of the critical habitat that remains is essential to the health of the Gulf aquatic system. EPA has a goal of restoring 20,000 acres of habitat by 2008, with a FY 2006 interim goal of 13,400 acres (see Program Activity Measure GM-2).

EPA is also working with Mexico and Gulf States to implement an early warning system to manage harmful algal blooms (see Program Activity Measure GM-3) and expects to initiate the system in 2006.

Another priority for the Gulf of Mexico Program Office is to work with States and other Federal agencies to reduce the rate of shellfish-borne Vibrio vulnificus illnesses caused by consumption of commercially harvested oysters (see Program Activity Measure GM-4). Over a recent ten year period, the Centers for Disease Control identified over 200 serious illnesses from Vibrio resulting in 105 deaths. EPA will support efforts to improve education about proper cooking of oysters and the dangers of eating raw oysters. EPA will also support work to identify economically viable post-harvest treatment technologies. EPA has a goal of reducing the rate of illness from .303 per million consumers to .121 per million by 2008.

3) Reducing the Size of the Hypoxic Zone:

Any strategy to improve the overall health of the entire Gulf of Mexico must include a focused effort to reduce the size of the zone of hypoxic conditions (i.e. low oxygen in the water) in the northern Gulf. Actions to address this problem must focus on both localized pollutant addition throughout the Basin and on nutrient loadings from the Mississippi River.

EPA, in cooperation with States and other Federal Agencies, developed an *Action Plan for Reducing, Mitigating and Controlling Hypoxia in the Northern Gulf of Mexico* (2001). This Action Plan includes as a goal the long term target to reduce the size of the hypoxic zone from about 14,000 square km to less than 5,000 square km. measured as a five year running average and looks to a 30% reduction in nitrogen loadings to the Gulf. In working to accomplish this goal, EPA, States, and other Federal agencies will continue implementation of core clean water programs and partnerships. Specifically, in FY 2006, EPA will:

-- work with States to select one focus watershed in each of the Lower Mississippi River Basin States to reduce nutrient loadings to the lower Mississippi River (see Program Activity Measure GM-5) (reducing these loadings from the lower portions of the River is important for improving oxygen levels);.

-- work with States and other partners to identify the 100 highest opportunity watersheds where nitrogen reduction strategies should be implemented on a cooperative basis;

-- implement the "Friends of the Gulf" award program to recognize corporations, organizations, or individuals that have taken effective, voluntary measures to reduce nutrient inputs to the Mississippi River Basin and the Gulf;

-- work with the private sector to reduce both point and nonpoint sources;

-- support Mississippi River Basin States in their efforts to develop numeric nutrient criteria and nutrient standards for the tributaries, the large rivers, estuaries, and near coastal waters; and

-- assist the efforts of the Mississippi River Basin/Gulf of Mexico Watershed Nutrient Task Force in the 2005 Reassessment of the Action Plan.

C) Grant Program Resources

The Gulf of Mexico Program issues an annual Funding Guidance soliciting:

– projects that support the restoration of impaired water bodies including coastal and marine habitat protection, restoration, and enhancement in priority coastal areas;

– Gulf-wide projects protecting public health or initiatives for monitoring and assessment, education, and public outreach; and

– projects in the Lower Mississippi River and its tributaries to reduce nutrient loading**.**

Additional information concerning these grants is provided in the grant program guidance website http://www.epa.gov/water/waterplan

III WATER PROGRAM MANAGEMENT SYSTEM

This *National Program Guidance* document describes the general approaches that EPA, in consultation with States and Tribes, expects to be most effective in attaining the environmental and public health improvements identified in the new EPA *Strategic Plan.*

This *Guidance*, however, is part of a larger, three step management process:

– **Step 1: Complete *National Water Program Guidance*** (April of 2005);

– **Step 2: EPA Region/State/Tribe Consultation/Planning**: EPA Regions work with States and Tribes to develop FY 2006 Performance Partnership Agreements or other workplans, including commitments to reporting key activities and, in some cases, commitments to specific FY 2006 program output accomplishments (April - October); and

– **Step 3: Program Evaluation and Adaptive Management**: Evaluate program progress in 2006 and adapt water program management and priorities based on this assessment information (FY 2006).

Steps 2 and 3 of this program management system are discussed below.

1) EPA Region/State/Tribe Consultation/Planning (Step 2)

EPA Regions will work with States and Tribes beginning in April of 2005 to develop agreements concerning program priorities and commitments for FY 06. This process has several key elements:

A) ***Strategic Plan*/Regional Plan Foundation:** As in FY 2005, work planning processes for FY 2006 are to be organized using the goal structure of the EPA *Strategic Plan* and are to be informed by Regional Plans. Both the *Strategic Plan* and the Regional Plans address the same environmental and public health outcome measures and therefore provide a common "results" framework across EPA programs and within each EPA Region. Regional Plans further articulate strategies for accomplishing objectives and subobjectives that best fit that Region and also address Regional priorities not covered in the *Strategic Plan.*

B) **Program Integration:** EPA is encouraging States and Tribes to use an integrated, cross-program approach to achieve environmental and public health results. Three key ways EPA is encouraging program integration are:

– **Performance Partnership Agreements/Grants:** EPA is encouraging States and Tribes to develop workplans on an integrated, cross-program basis, including development of integrated agreements and grants.

– **"Bottom-up" Program Activity Commitment Process:** This water program management process supports program integration because it frees Regions and States to make annual resource allocations among program areas based on the priorities understood by the Regions and States, rather than as a simple extrapolation of a national priority and allocation. These national priorities still need to be considered over the long run (i.e. 2008 targets), but the foundation of results-based strategies creates the opportunity to free Regional, State, and Tribal planners to adapt program allocations to fit the most pressing needs in the short-term.

– **Integrated Measures Management:** EPA has developed a new, internet based, online system to manage all EPA program measures developed to monitor program activities and commitments in FY 2006. This integrated system will give all parties the chance to look at program measures and commitments across EPA programs, across Regions, as well as nationally.

C) Translating Strategies into Annual Program Commitments: EPA has worked with States and Tribes to define a minimum number of measures that address the critical program activities that are expected to contribute to attainment of long-term goals. Some of these Program Activity Measures track activities carried out by EPA HQ or Regions while others address activities carried out by States and Tribes (see Appendix A). In addition, some of these measures include annual "targets" while others are intended to simply indicate change over time.

During the Spring/Summer of 2005, EPA Regions will work with States and Tribes to:

– reach agreement concerning periodic reporting (i.e. not less than mid-year/end-of-year) of program activities including, at a minimum, the Program Activity Measures identified in Appendix 2; and

– for the subset of Program Activity Measures where an annual "target" is indicated, develop FY 2006 commitments in light of these targets and reflect the commitments in annual workplans (Appendix 2 includes "targets" for each EPA Region {to be provided in final Guidance} along with a national target).

Regions are to use these targets as guidelines in discussions with States and Tribes and should convert these targets into State, tribal, and Regional "commitments" in draft form by July 1 and final form by September 1. The goal of this joint effort is

to allocate available resources to those program activities that are likely to result in the best progress toward accomplishing water quality and public health goals for that State/Tribe (e.g. improved compliance with drinking water standards, improved water quality on a watershed basis).

Regional targets in this *Guidance* are the starting point for discussions, but the more formal, State-specific commitments that result from workplan discussions are intended to reflect environmental and financial circumstances in each State and to supplant these targets. **The tailored State/Tribal program commitments that result from this process will define, in an operational sense, the "strategy" for the National Water Program for FY 2006.**

D) Linking Program Grants to *Strategic Plan*/Regional Plans: EPA has developed new requirements for clear definition of the link between a program grant and the Agency *Strategic Plan.* As part of this process, this *National Program Guidance* includes specific references to program grants that support each of the objectives and subobjectives in the EPA *Strategic Plan.*

In summary, the schedule for key steps in Step 2 of the program management process is:

- Early April Final *National Program Guidance* /FY 06 Targets
- April - June Regions/States/Tribes Begin FY 06 Work Planning
- July 1st Regions/States/Tribes Complete DRAFT Commitments
- September 1st Final FY 06 Commitments

2) Program Evaluation and Adaptive Management (Step 3)

As the strategies and programs described in this *Guidance* are implemented during FY 2006, EPA, States and Tribes will evaluate progress toward water goals and work to improve program performance by refining strategic approaches or adjusting program emphases.

The National Water Program will evaluate progress using three key tools:

A) HQ/Regional Dialogues: Each year, the Office of Water will visit 3-4 EPA Regional Offices and Great Waterbody Offices to conduct dialogues on program management and performance. These visits will include assessment of performance in the Region against the:

- objectives and subobjectives in the *Strategic Plan*;
- regional water issues identified in the Regional Plan; and
- annual State/tribal Program Activity Measure commitments.

In addition, a key topic for the HQ/Regional dialogues will be identification of program innovations or "best practices" developed by the Region, States, Tribes, watershed organizations, and others. By highlighting best practices identified in HQ/Region dialogues, these practices can be described in water program performance reports and more widely adopted throughout the country.

B) Program-Specific Evaluations:

In addition to looking at the performance of the National Water Program at the national level and performance in each EPA Region, individual water programs will be evaluated periodically by EPA and by external parties.

EPA program evaluations include projects undertaken by the evaluation staff in the Office of Water and the continuing oversight and evaluation of State/tribal program implementation in key program areas (e.g. NPDES program). Evaluations of water programs by external parties include projects conducted by the EPA Inspector General, the Congressional General Accounting Office, the Office of Management and Budget, and the National Academy of Sciences.

EPA will develop an annual plan that identifies all the water program-specific evaluations that are expected to be underway in that year. The plan will be developed during the Spring/Summer for the fiscal year starting in October and will be provided to EPA Regions/States/Tribes and the public for comment. The plan will be a tool for avoiding duplication of evaluation projects, for prudent scheduling of evaluation projects, and for setting evaluation priorities based on input from other sources (e.g., *Strategic Plan*, HQ/Region dialogues).

C) National Water Program Performance Reports:

The Office of Water will prepare a performance report for the National Water Program at the mid-point in each fiscal year and the end of each fiscal year based on data provided by EPA HQ program offices, EPA Regions, States, and Tribes. These reports will give program managers an integrated analysis of:

– progress ***at the national level*** with respect to program activities and expected environmental and public health goals identified in the *Strategic Plan* and Regional plans;

– progress ***in each EPA Region*** with respect to the *Strategic Plan*, program activity measures, and the Regional Plan (including State/Region specific data);

– insights from recent ***HQ/Regional dialogues***, including "best practices" identified from the work of the Region, States, or Tribes; and

– insights from recent ***program-specific evaluations***, including internal and external evaluations.

The reports will include conclusions and recommended actions to improve program performance. In addition, the Office of Water will maintain program performance records over time and, to the extent possible, will use this information to identify long-term trends in program performance.

Improved program performance requires both a commitment to sustained program evaluation and a commitment to using program performance information to revise program management approaches. Some of the steps the Office of Water will take to improve the link between program assessment and program management include:

1) **Communicate Performance Information to Program Managers:** The Office of Water will use performance information to provide mid-year and annual program briefings to the Deputy Administrator and senior HQ water program managers. In addition, program performance reports will be provided at meetings of Water Division Directors twice a year. Mid-year and annual performance reports will also be provide to State organizations and Tribes.

2) **Communicate Performance Information to Congress and the Public:** The Office of Water will use performance assessment reports and findings to communicate program progress to other Federal agencies, the Office of Management and Budget, the Congress, and the public.

3) **Link to Budget and Workforce Plans:** The Office of Water will use performance assessment information in formulation of the annual budget and in development of workforce plans.

4) **Promote Wide Dissemination of Best Practices:** The Office of Water will actively promote the wide application of best practices and related program management innovations identified as part of program assessments. This may include expanded support of "peer to peer" networks among program managers and staff in EPA HQ, EPA Regions, States, and Tribes.

5) **Expand Regional Office Participation in Program Assessment:** The Office of Water will promote expanded involvement of Regional offices in program assessments and implementation of the assessment process. This effort will include expanded participation of the Lead Region in program assessment processes and inclusion of another Region in the HQ/Region dialogue meetings.

6) **Strengthen Program Performance Assessment in Personnel Evaluations:** The Office of Water will include in EPA staff performance standards specific references that link the evaluation of staff, especially the Senior Executive Service corps, to success in improving program performance.

7) **Recognize Successes**: In cases where program performance assessments have contributed to improved performance in environmental or program activity terms, the Office of Water will recognize these successes. By explaining and promoting cases of improved program performance, the organization builds confidence in the assessment process and reinforces the concept that performance improvements are attainable.

8) **Strengthen Development of Future Strategic Plans**: The Office of Water will use program assessments to improve future strategic plans and future program activity measures.

APPENDICES:

A) Slides of Program Activity Measures (including National/Regional Targets)

B) National Water Program Grants Management for FY 2006

C) Menu of Developmental Measures of Water quality Improvement

D) Final Regional and National Commitments (to be published as separate Appendix in October 2005)