

September 2010

The Klamath Basin Water Quality Improvement Tracking and Accounting Program (Klamath TAP) is being developed to support Klamath Basin restoration efforts. The program development effort is currently in the scoping phase, which includes determining feasibility and identifying interested participants. The US Environmental Protection Agency, Oregon Department of Environmental Quality, California North Coast Water Quality Control Board, PacifiCorp, and our partners are leading the scoping phase and are actively seeking additional partners to help guide program design and implementation. This document identifies the current vision for the Klamath TAP.

GOAL & OBJECTIVES

The proposed goal of the Klamath TAP is to increase the pace and reduce the cost of improving Klamath Basin water quality to support all water-related uses in the Basin, including, but not limited to, the recovery of native fish.

Objectives

- The following objectives are being considered in developing the Klamath TAP:
- Increase the effectiveness of actions and investments to restore water quality for protection of all beneficial uses by providing a framework to (a) identify opportunities to improve water quality, (b) facilitate basinwide prioritization and implementation of those opportunities, and (c) coordinate funding to address large-scale opportunities.
- Create a framework that is applicable basin-wide, directly relates benefits from specific restoration actions to progress towards meeting eutrophic pollutants and temperature basin-wide water quality goals defined in Total Maximum Daily Loads (TMDLs), is uniformly implemented in both California and Oregon, and is consistent with Oregon water quality trading policy.
- Enable public and private funders to invest in restoration projects with confidence, knowing the Klamath TAP transparently and comparably tracks water quality benefits from projects implemented (a) to meet regulatory requirements, (b) through government funded restoration and voluntary incentive programs, and (c) by private conservation initiatives.
- Provide a transparent process and robust tools that produce consistent results, are routinely adapted to incorporate the best available scientific information, and inform decisions ranging from individual project design to basin-wide policy.
- Enable water quality trading whereby regulated entities can purchase water quality offsets from entities capable of cost-effectively creating water quality improvements.

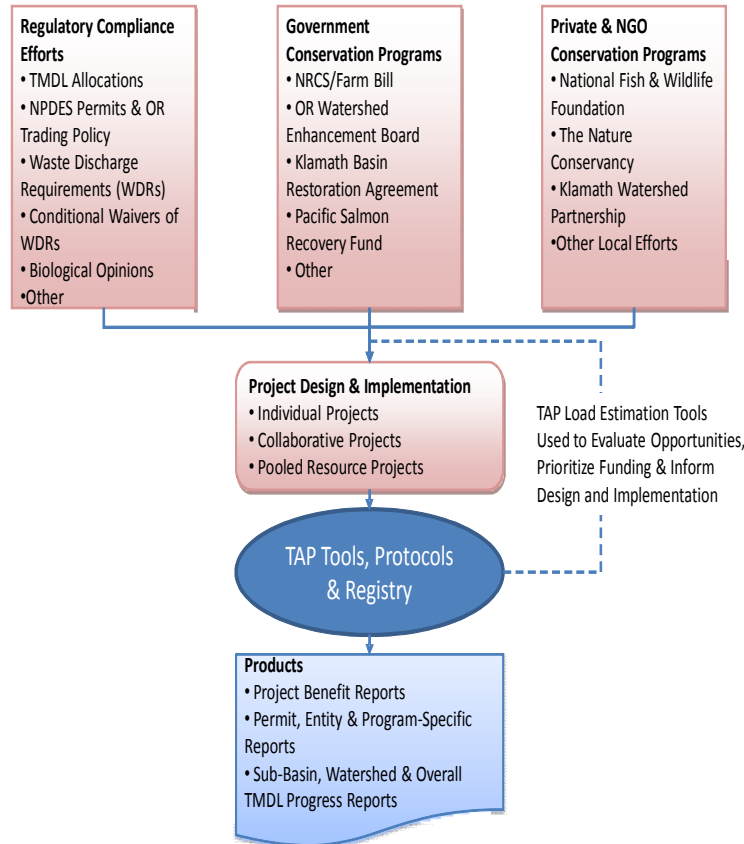
FEATURES

- The Klamath TAP is expected to have the following features:
- Defined pollutant load reduction metrics and water quality credits that address the specific pollutants of concern in the Klamath River and its tributaries.
- A standardized set of tools and protocols to estimate load reductions from restoration activities.
- A publicly accessible database, or registry, that tracks estimated load reductions from projects and reports progress towards achieving individual permit requirements, specific conservation program goals and TMDL milestones.
- Clear, consistent operating protocols to validate projects and estimate, certify, register and transfer credits.
- Program infrastructure that is capable of supporting potential expansion of the scope of the Klamath TAP to address a broader array of ecosystem services such as water flow and habitat availability.

- A transparent adaptive management process that (a) identifies needs for scientific research and monitoring to reduce uncertainty related to important decisions, (b) uses scientific findings to improve credit calculation tools and operational protocols, and (c) informs future investment and policy decisions by making information available in an understandable and timely manner.

RELATIONSHIP TO ONGOING INITIATIVES

The following diagram illustrates the proposed connection of the Klamath TAP to potentially related entities, programs and policies.



The Klamath TAP will provide a common framework for use by participants and programs to identify restoration opportunities, coordinate efforts, report results, and generate reports of accomplishments. The Klamath TAP will allow participants to: (a) consistently estimate load reductions and certify credits, which are tracked and accounted for by the TAP registry; (b) develop project-specific reports showing benefits from individual projects; and (c) generate reports showing how the combined benefits from multiple projects are progressing to achieve basin-wide TMDL and water quality goals.

PROGRAM DEVELOPMENT APPROACH & NEXT STEPS

The scoping phase of the Klamath TAP will conclude with a feasibility and scope decision in the fall of 2010. The detailed program design will occur in 2011. The launch of the initial program with supporting operational tools and reporting capabilities is envisioned for 2012.

We welcome additional input and other perspectives to ensure the Klamath TAP addresses the needs of all parties actively engaged in water quality restoration efforts in the Klamath Basin. Individuals interested in learning more about the Klamath TAP can contact Clayton Creager (California Water Quality Control Board – North Coast Region, CCreager@waterboards.ca.gov, 707-576-2666), Steve Kirk (Oregon Department of Environmental Quality, KIRK.Steve@deq.state.or.us, 541-633-2023), Gail Louis (US Environmental Protection Agency – Region 9,

louis.gail@epa.gov, 415-972-3467), or Alan Henning (US Environmental Protection Agency – Region 10, henning.alan@epa.gov, 541-687-7360).

Klamath Tracking and Accounting Program

Frequently Asked Questions

-

What is the Klamath TAP?

The Klamath Basin Water Quality Improvement Tracking and Accounting Program (Klamath TAP) is a framework to provide basin stakeholders with an efficient means to increase the pace and reduce the cost of improving Klamath River water quality to support all water-related uses in the Basin. Public and private, regulated and unregulated entities can use the Klamath TAP tools and protocols to identify, prioritize and implement water quality improvement opportunities. The program will provide an accepted unit of environmental benefit that will be used to relate individual actions to improve water quality to basin-wide goals. The program also provides the basis for a water quality trading market to facilitate a higher level of prioritization, activity and collaboration to restore water quality than could be achieved by a regulatory approach targeting individual entities in isolation.

The Klamath TAP will initially provide a framework to estimate, track and report water quality eutrophic pollutants and temperature with respect to Total Maximum Daily Load (TMDL) milestones. Over time the Klamath TAP can be expanded to address additional issues, such as water flow and habitat, identified in the Klamath Basin Restoration Agreement, biological opinions and other public and private restoration efforts.

What makes the Klamath TAP a win-win situation for participants?

The Klamath TAP provides a framework where multiple participants capable of funding or implementing projects to improve water quality can work together to use available funds most effectively. The Klamath TAP provides an option for regulated entities (i.e. those required to reduce pollutant loading) to collaborate with others to more cost-effectively meet regulatory requirements (including those pursuant to TMDLs) through projects that have a greater overall benefit for water quality restoration. Through regulatory offsets, as well as public and private restoration programs, financial incentives can be targeted to motivate entities that implement water quality improvement projects without a regulatory requirement to do so or in a manner that goes beyond their regulatory requirement.

By creating the potential for long-range planning and reliable reporting, the Klamath TAP will provide stakeholders the necessary tools to seek consistent funding to achieve water quality and environmental goals through a broad-array of restoration efforts that can provide jobs for local communities and support a restoration economy.

How would the Klamath TAP help me comply with regulations?

The Klamath TAP will provide an option that can be included in permits and other regulatory mechanisms for off-site water quality improvements to be applied to meet entity-specific pollutant load reduction requirements through water quality trading. Thus, point source dischargers could have the option to meet their waste load reduction requirements by collaborating to implement water quality improvement projects to offset their pollutant loads. If, for example, restoring wetlands, improving stream habitat, or installing best management practices on farm, forest, and rangeland can provide better water quality improvements than costly technology, the TAP can provide the information and accounting needed to facilitate those opportunities. The resulting collaboration between Klamath Basin stakeholders that jointly undertake common projects and initiatives to improve water quality and enhance environmental conditions creates the potential to reduce the cost of compliance while achieving greater environmental benefit than projects undertaken on an individual basis.

How will the Klamath TAP be developed and what role could my organization or I play in the design and implementation of the program?

The Klamath TAP will proceed through three major stages of development with distinct opportunities for involvement from stakeholders at each stage. These stages are:

- 1) **Program Scoping** This stage will identify the type of water quality credits, the necessary tools, the related policies and programs, and the primary program participants needed to successfully implement the Klamath TAP to achieve program goals. During this stage it is important to have input from stakeholders that have a long-term interest in improving water quality conditions in the Klamath Basin and achieving regulatory requirements. This stage will be complete in late 2010.

- 2) **Program Design** This stage will develop specific tools and protocols that will be used to 1) estimate load reductions from projects and relate the results to overall watershed restoration, 2) verify, track and report results from projects implemented throughout the basin, and 3) support multi-entity collaboration on projects to fulfill multiple regulatory and restoration program needs. Program design will occur throughout 2011.
- 3) **Program Launch and Ongoing Program Operations** This stage will reach out to participants to use the Klamath TAP tools and protocols. Participants who will benefit from using Klamath TAP include: 1) groups that are required to achieve water quality improvements and can track how their actions are resulting in required pollutant load reductions, 2) groups implementing voluntary water quality improvements to account for pollutant load reductions, 3) restoration program managers to use the Klamath TAP to report on the environmental benefits from their overall suite of activities, and 4) regulators and interested citizens to use the information provided by the Klamath TAP to inform their regulatory and funding decisions. Program launch is envisioned for 2012.

How is the Klamath TAP related to the TMDLs developed by Oregon and California?

The Klamath Basin TMDLs were developed by the states of Oregon and California to quantify the amount of specific pollutants found in key waters in the basin, and to determine how much of those pollutants need to be reduced in order to meet water quality standards and to support the beneficial uses of those waterbodies. The Klamath TAP will track how restoration investments and projects addressing both point and non-point sources of pollution are leading to the achievement of entity-specific and tributary and basin-wide pollutant load reductions identified in each TMDL.

The California and Oregon TMDL implementation plans identify the Klamath TAP as a mechanism for responsible parties to earn credit toward their regulatory requirements related to TMDLs. The Klamath TAP can also serve as a means to track progress on TMDL implementation efforts and account for water quality improvements undertaken throughout the Klamath Basin. By identifying reductions that may be achieved by certain projects, the Klamath TAP may also facilitate planning and coordination of TMDL implementation efforts to encourage actions that improve water quality.