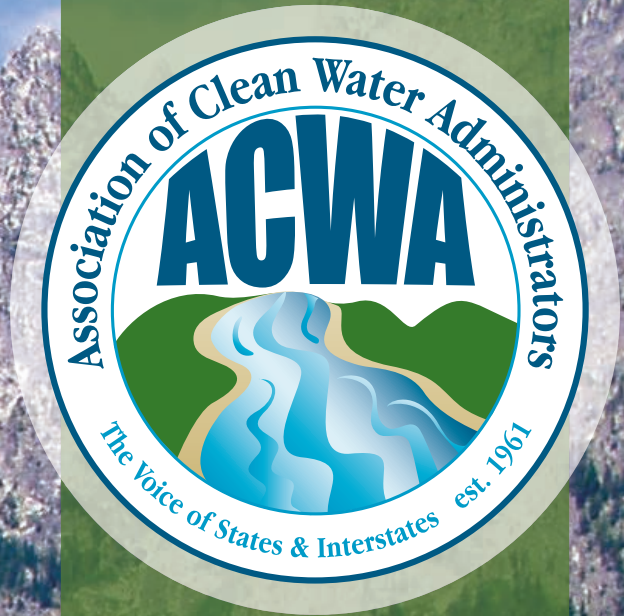


Annual Report

Fiscal Year 2014







Annual Report Fiscal Year 2014

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Cover Photo: Yellowstone Lake, WY. Photo Courtesy of Julia Anastasio, ACWA.

Back Cover Photo: Jordan Creek, NC. Courtesy of Bridget Munger, North Carolina Department of Environment & Natural Resources.

Top Photo: Headwaters of the Tanana River. Courtesy of Tim Hoffman, Alaska Department of Environmental Conservation.

Letter to the Membership from President Shellie Chard-McClary



Dear Colleagues:

I am pleased to have served as President of the Association of Clean Water Administrators (ACWA) this year, and to welcome you to my state capitol, Oklahoma City, Oklahoma, for our 53rd Annual Meeting. It has been a tremendous honor to work with all of you to advance clean water across the nation. Each of our geographic regions has its own unique challenges and priorities which occupy many hours of our days. When an issue is relevant across the nation, ACWA provides an unparalleled forum for us to work together and to ensure that the “voice of states and interstates” is heard.

As you all know, this year we faced an unexpected challenge with the resignation of our Executive Director & General Counsel, Alexandra Dunn. Alex helped to lead our organization out of a very turbulent time and restore our credibility as the voice of Clean Water Act program implementers. We were very fortunate to have an excellent search committee that worked quickly and diligently to review almost 30 applicant resumes, conduct interviews and select her successor. I am so excited that Julia Anastasio agreed to make the move from her position with the American Public Works Association to lead ACWA. Julia’s arrival began another new and exciting chapter in ACWA’s history!

As you read the ACWA Annual Report, I hope you are impressed with the amount and quality of work we accomplished together in this year. Our key efforts this year have included work on: the NPDES eReporting rule, 2013 National CAFO Roundtable, federal funding, NPDES fee survey, Water Quality Standards rule, Waters of the U.S. rule, fiscal sustainability for ACWA, increased collaboration with the other water associations, and many more.

ACWA had a wonderful opportunity when EPA Administrator, Gina McCarthy, joined us at our 2014 March Mid-Year joint meeting which we held in conjunction with the Association of State Drinking Water Administrators and Ground Water Protection Council. It is a rare opportunity to hear directly from the Administrator. Also, we had an incredibly productive meeting engaging in dialogue with our sister water organizations. The improved relationship between the water associations can only serve to better protect the environment and public health.

I would like to offer a special thanks to member states, interstates, affiliates, subscribers, and friends, for your continued support of the only national organization whose Board of Directors is comprised exclusively of state and interstate clean water officials. I want to personally thank you for making time in your already busy daily schedules to ensure the “voice of states and interstates” is effectively heard. Without you, and our dedicated staff, we would be far less effective, clear, bold, and visionary.

As my term as ACWA President comes to an end, I look forward to my continued work with ACWA on the pressing issues that we will encounter in the coming years. Additionally, I am excited to work with incoming President, Mike Fulton, to keep our momentum going. In conclusion, I challenge each of you to do two things: 1) continue to contribute your time and talents to ACWA because we all learn so much from each other’s knowledge; and 2) encourage your staff to engage with ACWA committees, workgroups, etc. so that we can ensure that the “voice of states and interstates” continues to be heard for many years to come.

Sincerely,

A handwritten signature in blue ink that reads "Shellie Chard-McClary". The signature is fluid and cursive, with the first name "Shellie" being more prominent.

Shellie Chard-McClary
Water Quality Division Director, Oklahoma Department of Environmental Quality
ACWA President

Letter to the Membership from Executive Director & General Counsel Julia Anastasio



Dear Members:

As we gather together in Oklahoma City for the 53rd Annual Meeting, we can celebrate our accomplishments and turn our attention to setting a course to meet future challenges. I am proud to join you in your work as ACWA's new Executive Director & General Counsel and I hope that together we can continue to take real and meaningful actions to advance cleaner and healthy watersheds across the country. While my time with ACWA has been short, it is clear to me that you have built a strong and well respected organization through your hard work, dedication and passion. I want to thank the Board of Directors, Committees, Work Groups, and Task Forces and the entire ACWA membership for your leadership and dedication. ACWA would not be the organization it is without you.

In this fiscal year, ACWA continued to strengthen and facilitate regular and meaningful discussions with EPA on several key issues and continued to deliver on our Cooperative Agreement with EPA's Office of Water. ACWA organized a regionally diverse workgroup of state water quality standards experts to work with EPA on the options the agency is considering for the final Water Quality Standards Rule. More recently, ACWA facilitated a series of co-regulator calls with EPA, the US Army Corps of Engineers, and states on the proposed changes to the definition of "Waters of the U.S." in the Clean Water Act. Going forward ACWA will continue to work collaboratively and cooperatively with our co-regulators at EPA so that we can continue to create and realize a shared vision for clean water in America.

ACWA continues to evolve and respond to meet states' needs. In October, ACWA created and launched a 319 Workgroup to provide a regular forum for state information sharing and state/federal dialogue on issues related to the implementation of the new Clean Water Act (CWA) § 319 program guidelines. ACWA also coordinated the first Steering Committee call for a new Nutrients Working Group with state experts and representatives from the Office of Science and Technology and the Office of Ground Water and Drinking Water. The Office of Wetlands, Oceans and Watersheds, the Office of Wastewater Management, and the new working group will help states better understand the relationships and linkages of EPA-driven nutrient initiatives, and develop strategies for reducing nutrient loading to our waters.

ACWA's fiscal house remains lean, yet stable, and the Association is positioned well financially to continue to provide you with the services, support and attention that you have grown to expect. The continuing Cooperative Agreement with the EPA Office of Water, along with consistent payment of state dues and sound guidance and leadership from the Board of Directors, has enabled ACWA to achieve this degree of financial stability and has positioned the association to move forward with key priorities.

As we turn our attention to the coming year, ACWA will continue to carry forward the voice of the states and interstates on those real and meaningful actions that advance cleaner and healthy watersheds across the country. In the coming year, ACWA's staff will continue to cultivate and develop our relationships with other governmental agencies, non-profits and non-governmental organizations. ACWA's effectiveness and strength is enhanced through collaboration, coordination and innovation with our partners. We will continue to build on these strengths and work to ensure that the perspective of the states and interstates is heard.

I look forward to meeting with all of you in Oklahoma City and to working with all of you as we continue to ensure "clean water everywhere for everyone."

Sincerely,

A handwritten signature in blue ink that reads "Julia Anastasio". The signature is fluid and cursive.

Julia Anastasio
Executive Director & General Counsel

State, Interstate, and Affiliate Members



Red River Gorge, KY.
Courtesy of Michelle Shane,
Kentucky Department for
Environmental Protection.

Alabama Department of Environmental Management, Water Division
Alaska Department of Environmental Conservation, Division of Water
Arizona Department of Environmental Quality, Water Quality Division
Arkansas Department of Environmental Quality, Water Division
California State Water Resources Control Board
Colorado Department of Public Health & Environment, Water Quality Control Division
Connecticut Department of Energy and Environmental Protection, Bureau of Water Protection & Land Reuse
Delaware Department of Natural Resources & Environmental Control, Division of Water
Delaware River Basin Commission
District Department of the Environment, Water Quality Division
Florida Department of Environmental Protection, Division of Water Resource Management
Georgia Department of Natural Resources, Environmental Protection Division
Hawaii Department of Health, Environmental Management Division, Clean Water Branch
Idaho Department of Environmental Quality, Surface Water Program
Illinois Environmental Protection Agency, Bureau of Water
Indiana Department of Environmental Management, Office of Water Quality
Interstate Commission on the Potomac River Basin
Interstate Environmental Commission
Iowa Department of Natural Resources, Water Quality Bureau
Kansas Department of Health & Environment, Bureau of Water
Kentucky Department for Environmental Protection, Division of Water
Louisiana Department of Environmental Quality, Water Quality Assessment Division
Maine Department of Environmental Protection, Bureau of Land & Water Quality
Maryland Department of the Environment, Water Management Administration
Massachusetts Department of Environmental Protection, Bureau of Resource Protection
Michigan Department of Environmental Quality, Water Bureau
Minnesota Pollution Control Agency, Commissioner's Office for Water Policy
Mississippi Department of Environmental Quality, Office of Pollution Control
Missouri Department of Natural Resources, Water Protection Program
Montana Department of Environmental Quality, Water Protection Bureau
Nebraska Department of Environmental Quality, Water Quality Division
Nevada Division of Environmental Protection, Bureau of Water Pollution Control
New England Interstate Water Pollution Control Commission
New Hampshire Department of Environmental Services, Water Division
New Jersey Department of Environmental Protection, Department of Water Quality
New Mexico Environment Department, Surface Water Quality Bureau
New York State Department of Environmental Conservation, Division of Water
North Carolina Department of Environment & Natural Resources, Division of Water Quality
North Dakota Department of Health, Division of Water Quality
Ohio Department of Agriculture, Livestock Environmental Permitting Program
Ohio Environmental Protection Agency, Division of Surface Water
Ohio River Valley Water Sanitation Commission
Oklahoma Department of Environmental Quality, Water Quality Division
Oklahoma Water Resources Board, Water Quality Programs Division
Oregon Department of Environmental Quality, Water Quality Division
Pennsylvania Department of Environmental Protection, Bureau of Water Standards & Facility Regulation
Puerto Rico Environmental Quality Board, Water Quality Area
Rhode Island Department of Environmental Management, Office of Water Resources
South Carolina Department of Health & Environmental Control, Bureau of Water
South Dakota Department of Environment & Natural Resources, Surface Water Quality Program
Susquehanna River Basin Commission
Tennessee Department of Environment & Conservation, Division of Water Resources
Texas Commission on Environmental Quality, Office of Water
Texas State Soil & Water Conservation Board
Utah Department of Environmental Quality, Division of Water Quality
Vermont Department of Environmental Conservation, Watershed Management Division
Virginia Department of Environmental Quality, Water Division
Washington State Department of Agriculture
Washington Department of Ecology, Water Quality Program
West Virginia Department of Environmental Protection, Division of Water & Waste Management
Wisconsin Department of Natural Resources, Bureau of Watershed Management
Wyoming Department of Environmental Quality, Water Quality Division

About ACWA, History, and Mission

ACWA is the independent, nonpartisan, national organization of state and interstate (hereinafter in this Report, states refers to both states and interstates) water program directors, responsible for the daily implementation of the Clean Water Act's (CWA) water quality programs. Originally established in 1961 as the Association of State and Interstate Water Pollution Control Administrators (ASIWPCA), in 2011 we became ACWA – the Association of Clean Water Administrators. ACWA is the only nationally recognized organization whose entire agenda and mission are set by a Board of Directors and Leadership composed entirely of state/interstate water quality program administrators and managers.

Long before the passing of the *Federal Water Pollution Control Amendments of 1972*, state and interstate professionals were working together to protect and improve water quality nationally through ACWA. For over half a century, ACWA has consistently provided the highest level of information, programming, technical support, and collaborative opportunities in order to increase state capacity and support the federal government in the implementation of the federal CWA and related water quality programs. The Association has led national co-regulator collaboration forums, orchestrated evaluation and enhancement of water quality programs, supported workshops, national meetings, webcasts, and conference calls, and identified and highlighted innovative state programs and practices. ACWA strives to assess and convey the



Shoal Creek, AL. Courtesy of Daniel Saliba, Alabama Department of Environmental Management.

shared perspectives of state/interstate water quality agencies at the national level. We facilitate dialogue between state/interstate water quality agencies and many federal agencies as well as Congress and the Administration. We offer forums for the exchange of technical and program information and innovations among water quality professionals, and we promote public education on water quality issues. ACWA's work over the years has consistently furthered the specific interests of the federal/state partnership in developing and implementing water quality protection programs. When the federal government partners directly with states through ACWA, better regulations are drafted, superior policy is created, duplication is reduced, national consistency is improved, flexibility is gained, unintended consequences are avoided, greater certainty is realized, legal challenges are minimized, and, ultimately, the public is better served.

The growing complexity of water quality issues associated with modern challenges requires more collaboration than ever. Over our five decades, we have developed relationships with many organizations, including non-governmental organizations, industry trade associations, municipal and local governmental organizations, and other state regulator groups. ACWA's effectiveness through the years has been enhanced through collaboration, coordination, and innovation with these stakeholders.

Mission

As the national voice of state and interstate water programs, ACWA strives to protect and restore watersheds to achieve "clean water everywhere for everyone." ACWA works to maintain a vibrant national organization that:

- serves membership needs and achieves a high level of participation;
- is the national voice for state and interstate clean water program concerns, interests, and priorities;
- facilitates technical and policy innovation among national and state water programs (best practices);
- fosters the collaboration needed for sound public policy; and
- carries out activities in an efficient, ethical, and fiscally sound manner.

ACWA LEADERSHIP

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Shellie Chard-McClary (OK)

Vice-President

Michael Fulton (AZ)

Treasurer

Martha Clark Mettler (IN)

Secretary

Kent Woodmansey (SD)

Immediate Past President

Steven H. Gunderson (CO)

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Region 4 Drew Bartlett (FL)

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Region 9 David Gaskin (NV)

Region 10 Gregory Aldrich (OR)

Interstates Carlton Haywood (ICPRB)

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Executive Director & General Counsel

Deputy Director

Director of Operations

Senior Environmental Program Manager

Environmental Program Manager

Environmental Law and Policy Scholar

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Sean Rolland

Annette Ivey

Susan Kirsch

Melissa McCoy

Julian Gonzalez

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Beveridge & Diamond, P.C.

Clyde Wilber LLC

Crowell & Moring LLP

Geosyntec Consultants

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Mike Fulton

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Adrienne Nemura

Sean Rolland

Paul Stacey

John Madras

Mike Tate

Permitting, Compliance & Enforcement

CO-CHAIRS: Melanie Davenport (VA), Kathy Stiller (DE)

The Permitting & Compliance Committee (P&CC) continues to be one of the most active Committees in ACWA. Starting in 2012, the P&CC divided into workgroups aligned with substantive programmatic areas. P&CC members now participate on one or more of these workgroups. Likewise, EPA has initiated several small related technical workgroups on which ACWA and states participate. This committee and its respective workgroups were invited to participate on a record number of calls this year (84) – maintaining this Committee’s historic high level of activity. Most recently, and towards the ends of the fiscal year, states were invited to assist EPA with their National Pollutant Discharge Elimination System (NPDES) Strategic Visioning initiative.

The workgroups under this Committee took the lead in developing comment letters on the following:

1. NPDES eReporting Rule Comment Deadline Extension Request
2. Proposed NPDES eReporting Rule
3. Preliminary 2012 Effluent Limitations Guidelines (ELG) Plan
4. ELG to Steam Electric Power Generating Point Sources
5. State Review Framework Streamlining Effort
6. Office of Enforcement Compliance Assurance (OECA) and OW National Program Manager Guidance



Presque Isle State Park, PA. Courtesy of Lori Mohr, Pennsylvania Department of Environmental Protection.



Confluence of the Little and North Umpqua Rivers, OR. Courtesy of David Cole, Oregon Department of Environmental Quality.

Enforcement Workgroup

CHAIR: Patrick Rosch (OK)

The Enforcement Workgroup continues to focus on the implementation of initiatives associated with the CWA Action Plan. Priority subjects of attention included moving to electronic reporting, improving compliance, addressing the most serious water pollution problems, and improving state and EPA performance in protecting water quality. The Enforcement Workgroup invested significant resources to review and comment on the proposed NPDES eReporting Rule and the specific program reporting data elements found in Appendix A. EPA created a EPA/State Coregulator Technical Workgroup to delve deeper into some of the NPDES eReporting Rule implementation challenges. Several states also participated on the New Enforcement Framework workgroup initiative, which is intended to direct enforcement resources at the most significant water quality issues. Other related call topics include updating the Discharge Monitoring Report Pollutant Loading Tool and National Pollutant Discharge Elimination System (NPDES) dashboards, the Innovative Approaches Workgroup, Cross-Media Electronic Reporting Regulation, next generation compliance, and streamlining the State Review Framework process.

Section 2: Regulatory, Legislative & Programmatic Accomplishments

Industrial Branch Workgroup

CO-CHAIRS: Grace Scott (MI), Janet Kieler (CO)

The Industrial Branch Workgroup focuses on the pretreatment program and issues associated with ELG development, implementation, and related policy. In the area of pretreatment, in August 2013 ACWA delivered a presentation on the Workgroup's pretreatment program prioritization recommendations (on areas of technical support provided by EPA's National Pretreatment Program) to 150+ attendees, including several state and EPA representatives, at the Region VI Pretreatment Association Conference in Irving, TX. The recommendations are intended to serve as a launching pad for cross-program discussions at EPA and between states and EPA, and in January 2014, ACWA hosted an EPA/State call to discuss the recommendations. EPA shared information on existing and ongoing work that may already address some of the states' recommendations and call participants discussed potential next steps where states and EPA can work collaboratively to achieve progress on some of the recommendations in the near term. Future EPA/State discussions that will drill down into specific recommendations (e.g., metal finishing guidance) are anticipated.

The Association submitted formal comments in September 2013 on EPA's proposed ELGs for the Steam Electric Power Generating Point Source Category, and in October 2013 on EPA's Preliminary 2012 ELG Plan. In January 2014, ACWA coordinated a small group of state experts on CWA § 316(b) issues for a meeting with the Office of Management & Budget (OMB) on EPA's final cooling water intake rule that was under review at that time. The final rule was published on May 19, 2014.

Rural Branch Workgroup

CO-CHAIRS: Kent Woodmansey (SD), Bruce Yurdin (NM)

The Rural Branch Workgroup focuses on the Concentrated Animal Feeding Operation (CAFO) programs and the NPDES Pesticide Permitting program. The Workgroup held monthly calls where topics included EPA's *State Animal Agriculture Program Compendiums*, duty to apply/discharge guidance, nutrient management plan tools, state technical standards, the state CAFO data/FOIA request, the proposed NPDES eReporting Rule, challenges associated with tile drains, summary of state manure transfer programs, Utah's strategy to address water pollution from animal agriculture operations over the last decade, Iowa's nutrient management plan form, and results of EPA's ten year § 610 Regulatory Flexibility Act review of the CAFO Rule.

On October 15-17, 2013, ACWA and the California State Water Resources Board hosted the 2013 National CAFO Roundtable in Sacramento, California. Agenda topics included an overview of the California program, state adop-

tion of Natural Resource Conservation Service standards, Environmental Management Systems, the California Dairy Assurance Program, manure management systems, facility nutrient flows, removing digester challenges, Nutrient Management Plan flexibility, successful voluntary programs, status of CAFO litigation, impacts of nitrates on groundwater, and electronic reporting. Planning is underway for the 2014 National CAFO Roundtable, which will be held in Des Moines, Iowa.

State, Regional & Other NPDES Issues Workgroup

CHAIR: Peter Tennant (ORSANCO)

The EPA integrated stormwater and wastewater planning initiative has been a priority topic for this Workgroup. ACWA collaborated with several organizations and assisted with the planning for the Region 8 Integrated Planning meeting held in Denver, Colorado on March 31, 2014. ACWA remains engaged with states and municipalities on developing workshop topics and encouraging feedback, improving communication, solving implementation challenges, and identifying best practices and future permitting opportunities. Other areas of interests to this workgroup include the coming Sufficiently Sensitive Methods Rule and mixing zones/blending.

Stormwater Workgroup

CHAIR: Mary Borg (VT)

The Stormwater Workgroup focused mostly on traditional wet weather issues, with a particular focus on EPA's efforts to develop a post construction stormwater rule. Call topics this year included green infrastructure implementation, the proposed NPDES eReporting Rule, Georgia's Stormwater Management Manual, Minnesota's Construction and Development Rule updates including Low Impact Development requirements, potential "Alternative Program Criteria", non-regulatory activities to reduce stormwater impacts, improving MS4 permits in impaired waters, consideration of financial capability of MS4s in implementing retrofit requirements, impacts of EPA's residual designation authority response, whether stormwater/impervious surface fees are resulting in improved water quality, the new National Stormwater Calculator, linkages between TMDLs & MS4 permits, stormwater and climate adaptation & resiliency. On March 19, 2014 EPA announced they are now deferring action on a national post construction stormwater rule and will instead focus on localized solutions, technical assistance, and incentive based initiatives.

Monitoring, Standards & Assessment

CO-CHAIRS: Martha Clark Mettler (IN), Derek Smithee (OWRB)

The Monitoring, Standards & Assessment (MSA) Committee continued to hold monthly Committee calls this year with agendas focusing on a variety of hot topics, including human health criteria updates, selenium criteria, downstream protection FAQs, the National Assessment Database and the national TMDL tracking system (ATTAINS) redesign effort, and others. The Committee calls featured recurring participation by EPA Headquarters staff from the Office of Science & Technology (OST) and the Office of Wetlands, Oceans, and Watersheds (OWOW) to discuss the latest efforts of these Offices and solicit state input.

This fiscal year the MSA Committee served as a central forum for State-to-State and EPA/State discussion of EPA's long anticipated Water Quality Standards (WQS) Rule proposal. A series of October 2013 state discussions culminated in a 1.5 day EPA/State workshop held in November where state representatives from all ten regions shared their concerns and questions on the proposal with EPA Headquarters. The Association worked with Committee members to provide feedback to EPA on implementation challenges and topics. Since the EPA/State workshop was so successful, ACWA facilitated an EPA/State WQS Roundtable that thereafter held weekly discussions, allowing for meaningful state input on the proposed rule.

The Committee continued to lend its support to joint association and stakeholder efforts aimed at funding for the U.S. Geological Survey's Streamgauge (USGS) and National Water Quality Assessment programs, as well as encouraging continued investment in beach monitoring via specific appropriations for the BEACH Act program. Committee members remained actively involved in the collaborative efforts of several EPA/State workgroups, including the Monitoring Assessment Partnership (MAP), Water Quality Standards Managers Association (WQSMA), and the Quicksilver Caucus (QSC). In January 2014, the Association joined a QSC letter to EPA and the Office of Management & Budget urging the Administration to make progress on various regulatory initiatives aimed at addressing mercury pollution.

Also in the area of EPA/State collaboration, since October 2012, ACWA has played an active role in coordinating and facilitating the work of the revived WQS Forum, a venue for the development of tools and materials that will assist states with approaches to common technical issues and challenges in the arena of WQS. For its first major work product, the Forum produced a discussion paper to share ideas on options for the use of continuous monitoring data on temperature, pH and dissolved oxygen. Next, the Forum will tackle development of one or more templates for narrative water quality criteria for wetlands. The MSA Committee will refer other issues as appropriate to the Forum.

TMDLs & Watersheds

CO-CHAIRS: Tom Stiles (KS), Traci Iott (CT)

The TMDL & Watersheds Committee remained actively engaged this fiscal year in EPA/State efforts that continue to shape TMDL policy at the national level. The EPA/State workgroup aimed at developing new interim metrics for measuring § 303(d) program success continued to refine draft recommendations developed last fiscal year, and a small group of states is currently piloting new draft measure WQ-27, which all states will ultimately implement.

In December 2013, EPA released its *Long-Term Vision for Assessment, Restoration, and Protection under the Clean Water Act Section § 303(d) Program* (the "Vision"), which was developed from an extensive EPA/State collaborative effort beginning in 2011. The TMDLs & Watersheds Committee served as the chief discussion forum for states and EPA Headquarters and Regions to delve into the various Vision goals, while states worked through development of their individual state Vision and implementation plans. Specifically, the Committee hosted goal-specific calls on the Prioritization, Public Engagement and Alternatives Vision goals from December 2013 to February 2014. Following each call, ACWA distributed online questionnaires to states to gather additional state information and examples related to the subject Vision goal. Information gathered via the call discussions and questionnaires assisted EPA and states with preparation for the National TMDL & § 303(d) Listing Workshop held in May. The Committee plans to continue mining the responses collected to the three questionnaires to share specific states' examples and approaches that could benefit fellow states.

With the publication of the rulemaking *Definition of 'Waters of the United States' Under the Clean Water Act*, proposed by EPA and the Army Corps of Engineers (Corps), ACWA organized three co-regulator discussions with EPA, the Corps and other state associations to discuss questions states submitted on the proposed rule. Topics addressed within the questions included shallow subsurface and other connections, ephemeral streams, significant nexus,



Brook Trout. Courtesy of Blake Beyea, Colorado Department of Health & Environment.

ditches, and technical guidance suggestions. ACWA also added a *Waters of the U.S.* page to our website, which provides links to various resources that can assist states with preparing comments addressed at improving the final rule. Included is a memo prepared by ACWA that provides a brief overview of key elements of the proposed rule. ACWA is now in the process of forming a small state workgroup to identify areas of consensus, concern or in need of additional clarification.

§ 319 Nonpoint Source Workgroup

CHAIR: Jaime Gaggero (KS)

The newly created § 319 Nonpoint Source Workgroup enjoyed active participation from 30+ states in its initial activities. ACWA launched the Workgroup in 2013 to provide a forum for states to share information on topics related to the implementation of the revised *Nonpoint Source Program and Grants Guidelines for States and Territories* (i.e. Section 319 Guidelines). Several states provided input to an online questionnaire in December 2013 on topics and activities of greatest import, which the Workgroup used to help prioritize its efforts this past year. One topic that ranked high for many states was sharing information and experiences related to participating in the National Water Quality Initiative (NWQI) under the NRCS, ushered in by the updated Section 319 Guidelines. ACWA hosted an EPA/State call in January 2014 that was aimed at identifying areas where potential enhancements could strengthen and sustain NWQI partnerships in future years. A subsequent online questionnaire and further state discussions informed the development of a letter that the Association expects to submit to EPA and NRCS early in the next fiscal year. The letter is aimed at highlighting NWQI successes and identifying areas for enhancements that will strengthen the initiative moving forward. The Association anticipates hosting a State-EPA-NRCS call in FY2015 to discuss the letter and next steps.

Prioritization was also a main area of focus for the Workgroup this past year. A January 2014 call provided an opportunity for a few states to share their approaches to prioritizing water bodies needing restoration and protection, and striking a balance between both needs. Additionally, joint discussions in April and again in June with the TMDLs & Watersheds Committee provided an opportunity to share experiences with cross-program priority setting between nonpoint source and § 303(d) programs.



Taking stream flow measurements at Beaver Creek, CO. Courtesy of Blake Beyea, Colorado Department of Health & Environment.



Old Mission State Park, MI. Courtesy of Amy Berry, Michigan Department of Environmental Quality.

Nutrients Policy

CO-CHAIRS: Mike Tate (KS), Marcia Willhite (IL)

During the summer of 2013, ACWA addressed the challenge of developing numeric nutrient criteria (NNC) by launching an online NNC Toolkit that provides a suite of tools for states to consider for use when working to develop NNC. The launch of this state-focused site coincided with EPA's launch of a more federally-focused version.

ACWA worked with EPA to plan and present a workshop on bioconfirmation, titled "Guiding Principles on an Optional Approach for Developing and Implementing a Numeric Nutrient Criterion that Integrates Causal and Response Parameters."

In conjunction with ACWA's Annual Meeting in August 2013, ACWA worked with EPA to plan and present a workshop on bioconfirmation, titled "Guiding Principles on an Optional Approach for Developing and Implementing a Numeric Nutrient Criterion that Integrates Causal and Response Parameters. Nutrient management, NNC, EPA's Nutrient Indicators Dataset, and other critical nutrient pollution issues were laced throughout the panels at ACWA's Annual Meeting, including a specific breakout session on Nutrient Management. EPA also shared with ACWA their document "Actions to Help States Address Barriers to Numeric Nutrient Criteria Implementation (2012–2014)," which was based on the "NNC Barriers Action Plan" that the NNC Implementation Barriers Workgroup created, with ACWA's support, in 2011. After the Annual Meeting, ACWA helped EPA organize and facilitate a September webinar on bioconfirmation to continue the discussion from the Annual Meeting workshop, and also worked with EPA to prepare a presentation for the EPA's September Water Division Directors' Meeting on how EPA and states can make progress on point source reductions in states with no NNC.

Following a path set forward at ACWA's 2014 Mid-Year Meeting, ACWA began working with EPA to create an EPA/State Nutrients Working Group (NWG) to address the challenge of near term reductions in nutrient pollution. In June 2014, ACWA coordinated the first Steering Committee call of the NWG with Nutrients Policy Committee (NPC) Co-Chairs Tate and Willhite, the four major offices

at EPA's Office of Water (OST, OWOW, OWM and OGWDW), and Office of Water leadership. The mission of the Working Group is to help states and EPA better understand the varied concerns and challenges around nutrient pollution, as well as the limitations, areas of flexibility, and potential solutions for making progress towards reducing nutrient pollution, and will serve as a venue within which the EPA offices can have a more coordinated interaction with states. Immediate goals are to identify state experts to participate in the Working Group, and decide on priority topic areas on which to focus during the first year.

This fiscal year the Committee hosted talks on Iowa's nutrient management strategy, optimization of publicly owned treatment works performance, and the World Resources Institute's assessment of the Mississippi River Basin Healthy Watersheds Initiative (MRBI). The MRBI received an overall rating of "Fair," and recommendations were presented that can be brought to bear on future Regional Conservation Partnership Program (RCP) projects. Those included involving stakeholders (e.g., producers) early in developing projects, leveraging resources from non-USDA sources, prioritizing projects that aim to achieve existing policy goals (e.g., TMDLs), and establishing accountability for landscape-scale outcomes.

Finally, ACWA is committed to supporting the scientific and ecological underpinnings of an effective water quality trading program. As such, in December 2013 ACWA joined the National Network on Water Quality Trading being fostered by a number of national non-governmental organizations, and in March 2014, the National Water Quality Trading Alliance. Through the Network and the Alliance ACWA hopes to share beneficial information with those states and interstates that desire to incorporate trading into their water quality programs.



U.S. EPA Administrator Gina McCarthy with ACWA, ASDWA and GWPC leadership at the 2014 Joint Mid-Year Meeting.



Medano Creek, Great Sand Dunes National Park, CO. Courtesy of Blake Beyea, Colorado Department of Health & Environment.

Water Resources Management Committee

CO-CHAIRS: Jeff Manning (NC), Carol Collier (DRBC)
(until March 31, 2014)

The Water Resources Management Committee launched last year as an evolution of the Climate Adaptation Committee. The Committee participated on several joint calls with the Stormwater Workgroup. Call topics included local scale stormwater adaptation studies, wet weather frequency, duration and intensity, risk & uncertainty vs. cost of inaction, modeling and tools, 7 “R’s” of flooding (remove, raise, reinforce, redirect, relocate, respond, re-educate), and greening our cities. The Chairs continued to participate on EPA’s State Tribal Climate Change Council (STC3) and the USGS’s Advisory Committee on Water Information (ACWI) Climate Change Adaptation Workgroup.

Energy Task Force

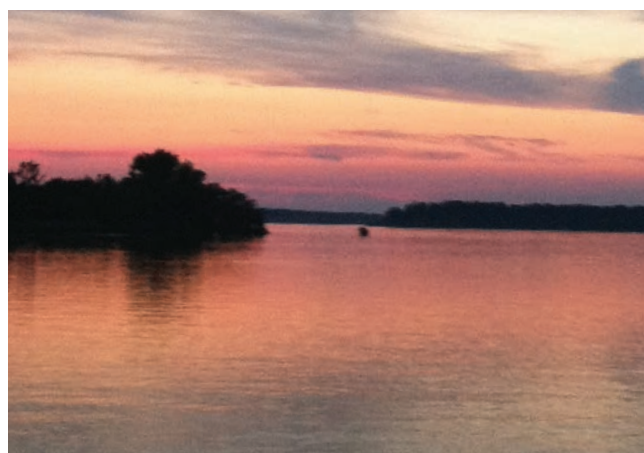
CHAIR: Stephen Bernath (WA)

The Energy Task Force continued to keep an eye on energy-water nexus issues and held a webinar on Tennessee’s Water and Wastewater Energy Efficiency Partnership. On this webinar, NACWA and WEF members joined with ACWA to learn about Tennessee Department of Environmental Conservation’s (TDEC’s) program with the Tennessee Valley Authority, EPA Region 4 and others to perform free energy assessments for municipal water and wastewater treatment plants. Participants heard how this program gained active participation, delivered energy savings and improved wastewater facility operations.

Oil & Natural Gas Extraction Workgroup

CHAIR: Dave Gaskin (NV)

The Oil & Natural Gas Extraction Workgroup has tracked progress on rulemakings and legislation around the country related to the water quality impacts of hydraulic fracturing, as well as EPA’s Study of the Potential Impacts of Hydraulic Fracturing on Drinking Water Resources. On a call in May 2014, Workgroup members convened to hear representatives from Nevada, North Dakota, Colorado, Pennsylvania, the Groundwater Protection Council and the U.S. Bureau of Land Management discuss recent and ongoing technical, policy and rulemaking developments in their agency or sector. Attendees heard about efforts related to chemical disclosure; casing integrity; monitoring of groundwater pre- and post-extraction; treatment, recycling and disposal of produced waters; seismic activity; air emissions; and ballot initiatives limiting hydraulic fracturing.



Miles River, MD. Courtesy of Susan Kirsch, ACWA

Funding Task Force

CO-CHAIRS: Ron Poltak (NEIWPCC), Mike Beck (CO)

The Funding Task Force continued to track and inform the membership of budget developments inside the Beltway. With Congress unable to reach agreement in time to pass a budget resolution, October 2013 brought a nearly three week federal government shutdown. ACWA kept the membership apprised of shutdown developments and the eventual short-term budget agreement that extended federal funding at post-sequestration 2013 levels while appropriations leadership worked on a budget conference agreement. The Task Force reacted swiftly to the January 13 release of the omnibus package, hosting a January 14 call for ACWA Members and Subscribers to provide a fiscal forecast based on the presumed enactment of the FY2014 budget, as well as the latest progress on reconciling the two Water Resources Development Act (WRDA) proposals, including the proposed Water Infrastructure Finance and Innovation Act (WIFIA) option. The Task Force tracked and communicated major budget milestones such as the President's FY2015 Budget request and water infrastructure financing developments via email notices and updates of ACWA's Funding Chart for federal water program appropriations.

The Association worked in collaboration with our fellow state and water groups to send letters to Congressional leaders encouraging continued investment in clean water programs. In July 2013, ACWA signed a letter with 7 other associations to the House appropriations environment subcommittee ahead of its markup of the FY2014 budget bill. The letter expressed concerns with any potential expansion of the Buy American provision for Clean Water and Drinking Water State Revolving Fund (SRFs) projects that would encompass "manufactured goods." The letter noted that such a requirement proved unworkable for infrastructure projects during the recent era of the American Recovery and Reinvestment Act (ARRA). Also in July, ACWA joined 10 associations representing municipal, county and state officials in a letter to appropriations leaders urging them to restore the drastic cuts to the SRFs outlined in the FY2014 bill to at least the FY2013 levels.

In late January 2014, in anticipation of the President's FY2015 budget request, ACWA joined four other associations in a letter to the Administration encouraging an SRF funding request of at least FY2014 enacted levels. Ultimately, the FY2015 request included cuts to the SRF below FY2014 levels. During April budget hearings, ACWA joined 8 other associations in a statement subjected for the record that conveyed the dangers of continued disinvestment in the SRF and the need to restore funding to FY2013 levels at a minimum. Following three years of Administration budget requests that zeroed out the BEACH Act program, ACWA joined a coalition of NGOs in a letter to the



U.S. EPA Administrator Gina McCarthy addresses the crowd at the 2014 Joint Association Mid-Year Meeting.

Administration asking them to recommit to investment in this program which supports states water quality monitoring at beaches each recreation season.

As the WRDA/WIFIA debate waged on, ACWA joined with 4 other associations in an October 2013 letter to House Transportation and Infrastructure Committee leadership urging continued investment in the proven SRF model, rather than pursuit of the WIFIA option. With the May 2014 passage of a final act that incorporates WIFIA, ACWA anticipates future Funding Task Force analysis of how states should prepare for these and other changes to the funding landscape.

Legal Affairs Committee

CO-CHAIRS: Beth Card (MA), Carin Spreitzer (NY)

The Legal Affairs Committee (LAC) hosted quarterly calls again this year with an eye toward engaging the larger ACWA membership. Call agendas featured a diverse group of presenters on various hot topics in CWA litigation, including *City of Dover v. EPA* (challenging EPA's nutrient permit limits for a wastewater treatment plant), an overview of Oregon's legal battle over water quality standards for temperature, the petitions for residual designation authority over stormwater in Regions 1, 3 and 9, and many others. In June 2014, ACWA distributed a poll of potential topics for future LAC calls to several ACWA Committees and Workgroups in an effort to identify areas of greatest interest and likely benefit to the members, as well as topics ripe for a joint Committee call. The poll results will help guide LAC agenda development in the coming year. The Association anticipates renewed engagement with its Legal Subscriber base to encourage increased participation and ensure continued value for that membership category.

Legislative Efforts

The Association continues to play a role inside the Beltway by providing legislators with information on key CWA issues and state funding needs. This year, ACWA actively tracked and reported on Congressional activity relevant to state water quality programs. When called upon, the Association also supported testimony on CWA issues.

In March 2014, Peter Tennant (ORSANCO) testified before the House Transportation and Infrastructure Committee's Subcommittee on Water Resources and Environment on the role of trading in achieving water quality objectives. The Association also separately submitted a written statement to the hearing record providing ACWA's perspectives on water quality trading as one approach in a suite of tools that states may use to address water quality concerns.

ACWA continued active involvement with the Healthy Waters Coalition (HWC), a diverse group of water and agricultural stakeholders working to ensure the policies within the Farm Bill reauthorization better connect agricultural practices to water quality. In October 2013, ACWA joined 13 organizations in a letter sent to members of the Farm Bill Conference Committee urging them to retain the RCPP amendment in the final Farm Bill package. The final Farm Bill, enacted in February, included the RCPP amendment, ushering in this new program. The RCPP creates new potential opportunities and funding mechanisms for partnering states to implement projects aimed at addressing water quality impacts from agricultural lands.

The January 2014 chemical spill in Elk River, WV prompted a number of Congressional actions and hearings. The Association kept the membership apprised of the developments on various legislative efforts, including the Chemical Safety and Drinking Water Protection Act of 2014 (S.1961), which would develop an inventory of above-ground chemical storage tank facilities and a system of uniform reporting and compliance requirements. In March 2014, ACWA joined ECOS, ASDWA and other state associations in a joint letter to the bill's sponsors recommending that analysis first be done on existing federal, state, and local authorities and program. Such an analysis should focus on what gaps exist in our collective statutory and regulatory network and how best to close those gaps, as a solution may lie in enhancing the use of existing authorities rather than creating new statutory requirements.

Through ACWA's Funding Task Force, ACWA tracked developments on appropriations activities relevant to the work of state water quality programs, including the October 2013 government shutdown, WRDA, the Clean Water and Drinking Water State Revolving funds, the FY2014 budget, and President's FY2015 budget request. ACWA joined 4 different joint stakeholder letters in support of continued and increased funding support for key federal water program appropriations. ACWA also joined letters to Congress in support of USGS' streamgauge program, and a letter to the Administration in support of continued investment in BEACH Act program funding (see above under "Funding Task Force" for more on these efforts).



Varyinko Pond, CO. Courtesy of Blake Beyea, Colorado Department of Health & Environment.

Awards

At ACWA's 52nd Annual Meeting Awards Luncheon, the membership recognized the best and brightest of our organization and profession.

Young Professionals Awards

The Young Professionals Awards are given to members selected by Association leadership for their contributions to the work of an ACWA Committee, Task Force and/or Workgroup and their demonstrated potential for future leadership in ACWA. The recipients of the Young Professionals Awards were **Jennifer Dodd**, Deputy Director, Watershed Stewardship and Support Branch, Tennessee Department of Environment and Conservation, **Janet Kieler**, Permits Section Manager, Water Quality Control Division, Colorado Department of Public Health and Environment, and **Susannah King**, Director of Water Quality Programs, New England Interstate Water Pollution Control Commission.

President's Service Award

The President's Service Award, given annually to members selected for their exceptional service to ACWA over the last fiscal year, was presented to **Beth Card**, Assistant Commissioner, Bureau of Resource Protection, Massachusetts Department of Environmental Protection, and **Tom Stiles**, Chief, Watershed Planning, Monitoring, and Assessment Section, Bureau of Water, Kansas Department of Health and Environment.

Exceptional Service Award



Carol Collier

The Exceptional Service Award, recognizing retirees from state/interstate government who have demonstrated exceptional service to ACWA over the years, was presented to **Jan Boydston**, who dedicated 24 years to improving water quality in her role as a Senior Environmental Scientist with the

Louisiana Department of Environmental Quality; and **Dennis Fewless**, Director, Division of Water Quality, North Dakota Department of Health, who served with the Division for 38 years. Also recognized in a presentation at the Mid-Year Meeting 2014 was **Carol Collier**, Executive Director, Delaware River Basin Commission. All three made significant contributions to ACWA over the years in various leadership roles.

Environmental Partnership Award

The Environmental Partnership award, honoring non-state partners who have demonstrated a true and consistent willingness to work cooperatively with the states and with various interested organizations to affect environmental improvement, was presented to **Ellen Gilinsky**, EPA Senior Policy Advisor to the Acting Assistant Administrator for Water; and **Jim Taft**, Executive Director, Association of State Drinking Water Administrators.

Environmental Statesman Award



Walt Baker

The Association's highest honor, the Environmental Statesman Award, is presented to ACWA members who have demonstrated outstanding service to ACWA over a multi-year period. This year, the award was presented to **Walt Baker**, Director, Division of Water Quality, Utah Department of Environmental Quality, and **Harry Stewart**, Water Division Director, New Hampshire Department of Environmental Services (NHDES). Both Baker and Stewart have demonstrated tremendous dedication to ACWA and its mission over the years, and served in various leadership capacities including terms as ACWA President. The presentation to Stewart was timely as he retired in June following 30 years of service with NHDES.



Harry Stewart

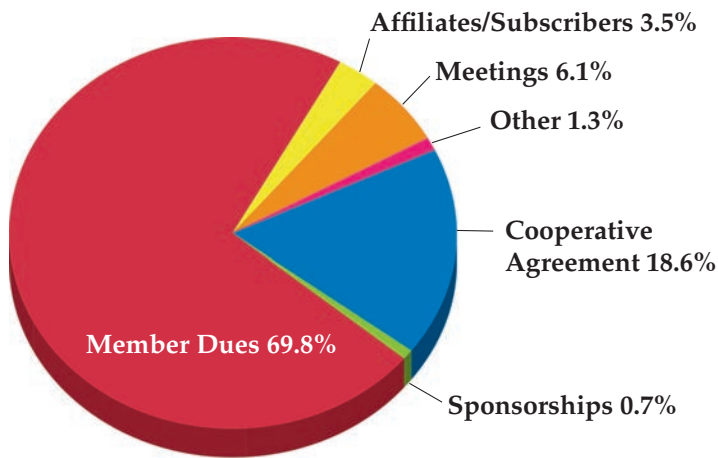


Black Warrior River, AL. Courtesy of Jessica Delgado, Alabama Department of Environmental Management.

Section 3: Fiscal Snapshot

Revenue Sources

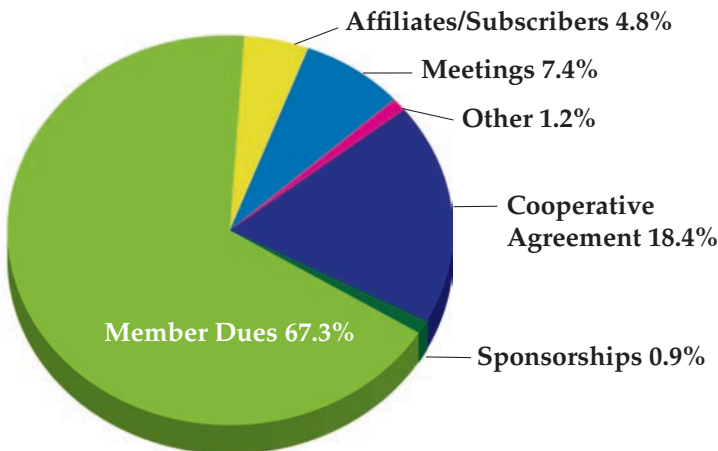
FY2014 Actual Revenue



Revenue Sources	FY2014 Actual Revenue
Cooperative Agreement	\$173,771.94
Sponsorships	\$6,950.00
Member Dues	\$652,864.19
Affiliates/Subscribers	\$32,580.00
Meetings	\$57,196.85
Other	\$12,540.97
Total	\$935,903.95

The Association's final FY2014 financial reports are not finalized and audited at the time the Annual report went to press. However, this section presents a good snapshot of ACWA's revenue streams for FY2014. In March of 2012, ACWA was awarded a cooperative agreement titled *Technical Assistance & Knowledge Transfer – Water Protection Agencies*, which was a new source of revenue from EPA. State and Interstate Member Dues continue to represent the most important revenue source for the organization, and for FY2014 the Association received approximately 96% of the invoiced dues.

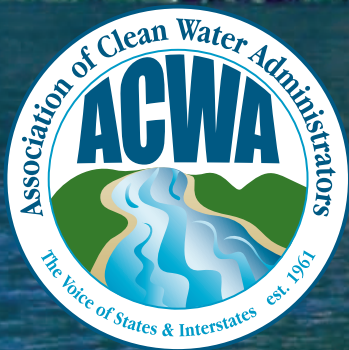
FY2015 Budgeted Revenue



Revenue Sources	FY2015 Budgeted Revenue
Cooperative Agreement	\$119,816.33
Sponsorships	\$8,000.00
Member Dues	\$706,117.85
Affiliates/Subscribers	\$49,122.59
Meetings	\$75,000.00
Other	\$9,200.00
Total	\$967,256.78

The FY2015 Budget provides the total expected revenue from the list of sources identified. ACWA will continue to work on the cooperative agreement with EPA and recruit Affiliate Members and Legal Subscribers, building relationships to grow these categories of membership. ACWA projects it will collect approximately 92% of invoiced dues. Even with the new federal support, our membership dues are critical to ensuring the financial health and stability of the organization. Thank you for your support of ACWA.





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