



Land Conservation and Water Quality: Challenges and Opportunities

**House Appropriations
Committee Retreat**

Douthat State Park

W. Tayloe Murphy, Jr.

May 16, 2005

Impaired Waters in Virginia

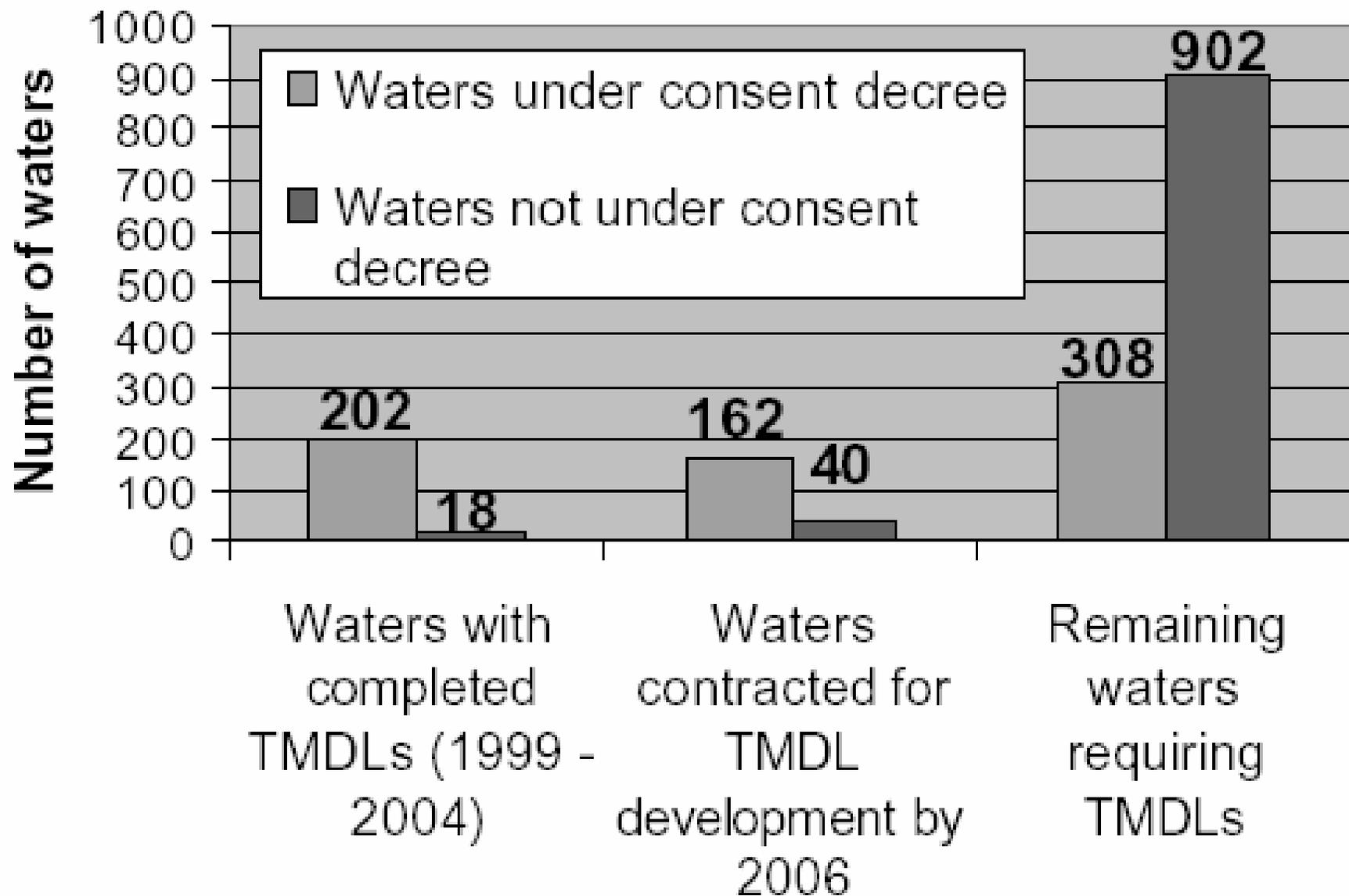
2004 Section 303(d) Waters In Virginia



Status of Virginia Waters

- 2004 Water Quality Assessment Results
 - 6,900 stream miles impaired [out of 13,200 miles assessed]
 - 89,900 acres of lakes impaired [out of 109,000 acres assessed]
 - 1,810 square miles of estuaries impaired [out of 2,500 square miles assessed]
- Bacteria, nutrients, sediments, toxics, pH and natural conditions contribute to these impairments

Status of TMDL development for impaired waters

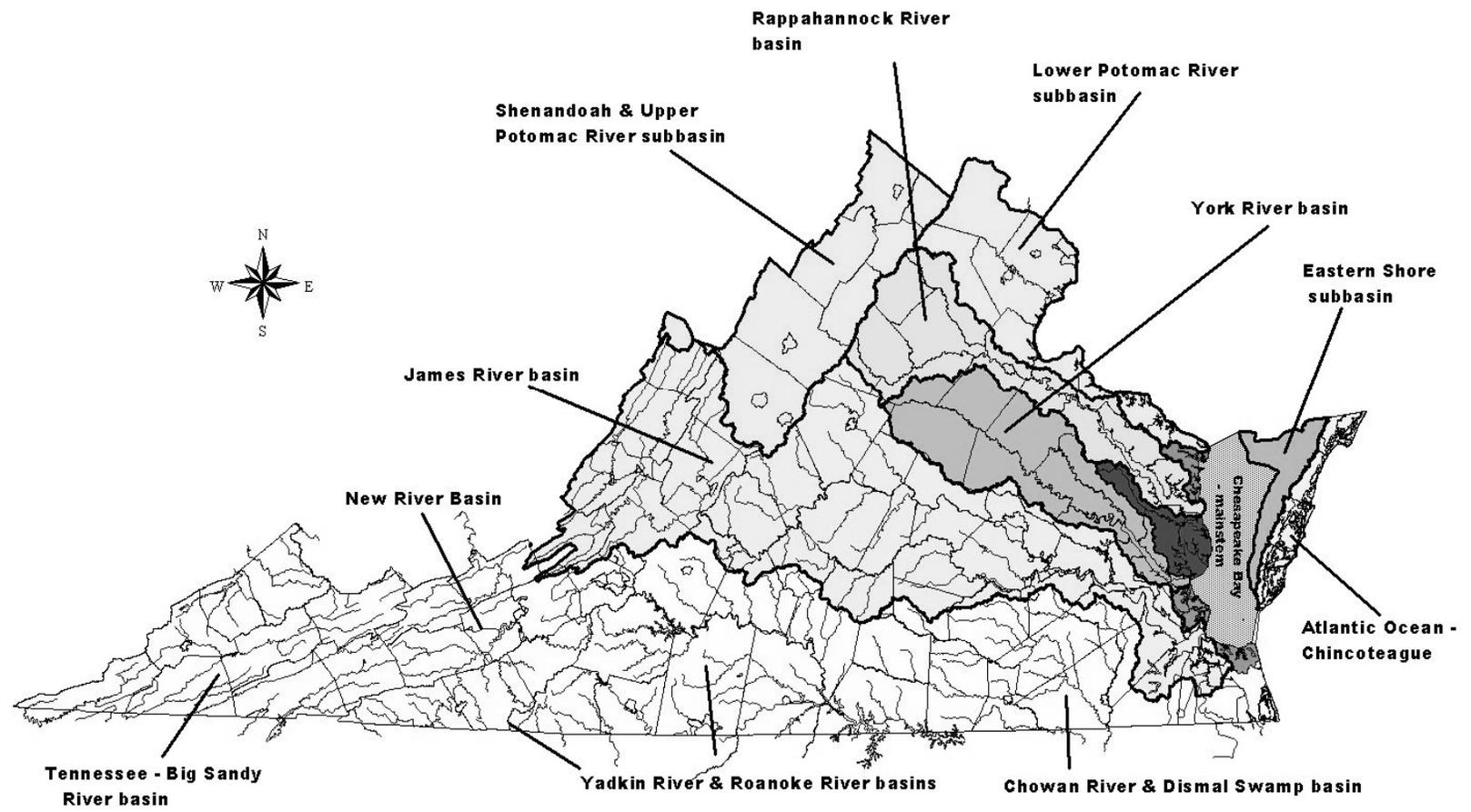


Chesapeake Bay Restoration Process

- VA has participated in 20+ year interstate effort to restore the Bay and tidal rivers
- VA, MD, DE, and DC adopting consistent water quality standards
- All Bay watershed states agreed to nutrient and sediment load allocations
- All Bay watershed states developing and implementing tributary strategies to achieve allocations
- Bay restoration will impact about one-half of VA



Virginia Tributary Strategy River Basins



Status of Regulatory Actions

New water quality standards:

- Chesapeake Bay standards adopted by SWCB in March 2005
- Special standards for tidal James and York rivers will be considered in June 2005
- Process underway for adopting nutrient criteria for lakes/reservoirs and freshwater streams/rivers

Status of Regulatory Actions

New regulations for Chesapeake Bay dischargers

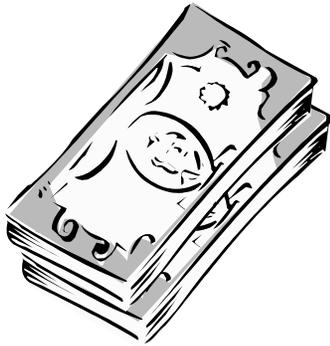
- **Water Quality Management Planning Regulation**
 - sets nutrient waste load allocations
- **Regulation for Nutrient Dischargers** – sets technology-based nutrient concentration limits for certain discharges
 - SWCB action expected this summer
- **Watershed General Permit** – authorizes discharge of nutrients from all dischargers
 - SWCB action by early 2006

Legislative Actions

Chesapeake Bay Nutrient Credit Exchange Program **(HB 2862 / SB 1275)**

- **SWCB to issue “Watershed General Permit” containing nutrient waste load allocations for each significant discharger**
- **Allows trading within basins among facilities covered by WGP**
- **Authorizes establishment of “Nutrient Credit Exchange Association”**

WQIF Funding: How Does It Add Up?



\$15,000,000

\$32,000,000

\$50,000,000

\$97,000,000*

*in the second year of the biennium,
beginning July 1, 2005

WQIF Nonpoint Funds FY 06

\$26,764,400

**60% : Chesapeake Bay
Watershed**

40% : “Southern Rivers”

WQIF Nonpoint Priorities

- **Agricultural BMPs**
- **Tributary Strategy
Implementation**
- **TMDL implementation**
- **Cost Effectiveness**

Land Conservation



The Commonwealth has experienced a significant conversion of its natural and historic resource base.

- **loss of over 490,000 acres of forestland between 1992 and 2000**
- **loss of about 480,000 acres of cropland between 1982 and 1997**
- **loss of 343,500 acres to development between 1992 and 1997**
- **61% of the State's environmentally-sensitive natural areas are unprotected**
- **50% of the State's wetlands have been converted to other uses.**

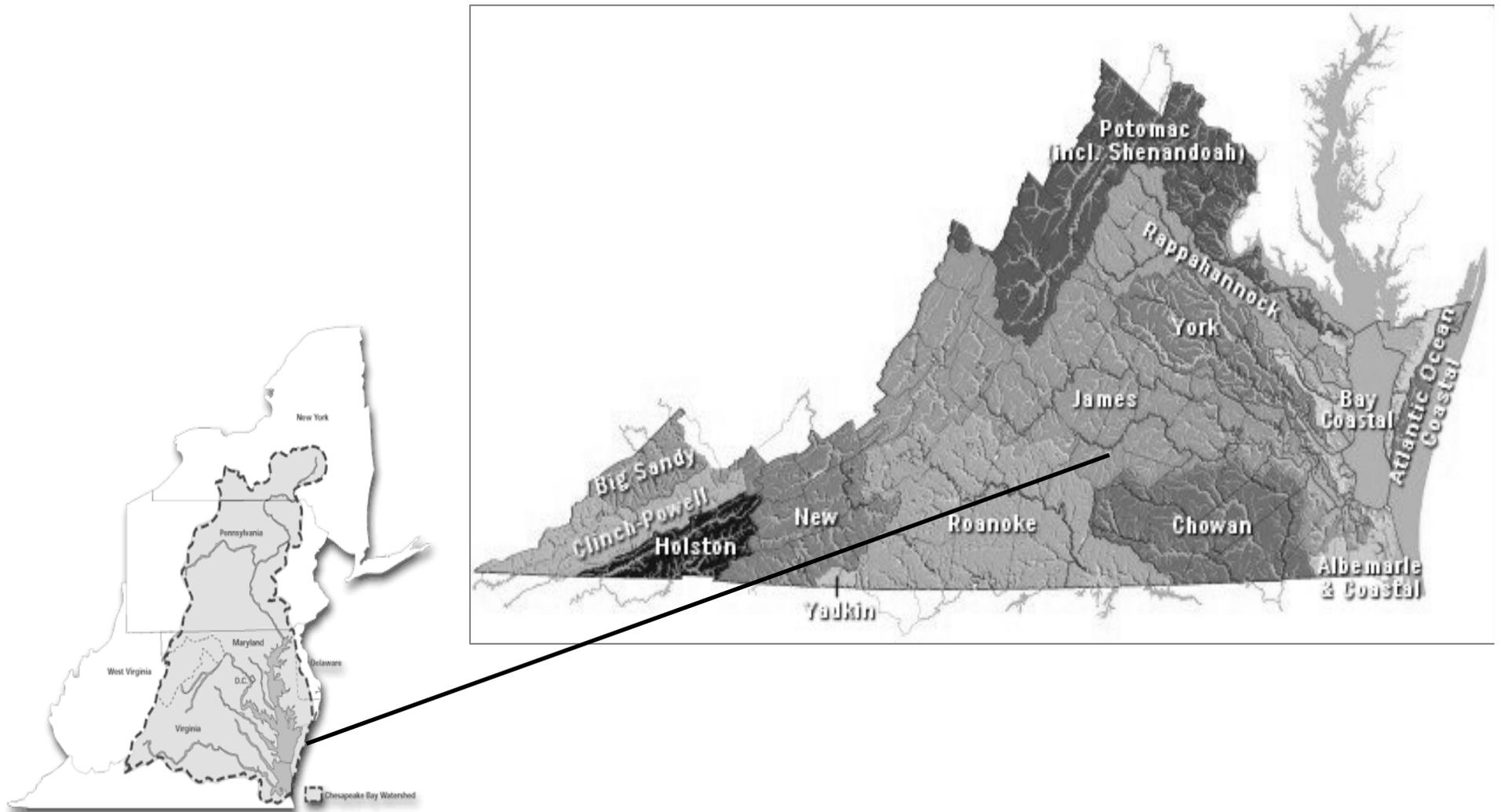


Current Goal

- **ADOPTED CHESAPEAKE BAY GOAL: By 2010, Virginia and its Bay neighbors agreed to permanently preserve 20% of the land area in the Bay Watershed. (2000 Chesapeake Bay Agreement)**

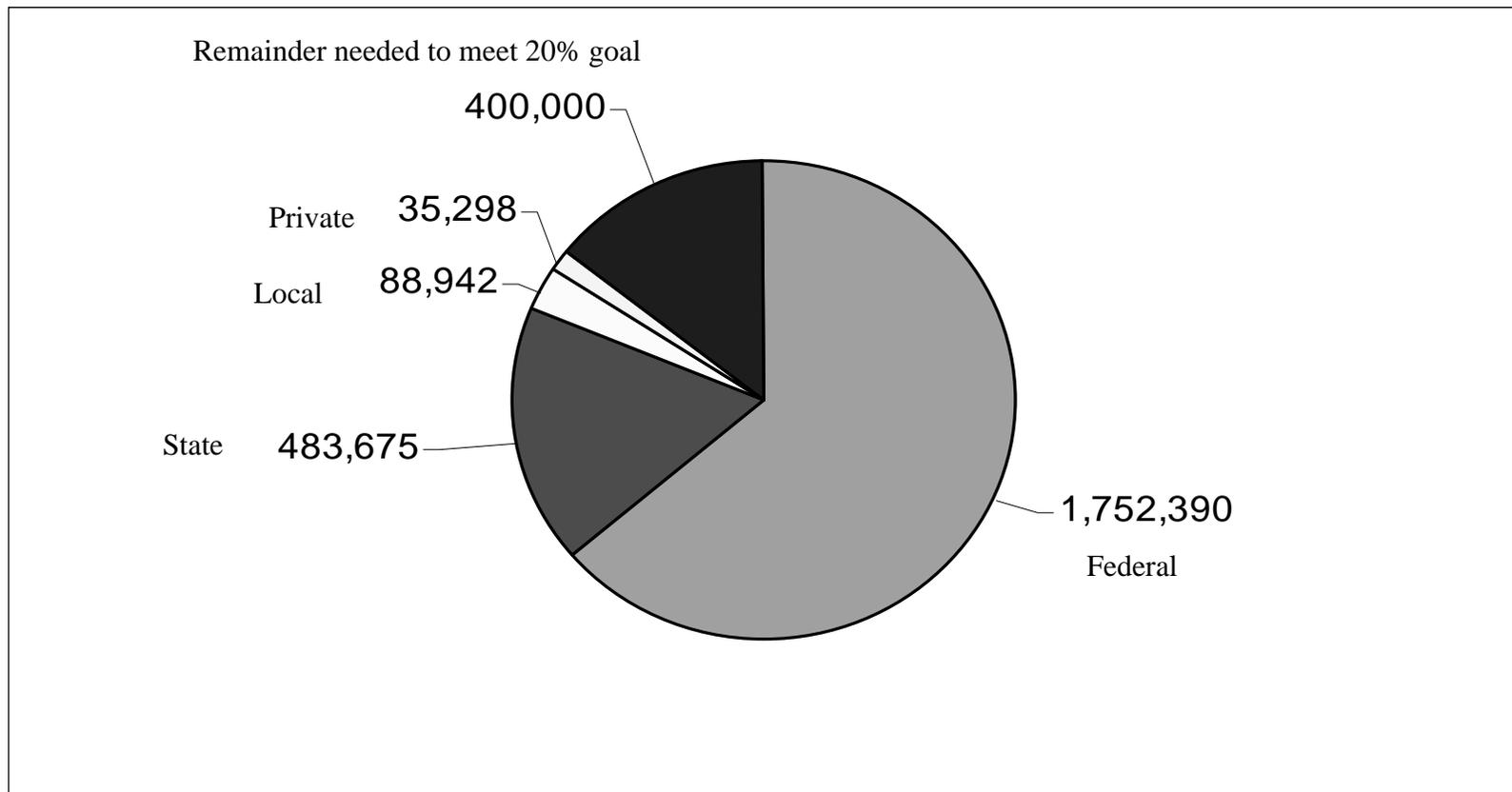


60% of Virginia's lands are within the Bay Watershed



Progress towards Virginia Chesapeake Bay Land Goal

- Total acres conserved is 2.36 M acres or 17% of the Bay Watershed



Conservation Partners

Department of Conservation and Recreation:

Virginia Land Conservation Foundation (VLCF)

Conservation Reserve Enhancement Program (CREP)

Land and Water Conservation fund (LWCF)

Virginia Outdoors Foundation: Easement Programs; Open Space
Lands Preservation Trust Fund

Department of Forestry: Forest Legacy

Department of Historic Resources: Historic Preservation Grants

Department of Agriculture and Consumer Services

Department of Game and Inland Fisheries



VLCF

- **18 member citizen Board, chaired by the Secretary of Natural Resources**
- **DCR serves as lead staff with assistance by DHR, DGIF, VOF, VDACS, and DOF.**
- **Provides matching grants to localities and nonprofit groups and may provide grants to state agencies**
- **By law, 25% of VLCF funds automatically transferred to the Virginia Outdoors Foundation.**
- **Funding may be provided to local PDR program.s**
- **Remaining funds protect natural and cultural resources through matching grants for acquisitions or easements. Funding split equally among:**
 - 1) **Natural area protection**
 - 2) **Open space and parks**
 - 3) **Historic area preservation**
 - 4) **Farmlands and forest preservation**
- **FY 05 Funding: \$12.5 M**
- **FY 06 Funding: \$2.5 M**

Virginia's State Income Tax Credit

- Considered one of the most important conservation tools
- Dept. of Taxation has registered credits of \$157 M for 389 donations (equals 68,644 acres and appraised value of \$314 M)
- Senate Bill 1139 – 2005 Session – addresses the issue of faulty appraisals - adds stricter rules and guidelines for appraisals and appraisers - allows the Department of Taxation to disregard fraudulent appraisals and refer appraisers for disciplinary action
 - Legislative Study Committee formed to examine the ramifications of putting a cap on the tax credit program for conservation easements

Joint Congressional Committee on Taxation

- Report released on January 27, 2005
- Recommendations:
 - reduce the deductions a property owner can take by 2/3
 - disallow deductions entirely for properties used in whole or part as residences by owner
 - limit deductions for donations of property to the owner's basis in the property
- Recommendations would make it very difficult for farmers, ranchers and families to donate property