

management programs. Thus these funds may be used both for protection of unimpaired waters and for restoration of impaired waters. For example, States may use these funds to protect sources of drinking water, critical high-quality waters, and threatened waters from current and future threats.

In general, States have great flexibility as to how to use these base funds. They may use the watershed-based approaches discussed in greater detail in Section III.D below ("Watershed-Based Plans"). States may also choose to use these funds to implement technology-based approaches. In particular, EPA recommends that coastal States use these funds to assist in the implementation of both the technology-based and water-quality-based management measures contained in their coastal nonpoint pollution control programs under Section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990 ("CZARA").

2. States may use up to 20% of the base funds to develop NPS TMDLs (consistent with their TMDL development schedule) and watershed-based plans to implement NPS TMDLs; develop watershed-based plans in the absence of or prior to completion of TMDLs (incorporating the TMDL's load allocations once it has been completed and approved); develop watershed-based plans that focus on the protection of threatened waters, source water, or other high-priority unimpaired waters; and conduct other NPS monitoring and program assessment/development activities. (Monitoring the results of implementing a watershed project is not subject to this 20% limitation.)

3. Except as noted in the next paragraph, States must use \$100 million of Section 319 funds (referred to as "incremental funds") to develop and implement watershed-based plans that address nonpoint source impairments in watersheds that contain Section 303(d)-listed waters. (However, these plans may also include activities that address waterbodies within the watershed that are not currently impaired where appropriate to prevent future impairments within the watershed.) Regions will include in each grant a condition that provides that the State will use these funds to implement a watershed-based plan only after the State completes the development of a watershed-based plan that addresses each of the watershed planning elements (a) through (i) that are listed later in this section. (See Appendix F to these guidelines.)

Regions may authorize States to use a portion of incremental funds to address watersheds that do not include impaired

waters in special circumstances where it is necessary to address a uniquely high-priority State need to protect waters that currently are not impaired by nonpoint source pollution to assure that they remain unimpaired. This particularly includes waters in which good water quality is threatened by such factors as changing land uses and the presence of unique aquatic resources that are especially valuable and at serious risk of irreparable harm and that therefore require a special focus on protection activities (e.g., aquatic habitat for salmon migration, spawning, and rearing). These resources and threats to them should be documented in the State's 305(b) report. Prior to authorizing use of incremental funds to address a uniquely high-priority State need, the Region must find the State has established a schedule for TMDL development for its NPS-impaired waters consistent with an even pace and completion of needed TMDLs within 8 to 13 years of listing; the State is completing TMDLs in reasonable accord with the established development schedules; and the State is making reasonable progress developing and implementing watershed-based plans to implement NPS TMDL's, balancing the State's protection and restoration needs.

4. States may use up to 20% of the \$100 million incremental funds to develop: NPS TMDLs; watershed-based plans to implement NPS TMDLs; and watershed-based plans in the absence of or prior to completion of TMDLs in Section 303(d)-listed waters (incorporating the TMDL's load allocations once it has been completed and approved). The Region may authorize the State to use over 20% of the incremental funding to develop watershed-based plans in Section 303(d)-listed waters, but the Region should assure that a proper balance exists between funding the development of watershed-based plans and the implementation of watershed-based plans. On one hand, funding should support the development of watershed plans at a sufficient pace to support implementation efforts that may be implemented through 319 funding; funding from a separate State or Federally-supported program (e.g., via the U.S. Department of Agriculture); or other programs or mechanisms. See further discussion in the next section below on integrating other environmental protection programs. On the other hand, watershed-based plan development should not be funded at a pace that significantly exceeds the pace of implementation. This is necessary to maximize implementation of watershed-

based plans that have been completed and minimize the development of numerous plans that "sit on the shelf."

### *C. Integrating Other Environmental Protection Programs*

As discussed in the preceding paragraph, these guidelines authorize Regions to increase the level of incremental funding that is available to develop watershed-based plans (previously limited to 20%) so long as a proper balance exists between funding the development of watershed-based plans and the implementation of watershed-based plans. Such an increase may well be warranted where non-319 resources may be available to help implement the plans. EPA encourages States to leverage funding from other environmental protection programs to support the implementation of these plans, as discussed below.

### *USDA-Supported Programs*

EPA wishes to particularly emphasize the significant benefits of working closely with the United States Department of Agriculture (USDA) to achieve our common goals of improving restoration and protection of water quality. This is especially important in light of the new Farm Security and Rural Investment Act of 2002 (Farm Bill), which presents tremendous opportunities for integrating funding and other resources and for creating partnerships to help achieve our common goals, including meeting water quality standards. Information about partnership opportunities through programs such as the Environmental Quality Incentives Program (EQIP) can be found on the internet at <http://www.usda.gov/farmbill> and <http://www.nrcs.usda.gov/programs/farmbill/2002>. Most notably, USDA's EQIP regulations have assigned a top priority to reducing nonpoint source pollution in impaired watersheds consistent with TMDLs, where available, and this priority will be used as a guide in the allocation of EQIP funds.

It is important to consider how Section 319 funding can be used in a way that does not duplicate, but rather complements, these other programs. Section 319 funding is especially suitable to support activities that are either not eligible for or typically do not receive significant USDA funding, including: (1) Developing watershed-based plans in Section 303(d)-listed and other high priority watersheds; (2) monitoring water quality in high priority watersheds to design and assess the effectiveness of watershed-based plans; and (3) funding watershed coordinators to work with local