April 15, 2019

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Dear Mr. McDavit and Ms. Moyer,

On behalf of the nation’s mayors, cities and counties, we appreciate the opportunity to submit comments on the U.S. Environmental Protection Agency’s (EPA) and the U.S. Army Corps of Engineers’ (Army Corps) proposed rule on the “Revised Definition of Waters of the United States,” which aims to clarify which water bodies are federally regulated under the Clean Water Act (CWA). Specifically, the purpose of the proposed rule is to address jurisdictional uncertainty in the CWA Section 404 dredge and fill permit program.

Collectively, our organizations represent the nation’s 3,069 counties, 19,000 cities and the mayors of the 1,400 largest cities. The health, well-being and safety of our citizens and communities are top priorities for us. Local governments serve as co-regulators in implementing and enforcing many federal laws with states, including CWA programs, and our members take these responsibilities seriously. Additionally, cities and counties own public safety facilities and infrastructure that are directly impacted by federal laws and regulations.

To that end, it is important that federal, state and local governments work together to craft reasonable and practicable rules and regulations. As partners in protecting America’s water resources, it is essential that local governments have a clear understanding of the vast impact that a change to the definition of “Waters of the U.S.” (WOTUS) will have on all aspects of the CWA.

Since the definition of “Waters of the U.S.” applies to all CWA programs beyond CWA Section 404, a revised definition will have far-reaching impacts on a number of state and local responsibilities including: National Pollutant Discharge Elimination System (NPDES) stormwater permits; setting water quality standards, including imposing pollution limits through the Total Maximum Daily Load (TMDL) program; ensuring the
state water quality certification process; and instituting Spill Prevention, Control and Countermeasure (SPCC) programs.

Due to these responsibilities and the complicated nature of determining federal jurisdiction under the “Waters of the U.S.” definition, our organizations have been consistent in asking for a transparent and straightforward rulemaking process, including a meaningful Federalism consultation process.

In 2014, our organizations expressed concerns with both the process used to develop the 2015 WOTUS rule and the substance of the rule. The final 2015 rule did not address several of our substantive concerns, and we therefore support current efforts to develop a new rule. With this new proposed rule, we believe the agencies are moving in the right direction in developing a clear, workable rule. As described below, however, we have a concern with the rulemaking process and recommendations on areas where additional clarification is warranted. We ask the agencies to address these concerns and comments before publishing a final rule.

**General Comments on the Proposed Rule**

The goal of the proposed rule is to create a clear, understandable and implementable definition of “Waters of the United States” within the CWA. The agencies note that a straightforward definition would provide states and landowners with a clear understanding of the difference between a federally protected waterway and a state protected waterway. The agencies take an approach of limiting water bodies that would be subject to regulation under the CWA while respecting the role of states in managing their own land and water resources. The proposal gives states more flexibility in determining how best to manage land and water resources.

In general, our organizations agree with this approach. States generally have a good understanding of the valuable water resources within their borders. Additionally, a broad one-size-fits-all federal regulation rarely works on the ground, since it is difficult to craft federal regulations for water without considering regional differences, such as the condition of the watershed, water availability, climate, topography and local geology. Moreover, there could be a wide range of these types of differences within one state or region. Allowing the states to make these determinations is a step in the right direction, although we acknowledge that there may be additional cost implications and unintended consequences for both states and local governments who manage these resources.

If fewer water bodies are regulated under federal law, the states will have to decide whether to regulate those waters under state law. Presumably, some states will choose to do this, whereas other states prohibit enacting stricter rules than the federal government. For states that take on this additional authority, there will be a cascading impact on local governments who share CWA co-regulator responsibilities with the states, often without additional financial or human resources. As further discussed below, the agencies have not fully considered the costs that may be shifted to both state and local regulators.
Economic analysis of proposed rule is insufficient

The *Economic Analysis of Proposed Revised Definition of “Waters of the United States”* (Dec. 2018) and the *Appendices to the Resource and Programmatic Assessment for the Proposed Revised Definition of “Waters of the United States”* (Dec. 2018) attempts to assess the impact of the definitional change on other CWA programs beyond the 404 program (including the NPDES program, TMDLs, state water quality certification processes and SPCC programs). However, due to data and science limitations, we are concerned that the analysis falls short in examining and providing a comprehensive review of the actual costs and consequences on these programs.

Moreover, the agencies recognize that that program impacts will depend on how each state responds to the revised WOTUS definition, changes that are not calculated in the economic analysis. For example, will states keep their current regulations in place or enact new regulations to protect waters that would no longer be federally jurisdictional under the proposed rule, and if so, what is the impact on states and local governments?

As discussed further below, we believe that these considerations could have been addressed more fully if the agencies formally consulted with states and local governments throughout the development of the proposed rule.

**Process Used to Develop the Rule Did Not Meet the Intent of Executive Order 13132: Federalism**

Under Executive Order 13132: Federalism (EO 13132), federal agencies must consult with state and local government officials early and often in the rulemaking process, even before a rule is proposed, when it will directly impact these entities. This process is especially important under the CWA since the programs are co-regulated by federal, state and local governments working together as partners to implement. Under EO 13132, federal agencies must include a federalism summary impact statement, which details state and local government concerns and describes the extent to which the agencies were able to address those concerns in the final rule.

Since so many environmental policies directly impact state and local governments, EPA has an internal *Action Development Process Guidance on Executive Order 13132: Federalism* (Nov. 2008), for “planning or developing actions such as regulations, policies, legislative proposals, adjudications, and waivers.” The policy requires the EPA to consult with “elected officials or their representative national organizations” throughout the rulemaking process, from preproposal to final product, on policies that impact its intergovernmental partners. This consultation process has worked successfully for a number of EPA rules where state and local government organizations were able to provide feedback on various options under consideration before the rule was proposed.

We had hoped for a robust WOTUS Federalism consultation process prior to the rule’s publication. The EPA and the Army Corps initiated a Federalism consultation meeting in April 2017. However, after this meeting, the agencies did not hold another WOTUS-related meeting for over 19 months. This is contrary to the process outlined above and the requests of our organizations, as demonstrated in our comment letter on the
April 2017 WOTUS Federalism consultation (attached). In August 2018, our organizations met with the Office of Management and Budget to voice this concern. We believe by collaborating and working together throughout the process, we can craft stronger regulations that work at the local level.

We are also concerned with the agencies’ Summary Report on Federalism Consultation: Revised Definition of “Waters of the United States” Proposed Rule, released in conjunction with the proposed rule. While the report lists various meetings the agencies held with state and local groups to comply with EO 13132, the report also counts meetings the agencies had with associations representing non-elected officials as Federalism consultation. Under EPA’s internal guidance, EO 13132 consultation is only valid for those “elected officials or their representative national organizations,” which are defined as the “Big 10” and designated as such by the Office of Management and Budget.

One area that could have benefited from further formal consultation is the economic analysis. While the Federalism consultation meeting in April 2017 included broad discussion of the impacts that a definitional change would have on other CWA programs, in the economic analysis the agencies acknowledge their lack of data and inherent uncertainties with the calculations. We believe that if the agencies had regularly consulted with our groups throughout the development of the proposed rule, we could have helped further flesh out many of these areas. An ongoing consultation would have benefited the agencies in developing a more comprehensive economic analysis, while providing valuable information to local governments.

**Substantive Areas that Need Clarification**

While the "Waters of the U.S." proposed rule has fewer vague and problematic definitions than the 2015 rule, there are still a number of definitions that need additional clarification in order to create certainty for local governments and in the field.

**Draw a clear distinction between natural streams and ditches that play a role in public safety**

The agencies attempt to draw a bright line between tributaries and ditches by clarifying that tributaries are naturally occurring streams and ditches are artificial, man-made conveyances. While this distinction draws a clear line, the proposed rule also includes language stating that some ditches may be considered a “Waters of the U.S.” if they satisfy the traditional navigable waters definition, are constructed in, alter or relocate a tributary, or are constructed in an adjacent wetland. This confuses, rather than clarifies, the definition of a ditch and makes it difficult for a layperson or a local government official to know when a ditch is a tributary. Furthermore, since local governments own and manage public safety ditches, such as roadside ditches, many of which may have been dug 50 or more years ago where mapping and historical records may not exist, this merging of definitions is confusing. We recommend the agencies add a categorical exclusion for public safety ditches.
Continue and clarify the ditch maintenance exemption

Under the current regulatory program, ditches are regulated under CWA Section 404 for construction and maintenance activities. While Section 404(f) contains an exemption for ditch maintenance activities, Army Corps districts inconsistently apply it nationally. In some areas, local governments have a blanket exemption, but in other areas, local governments must apply for a special Section 404 permit for ditch maintenance activities. Additionally, in some cases the Army Corps requires local governments to include surveys and other data in their maintenance exemption request letter, which can be time-consuming and expensive to obtain. Some cities and counties in hurricane impacted areas have reported difficulty obtaining Section 404(f) exemptions to clean out drainage ditches filled with silt from flooding. These ditches are used to funnel water away from low-lying areas to prevent accidents and flooding of homes and businesses.

Ultimately, a local government is liable for maintaining the integrity of their ditches, even if federal permits are not approved by federal agencies in a timely manner. This leaves local governments in a difficult position.

We ask the agencies to reaffirm the role that the Section 404(f) ditch maintenance exemption plays. We also ask that the Army Corps clarifies how and when the Section 404(f) exemption can be used. Furthermore, we ask that the agencies provide an unequivocal exemption for ditch maintenance activities on publicly owned public safety ditches. This should include clear information, whether within the final WOTUS rule or follow up guidance, on the types of documentation that local governments should provide in order to be covered under the ditch maintenance exclusion.

Clarify the regional process that will be used to define the term “intermittent”

The agencies have indicated that the regions will develop a regional definition of the term “intermittent,” but have not provided information on how the process will be implemented. As a result, local governments ask the agencies to clarify how the definition of “intermittent” will be determined at the regional level, including answering the following questions: which federal agency will take the lead, how will geographic regions be determined (i.e. via Army Corps or EPA district, state, watershed, etc.), will the process include an opportunity to consult and collaborate with state and local governments, stakeholders and the general public, and will the draft intermittent regional definition be open to public comment?

Additionally, we have concerns with how the definitions of “intermittent” and “ephemeral” relate to each other. Our city and county experts note that in some parts of the country, the terms can be used interchangeably, especially in areas that experience a lot of rain. This can cause confusion with both practitioners and laypeople. Moreover, if the definition of “intermittent” varies significantly across the country, it may open the door to civil lawsuits against local governments. Therefore, we ask the agencies to provide more specificity regarding the definition of “intermittent.”
Consider impact of more frequent extreme weather events on “typical year” definition

In the context of determining whether a water body is “intermittent,” the agencies rely on the definition of “typical year,” which is defined as a normal range of precipitation over a rolling 30-year period. The proposed rule states that a “typical year” would generally not include times of drought or extreme flooding. We believe this approach is short-sighted.

In communities across the country – both coastal and inland – extreme weather events are becoming more frequent and severe and are creating long-term impacts on local economies, infrastructure, public health and natural resources. By excluding drought and extreme flooding events from a “typical year” calculation, it is unclear where the distinction lies between a singular extreme weather event and multiple extreme weather events that are occurring on a more regular basis. We ask the agencies to reconsider the calculation of whether a drought or extreme flooding event should be part of the “typical year” definition.

Clarify the exemption for stormwater control features

The proposed rule includes an exemption for stormwater control features that were excavated or constructed in uplands to convey, treat, infiltrate or store stormwater runoff. We support this exemption and thank the agencies for including the term “infiltrate” as part of the exemption, which was not included in the 2015 WOTUS rule. We ask the agencies, however, to provide further clarification on the intent and extent of the stormwater control features exclusion.

Local governments own and manage a wide variety of stormwater control features, including municipal separate storm sewer systems (MS4), which are permitted through the CWA Section 402 program. We believe that the exemption would work well for those stormwater control features built in uplands, including those related to MS4s and green infrastructure. Moreover, the proposed rule reaffirms the agencies’ practice of recognizing stormwater control features not built in a WOTUS as not jurisdictional.

We are concerned, however, that natural features that are part of a stormwater system, such as streams or stormwater ponds, may not be exempt under the proposed rule. In fact, the agencies note that some waters, such as “channelized streams with intermittent or perennial flow,” would be jurisdictional, even if they are part of a stormwater system.

This sets up a situation where stormwater features would be permitted under two separate CWA programs run by two federal agencies: MS4s permitted through the CWA Section 402 permit program (overseen by EPA) and WOTUS waters regulated through the CWA Section 404 permit program (overseen by Army Corps). This will lead to confusion, duplication of efforts and resources, and challenges for local governments who will have to coordinate between two separate federal agencies for two fundamentally different programs.

The function of Section 402 and Section 404 permits are inherently different. The CWA Section 402 permit program regulates pollutants at the point of discharge; these systems are set up to “treat” polluted water within the MS4 via settling ponds, constructed wet areas, green infrastructure and other features before the
water is released into a WOTUS. The CWA Section 404 permit program, on the other hand, is geared toward construction and maintenance activities that occur in a WOTUS, which is separate from a stormwater system and must remain separate, since under law polluted water cannot be treated within a WOTUS. To merge these definitions together creates a conflict between the CWA Section 402 and 404 permit programs. This in turn opens local governments up to citizen suits.

We recommend that natural streams that are part of a stormwater control system, whether or not they are part of an MS4, also be included under this exclusion. We also recommend that the agencies further examine what the practical implications would be for MS4 permit holders if they need to obtain a Section 404 permit through the Army Corps for construction and maintenance activities in stormwater control systems.

Furthermore, we ask the agencies to include an exemption for stormwater systems, regardless of whether the system is part of the MS4. Finally, as the agencies move forward, we ask for clear information, whether within the final WOTUS rule or follow up guidance, on the types of documentation that local governments should provide in order to be covered under the stormwater control feature exclusion.

Clarify the definition of “upland”

While historically “upland” has been defined as elevated dry land, it is inconsistently applied in the field. The proposed rule defines “upland” as any land area that under normal circumstances does not satisfy all three wetlands delineation criteria (i.e. hydrology, hydrophytic vegetation, hydric soils) and does not lie below the ordinary high-water mark or the high tide line of a WOTUS. We are concerned that this definition is not understandable to local governments or a non-practitioner.

Many communities were founded alongside traditional navigable waters such as rivers, lakes and territorial seas, which provided a strong base for economic growth. However, by the very nature of their location, these communities were often built in low-lying and/or coastal areas with high groundwater tables that may have historically been marshy or wet. Since the proposed rule only exempts stormwater control features that have been “excavated or constructed in uplands,” it leaves questions about whether stormwater systems, including low-impact development and green infrastructure, in these areas are also exempt. Additionally, while the term “uplands” may be commonly understood in the field, it is not understood by the general public, which may expose local governments to costly citizen suits. We ask the agencies to include stormwater control features built in low-lying and/or wet areas under the exemption.

Finally, the agencies requested comments on whether the upland characteristic should be revised to read “must be constructed wholly in upland.” We recommend against the addition of the word “wholly” to this condition. Adding the term “wholly” would create confusion, especially for local governments who own and manage hundreds, and in some cases, thousands of miles of stormwater conveyances and ditches, that may partially touch jurisdictional waters. For example, if the definition were to include the term “wholly,” local governments may not know whether a ditch is jurisdictional just at the point it touches a jurisdictional water or whether the ditch as a whole, regardless of length, would be jurisdictional. Moreover, this would potentially increase the expense of projects depending on how the agencies interpret the provision.
Additional Suggestions for Final Rule

While EPA and the Corps each have websites that show approved jurisdictional determinations throughout the county, we encourage the agencies to take this a step further. The agencies should consider including an online map that shows all waters that would be considered a jurisdictional WOTUS under the new proposed rule.

Conclusion

On behalf of the nation’s mayors, cities and counties, we thank you for the opportunity to comment on the proposed rule. Changing the CWA definition of “Waters of the U.S.” will have far-reaching impacts on local governments. As partners in protecting America’s water resources, it is essential that state and local governments have a clear understanding of the vast impact the proposed “Waters of the U.S.” rule will have in our local communities. We look forward to continuing to work with EPA and the Army Corps as the regulatory process moves forward.

If you have any questions, please do not hesitate to contact our staff: Judy Sheahan (USCM) at jsheahan@usmayors.org; Carolyn Berndt (NLC) at berndt@nlc.org; or Julie Ufner (NACo) at jufner@naco.org.

Sincerely,

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Executive Director
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Clarence Anthony
CEO and Executive Director
National League of Cities

Tom Cochran
CEO and Executive Director
U.S. Conference of Mayors
June 19, 2017

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Ms. Stacey Jensen
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441 G Street NW
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Dear Ms. Downing and Ms. Jensen,

On behalf of the nation’s cities, counties and mayors, we appreciate the opportunity to provide comments on the definition of the “Waters of the U.S.” rulemaking pursuant to the Executive Order on Restoring the Rule of Law, Federalism, and Economic Growth by Reviewing the ‘Waters of the United States’ Rule. We thank the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) for holding a Federalism consultation on April 19, 2017 with state and local governments on the two-step process the agencies are pursuing to rewrite the 2015 Clean Water Rule (aka “Waters of the U.S.” or WOTUS).

Our organizations collectively represent the nation’s 19,000 cities and mayors and 3,069 counties. Our members are charged with protecting the environment and protecting public safety. Local governments serve as co-regulators in implementing and enforcing many federal laws with the states, including Clean Water Act (CWA) programs, and our members take these responsibilities seriously. Additionally, cities and counties own public safety facilities and infrastructure that are directly impacted by federal laws and regulations. As partners in protecting America’s water resources, it is essential that state and local governments have a clear understanding of the vast effect that a change to the definition of “Waters of the U.S.” will have on all aspects of CWA.

As EPA and the Corps move forward with efforts to improve the 2015 WOTUS rule, we would like to reiterate the concerns we expressed during the comment period in 2014 but were not addressed. Attached are several letters our organizations wrote collectively or individually on the 2015 rule. We ask that you consider and address these issues in any revision to the 2015 WOTUS rule.

Specifically, we want to highlight the following items and recommendations:

- **Engage in ongoing consultation under Executive Order 13132**: We thank EPA and the Corps for initiating a state and local government consultation process under Executive Order 13132:
Federalism. Under this executive order, federal agencies must consult with state and local government officials early and often in the rulemaking process. The agencies must also include in the final draft regulation a federalism summary impact statement which must include a detailed overview of state and local government concerns and describe the extent to which the agencies were able to address those concerns. As the agencies move forward with this process, we encourage the agencies to hold additional Federalism briefings, as appropriate, to gather ongoing feedback on the approach, definitions etc. from state and local governments.

- **Propose easily understandable definitions**: As with the 2015 rule, it is likely that the new rule will offer definitions of key terms. For cities and counties that oversee roads, roadside ditches, bridges, flood control facilities, municipal separate storm sewer systems (MS4s), green infrastructure projects and wastewater management systems, clear definitions are key. For example, the 2015 WOTUS rule offered new terms such as “tributary,” “uplands,” “significant nexus,” “adjacency,” “riparian areas,” “floodplains” and “neighboring” that were either undefined or confusing and that would have significantly broadened the types of infrastructure that would have been considered jurisdictional under the CWA.

- **Propose clear exemptions**: While exemptions exist under the current regulatory structure, we encourage EPA and the Corps to further provide clear exemptions for certain types of activities. For example, some Corps districts give a blanket exemption for ditch maintenance activities. In other districts, the ditch maintenance exemption is very difficult to obtain, with narrow conditions governing the types of maintenance activities that are considered exempt. Therefore, we ask the agencies to provide a clear exemption for ditch maintenance. Additionally, we ask the agencies to provide clear exemptions for stormwater control features, including green infrastructure, and wastewater management systems. Importantly, these exceptions must be clearly laid out in the rule, rather than in the preamble.

- **Conduct an analysis of economic benefits and costs** - As co-regulators, local governments need to understand their full and complete responsibilities, as well as additional costs, under the rule and the CWA. Waterbodies defined as “waters of the U.S.” are subject to all CWA regulations, including Section 402 National Pollutant Discharge Elimination System (NPDES), total maximum daily load (TMDL) and other water quality standards programs, state water quality certification process and Spill Prevention, Control and Countermeasure (SPCC) programs. We ask the agencies to conduct a comprehensive review of the actual costs and consequences of a “waters of the U.S.” definition change on all of these programs, beyond the Section 404 permit program. If necessary, EPA should consider revising existing policies on these programs to address any unintended consequences.

- **Provide maps of WOTUS determinations** - While EPA and the Corps each have websites that show approved jurisdictional determinations throughout the county, we encourage the agencies to take this a step further. The agencies should consider including an online map that shows all waters that would be considered jurisdictional WOTUS under a new proposed rule.
We thank the agencies for engaging our organizations and local governments under EO 13132 and we look forward to continuing to work with you to develop a new “Waters of the U.S.” rule. If you have any questions, please do not hesitate to contact any of our staff: Carolyn Berndt (NLC) at berndt@nlc.org; Julie Ufner (NACo) at jufner@naco.org; or Judy Sheahan (USCM) at jsheahan@usmayors.org.

Sincerely,

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Matthew D. Chase
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Tom Cochran
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November 14, 2014

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Dear Ms. Downing and Ms. Jensen:

On behalf of the nation’s mayors, cities, counties, regional governments and agencies, we appreciate the opportunity to submit comments on the U.S. Environmental Protection Agency’s (EPA) and the U.S. Army Corps of Engineers’ (Corps) proposed rule on “Definition of “Waters of the United States” Under the Clean Water Act.” We thank the agencies for educating our members on the proposal and for extending the public comment period in order to give our members additional time to analyze the proposal. We thank the agencies in advance for continued opportunities to discuss these, and other, important issues.

The health, well-being and safety of our citizens and communities are top priorities for us. To that end, it is important that federal, state and local governments all work together to craft reasonable and practicable rules and regulations. As partners in protecting America’s water resources, it is essential that state and local governments have a clear understanding of the vast impact that a change to the definition of “waters of the U.S.” will have on all aspects of the Clean Water Act (CWA). That is why several of our organizations and other state and local government partners asked for a transparent and straight-forward rulemaking process, inclusive of a federalism consultation process, rather than having changes of such a complex nature instituted though a guidance document alone.
As described below, we have a number of overarching concerns with the rulemaking process, as well as specific concerns regarding the proposed rule. In light of both, we have the following requests:

1. We strongly urge EPA and the Corps to modify the proposed rule by addressing our concerns and incorporating our suggestions to provide greater certainty and clarity for local governments; and
2. We ask that EPA and the Corps issue a revised proposed rule with an additional comment period, so that we can be certain these concerns are adequately addressed; or
3. Alternatively, if an additional comment period is not granted, we respectfully call for the withdrawal of this proposed rule and ask the agencies to resubmit a proposed rule at a later date that addresses our concerns.

**Overarching Concerns with the Rulemaking Process**

While we appreciate the willingness of EPA and the Corps to engage state and local government organizations in a voluntary consultation process prior to the proposed rule’s publication, we remain concerned that the direct and indirect impacts of the proposed rule on state and local governments have not been thoroughly examined because three key opportunities that would have provided a greater understanding of these impacts were missed:

1. Additional analysis under the Regulatory Flexibility Act, which examines economic impacts on small entities, including cities and counties;
2. State and local government consultation under Executive Order 13132: Federalism, which allows state and local governments to weigh in on draft rules before they are developed or publicly proposed in order to address intergovernmental concerns; and
3. The agencies’ economic analysis of the proposed rule, which did not thoroughly examine impacts beyond the CWA 404 permit program and relied on incomplete and inadequate data.

Additionally, we believe there needs to be an opportunity for intergovernmental state and local partners to thoroughly read the yet-to-be-released final connectivity report, synthesize the information, and incorporate those suggestions into their public comments on the proposed rule. These missed opportunities and our concerns regarding the connectivity report are discussed in greater detail below.

1. The **Regulatory Flexibility Act (RFA)** requires federal agencies that promulgate rules to consider the impact of their proposed rule on small entities, which under the definition includes cities, counties, school districts, and special districts of less than 50,000 people. RFA, as amended by the Small Business Regulatory Enforcement Fairness Act, requires agencies to make available, at the time the proposed rule is published, an initial regulatory flexibility analysis on how the proposed rule impacts these small entities. The analysis must certify that the rule does not have a Significant Economic Impact on a Substantial Number of Small Entities (SISNOSE). The RFA SISNOSE process allows federal agencies to identify areas where the proposed rule may economically impact a significant number of small entities and consider regulatory alternatives that will lessen the burden on these entities. The RFA process was not undertaken for this rule.

Based on analysis by our cities and counties, the proposed rule will have a significant impact on all local governments, but on small communities particularly. Most of our nation’s cities and counties—more than 18,000 cities and 2,000 counties—have populations less than 50,000. The RFA SISNOSE analysis would be of significant value to these governments.
2. **Executive Order 13132: Federalism** requires federal agencies to work with state and local governments on proposed regulations that have substantial direct compliance costs. Since the agencies have determined that a change in the definition of “waters of the U.S.” imposes only indirect costs, the agencies state that the proposed rule does not trigger Federalism considerations. We wholeheartedly disagree with this conclusion and are convinced there will be both direct and indirect costs for implementation.

Additionally, while EPA initiated a Federalism consultation for its state and local partners in 2011, the process was prematurely shortened. In the 17 months between the initial Federalism consultation and the publication of the proposed rule, the agencies changed directions several times (regulation versus guidance). In those intervening 17 months between the consultation and the publication of the proposed rule, the agencies failed to continue substantial discussions, thereby not fulfilling the intent of Executive Order 13132.

3. The *Economic Analysis of Proposed Revised Definition of Waters of the U.S.* is flawed because it does not include a full analysis of the proposed rule’s impact on all CWA programs beyond the 404 program (including the National Pollutant Discharge Elimination System (NPDES), total maximum daily load (TMDL) and other water quality standards programs, state water quality certification process, and Spill Prevention, Control and Countermeasure (SPCC) programs). Since a number of these CWA programs directly affect state and local governments, it is imperative the analysis provide a more comprehensive review of the actual costs and consequences of the proposed rule on these programs.

Moreover, we remain concerned that the data used in the analysis is insufficient. The economic analysis used 2009-2010 data of Section 404 permit applications as a basis for examining the impacts of the proposed rule on all CWA programs. It is insufficient to compare data from the Section 404 permit program and speculate to the potential impacts to other CWA programs. Additionally, 2009-2010 was at the height of the recession when development (and other types of projects) was at an all-time low. The poor sample period and limited data creates uncertainty in the analysis’s conclusions.

In addition to the missed opportunities, we are concerned about the timing of the yet-to-be-finalized *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence* report, which will serve as the scientific basis for the proposed rule. In mid-October, EPA’s Science Advisory Board (SAB), which was tasked with reviewing the document, sent a letter with detailed recommendations on how to modify the report. The SAB raised important questions about the scope of connectivity in their recommendations, which will need to be addressed prior to finalizing the report. We recommend EPA and the Corps pause this rulemaking effort until after the connectivity report is finalized to allow the public an opportunity to comment on the proposed rule in relation to the final report.

In a November 8, 2013 letter from the U.S. Conference of Mayors, National League of Cities and National Association of Counties to the Office and Management and Budget Administrator, we highlight the various correspondences our associations have submitted since 2011 as part of the guidance and rulemaking consideration process. (See attached.) We share this with you to demonstrate that we have been consistent in our request for a federalism consultation, concerns regarding the cost-benefit analysis, and concerns about the process and scope of the rulemaking. With these comments, we renew those requests.
Requests:

- Conduct an analysis to examine if the proposed rule imposes a significant economic impact on a substantial number of small entities per the Regulatory Flexibility Act.
- Initiate a formal state and local government federalism consultation process per Executive Order 13132: Federalism to address local government concerns and issues of clarity and certainty.
- Perform a thorough economic analysis inclusive of an examination of impacts of the proposed rule on all CWA programs using deeper and more relevant data. We urge the agencies to interact with issue-specific national associations to collect these data sets.
- Reopen the comment period for the proposed rule once the connectivity report is finalized for a minimum of 60 days.

Specific Concerns Regarding the Proposed Rule

As currently drafted, there are many examples where the language of the proposed rule is ambiguous and would create more confusion, not less, for local governments and ultimately for agency field staff responsible for making jurisdictional determinations. Overall, this lack of clarity and uncertainty within the language opens the door unfairly to litigation and citizen suits against local governments. To avoid such scenarios, setting a clear definition and understanding of what constitutes a “waters of the U.S.” is critical. We urge you to consider the following concerns and recommendations in any future proposed rule or final rule.

Key Definitions

Key terms used in the proposed rule such as “uplands,” “tributary,” “floodplain,” “significant nexus,” “adjacent,” and “neighboring” will be used to define what waters are jurisdictional under the proposed rule. However, since these terms are either broadly defined, or not defined at all, this will lead to further confusion over what waters fall under federal jurisdiction, not less as the proposed rule aims to accomplish. The lack of clarity will lead to unnecessary project delays, added costs to local governments and inconsistency across the country.

Request:

- Provide more specificity for proposed definitions such as “uplands,” “tributary,” “floodplain,” “significant nexus,” “adjacent,” “neighboring,” and other such words that could be subject to different interpretations.

Public Safety Ditches

While EPA and the Corps have publically stated the proposed rule will not increase jurisdiction over ditches, based on current regulatory practices and the vague definitions in the proposed rule, we remain concerned.

Under the current regulatory program, ditches are regulated under CWA Section 404, both for construction and maintenance activities. There are a number of challenges under the current program that would be worsened by the proposed rule. For example, across the country, public safety ditches, both wet and dry, are being regulated under Section 404. While an exemption exists for ditch maintenance, Corps districts inconsistently apply it nationally. In some areas, local governments
have a clear exemption, but in other areas, local governments must apply for a ditch maintenance exemption permit and provide surveys and data as part of the maintenance exemption request.

Beyond the inconsistency, many local governments have expressed concerns that the Section 404 permit process is time-consuming, cumbersome and expensive. Local governments are responsible for public safety; they own and manage a wide variety of public safety ditches—road, drainage, stormwater conveyances and others—that are used to funnel water away from low-lying areas to prevent accidents and flooding of homes and businesses. Ultimately, a local government is liable for maintaining the integrity of their ditches, even if federal permits are not approved by the federal agencies in a timely manner. In *Arreola v Monterey* (99 Cal. App. 4th 722), the Fourth District Court of Appeals held the County of Monterey, California liable for not maintaining a levee that failed due to overgrowth of vegetation.

The proposed rule does little to resolve the issues of uncertainty and inconsistency with the current exemption language or the amount of time, energy and money that is involved in obtaining a Section 404 permit or an exemption for a public safety ditch. The exemption for ditches in the proposed rule is so narrowly drawn that any city or county would be hard-pressed to claim the exemption. It is hard—if not impossible—to prove that a ditch is excavated wholly in uplands, drains only uplands and has less than perennial flow.

**Request:**

- Provide a specific exemption for public safety ditches from the “waters of the U.S.” definition.

**Stormwater Permits and MS4s**

Under the NPDES program, all facilities which discharge pollutants from any point source into a “waters of the U.S.” are required to obtain a permit, including local governments with Municipal Separate Storm Sewer Systems (MS4s). Some cities and counties own MS4 infrastructure that flow into a “waters of the U.S.” and are therefore regulated under the CWA Section 402 stormwater permit program. These waters, however, are not treated as jurisdictional waters since the nature of stormwater makes it impossible to regulate these features.

It is this distinction that creates a conflict between the stormwater program and the definition of “waters of the U.S.” in the proposed rule and opens the door to citizen suits. Water conveyances including but not limited to MS4s that are purposed for and servicing public use are essentially a series of open ditches, channels and pipes designed to funnel or to treat stormwater runoff before it enters into a “waters of U.S.” However, under the proposed rule, these systems could meet the definition of a “tributary,” and thus be jurisdictional as a “waters of the U.S.” The language in the proposed rule must be clarified because a water conveyance cannot both treat water and prevent untreated water from entering the system.

Additionally, waterbodies that are considered a “waters of the U.S.” are subject to state water quality standards and total maximum daily loads, which are inappropriate for this purpose. Applying water quality standards and total maximum daily loads to stormwater systems would mean that not only would the discharge leaving the system be regulated, but all flows entering the MS4 would be regulated as well. This, again, creates a conflict between the stormwater program and the definition of “waters of the U.S.” in the proposed rule.
Request:

- Provide a specific exemption for water conveyances including but not limited to MS4s that are purposed for and servicing public use from the “waters of the U.S.” definition.

Waste Treatment Exemption

The proposed rule provides that “waste treatment systems, including treatment ponds or lagoons, designed to meet the requirements of the Clean Water Act” (emphasis added) are not “waters of the U.S.” In recent years, local governments and other entities have moved toward a holistic approach in treating stormwater by using ponds, swales and wetlands. Traditionally, such systems have been exempt from the CWA, but due to the broad nature of the proposed rule, we believe the agencies should also exempt other constructed wetland and treatment facilities which may inadvertently fall under the proposed rule. This would include, but not be limited to, water and water reuse, recycling, treatment lagoons, setting basins, ponds, artificially constructed wetlands (i.e. green infrastructure) and artificially constructed groundwater recharge basins. Therefore, we ask the agencies to specifically include green infrastructure techniques and water delivery and reuse facilities under this exemption.

A. Green Infrastructure

With the encouragement of EPA, local governments across the country are utilizing green infrastructure techniques as a stormwater management tool to lessen flooding and protect water quality by using vegetation, soils and natural processes to treat stormwater runoff. These more beneficial and aesthetically pleasing features, which include existing stormwater treatment systems and low impact development stormwater treatment systems, are not explicitly exempt under the proposed rule. Therefore, these sites could be inadvertently impacted and require Section 404 permits for green infrastructure construction projects if they are determined to be jurisdictional under the new definitions in the proposed rule.

Additionally, it is unclear under the proposed rule whether a Section 404 permit will be required for maintenance activities on green infrastructure areas once the area is established. Moreover, if these features are defined as “waters of the U.S.,” they would be subject to all other sections of the CWA, including monitoring, attainment of water quality standards, controlling and permitting all discharges in these features, which would be costly and problematic for local governments.

Because of the multiple benefits of green infrastructure and the incentives that EPA and other federal agencies provide for local governments to adopt and construct green infrastructure techniques, it is ill-conceived to hamper local efforts by subjecting them to 404 permits or the other requirements that would come with being considered a “waters of the U.S.”

B. Water Delivery and Reuse Facilities

Across the country, and particularly in the arid west, water supply systems depend on open canals to convey water. Under the proposed rule, these canals would be considered “tributaries.” Water reuse facilities include ditches, canals and basins, and are often adjacent to jurisdictional waters. These features would also be “waters of the U.S.” and as such subject to regulation and management that would not only be unnecessarily costly, but
discourage water reuse entirely. Together, these facilities serve essential purposes in the process of waste treatment and should be exempt under the proposed rule.

Requests:

- Clarify the waste treatment exemption by stating that green infrastructure practices and water delivery and reuse facilities meet the requirements of the exemption.
- Expand the waste treatment exemption to include systems that are designed to meet any water quality requirements, not just the requirements of the CWA.
- Provide a specific exemption for green infrastructure and water delivery and reuse facilities from the “waters of the U.S.” definition.

NPDES Pesticide Permit Program

Local governments use pesticides and herbicides in public safety infrastructure to control weeds, prevent breeding of mosquitoes and other pests, and limit the spread of invasive species. While the permit has general requirements, more stringent monitoring and paperwork requirements are triggered if more than 6,400 acres are impacted in a calendar year. For local governments who have huge swaths of land, the acreage limit can be quickly triggered. The acreage limit also becomes problematic as more waterbodies are designated as a “waters of the U.S.”

Additional Considerations

Finally, we would like to offer two additional considerations that would help to resolve any outstanding confusion or disagreement over the breadth of the proposed rule and assist local governments in meeting our mutual goals of protecting water resources and ensuring public safety.

Appeals Process

Many of the definitions in the proposed rule are incredibly broad and may lead to further confusion and lawsuits. To lessen confusion, we recommend the agencies implement a transparent and understandable appeals procedure for entities to challenge agency jurisdictional determinations without having to go to court.

Request:

- Institute a straight-forward and transparent process for entities to appeal agency jurisdictional determinations.

Emergency Exemptions

In the past several years, local governments who have experienced natural or man-made disasters have expressed difficulty obtaining emergency clean-up waivers for ditches and other conveyances. This, in turn, endangers public health and safety and jeopardizes habitats. We urge the EPA and the Corps to revisit that policy, especially as more waters are classified as “waters of the U.S.” under the proposed rule.
Request:

- Set clear national guidance for quick approval of emergency exemptions.

Conclusion

On behalf of the nation’s mayors, cities, counties, regional governments and agencies, we thank you for the opportunity to comment on the proposed rule. Changing the CWA definition of “waters of the U.S.” will have far-reaching impacts on our various constituencies.

As local governments and associated agencies, we are charged with protecting the environment and protecting public safety. We play a strong role in CWA implementation and are key partners in its enactment; clean and safe drinking water is essential for our survival. We take these responsibilities seriously.

As partners in protecting America’s water resources, it is essential that state and local governments have a clear understanding of the vast impact the proposed “waters of the U.S.” rule will have on our local communities. We look forward to continuing to work with EPA and the Corps as the regulatory process moves forward.

Sincerely,

Tom Cochran
CEO and Executive Director
The U.S. Conference of Mayors

Clarence E. Anthony
Executive Director
National League of Cities

Matthew D. Chase
Executive Director
National Association of Counties

Joanna L. Turner
Executive Director
National Association of Regional Councils

Brian Roberts
Executive Director
National Association of County Engineers

Peter B. King
Executive Director
American Public Works Association

Susan Gilson
Executive Director
National Association of Flood and Stormwater Management Agencies
November 8, 2013

The Honorable Howard Shelanski
Administrator, Office of Information and Regulatory Affairs
Office of Management and Budget
725 17th Street N.W.
Washington D.C. 20503


Dear Administrator Shelanski:

On behalf of the nation’s mayors, cities and counties, we are writing regarding the U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers’ (Corps) proposed rulemaking to change the Clean Water Act definition of “Waters of the U.S.” and the draft science report, Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence, which EPA indicated will serve as a basis for the rulemaking. We appreciate that EPA and the Corps are moving forward with a rule under the Administrative Procedures Act, as our organizations previously requested, however, we have concerns about the process and the scope of the rulemaking.

Background

In May 2011, EPA and the Corps released Draft Guidance on Identifying Waters Protected by the Clean Water Act (Draft Guidance) to help determine whether a waterway, water body or wetland would be jurisdictional under the Clean Water Act (CWA).

In July 2011, our organizations submitted comments on the Draft Guidance, requesting that EPA and the Corps move forward with a rulemaking process that features an open and transparent means of proposing and establishing regulations and ensures that state, local, and private entity concerns are fully considered and properly addressed. Additionally, our joint comments raised concerns with the fact that the Draft Guidance failed to consider the effects of the proposed changes on all CWA programs beyond the 404 permit program, such as Total Maximum Daily Load (TMDL) and water quality standards programs and the National Pollutant Discharge Elimination System (NPDES) permit program.

In response to these comments, EPA indicated that it would not move forward with the Draft Guidance, but rather a rulemaking pertaining to the “Waters of the U.S.” definition. In November 2011, EPA and the Corps initiated a formal federalism consultation process with state and local government organizations. Our organizations submitted comments on the federalism consultation briefing in December 2011. In early 2012, however, EPA changed course, putting the rulemaking on hold and sent a final guidance document to the Office of Management and Budget (OMB) for interagency review. Our organizations submitted a letter to OMB in March 2012 repeating our concerns with the agencies moving forward with a guidance document.
Most recently, in September 2013, EPA and the Corps changed course again and withdrew the Draft Guidance and sent a draft “Waters of the U.S” rule to OMB for review. At the same time, the agencies released a draft science report, *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence*.

**Concerns**

While we acknowledge the federalism consultation process that EPA and the Corps began in 2011, in light of the time that has passed and the most recent developments in the process toward clarifying the jurisdiction of the CWA, we request that EPA and the Corps hold a briefing for state and local governments groups on the differences between the Draft Guidance and the propose rule that was sent to OMB in September. Additionally, if EPA and the Corps have since completed a full cost analysis of the proposed rule on all CWA programs beyond the 404 permit program, as our organizations requested, we ask for a briefing on these findings.

In addition to our aforementioned concerns, we have a new concern with the sequence and timing of the draft science report, *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence*, and how it fits into the proposed “Waters of the U.S.” rulemaking process, especially since the document will be used as a basis to claim federal jurisdiction over certain water bodies. By releasing the draft report for public comment at the same time as a proposed rule was sent to OMB for review, we believe EPA and the Corps have missed the opportunity to review any comments or concerns that may be raised on the draft science report actually inform the development of the proposed rule. We ask that OMB remand the proposed rule back to EPA and the Corps and that the agencies refrain from developing a proposed rule until after the agencies have thoroughly reviewed comments on the draft science report.

While you consider our requests for additional briefings on this important rulemaking process and material, we also respectfully request additional time to review the draft science report. We believe that 44 days allotted for review is insufficient given the report’s technical nature and potential ramifications on other policy matters.

As partners in protecting America’s water resources, it is essential that state and local governments have a clear understanding of the vast affect that a change to the definition of “Waters of the U.S.” will have on all aspects of the CWA. We look forward to continuing to work with EPA and the Corps as the regulatory process moves forward.

Sincerely,

Tom Cochran  
CEO and Executive Director  
The U.S. Conference of Mayors

Clarence E. Anthony  
Executive Director  
The National League of Cities

Matt Chase  
Executive Director  
The National Association of Counties

cc: Gina McCarthy, Administrator, U.S. Environmental Protection Agency  
Lt. General Thomas P. Bostick, Commanding General and Chief of Engineers, Army Corps of Engineers
November 14, 2014

Donna Downing
Jurisdiction Team Leader, Wetlands Division
U.S. Environmental Protection Agency
Water Docket, Room 2822T
1200 Pennsylvania Avenue N.W.
Washington, D.C. 20460

Stacey Jensen
Regulatory Community of Practice
U.S. Army Corps of Engineers
441 G Street N.W.
Washington, D.C. 20314

Re: Definition of “Waters of the United States” Under the Clean Water Act, Docket ID No. EPA-HQ-OW-2011-0880

Dear Ms. Downing and Ms. Jensen:

On behalf of the National Association of Counties (NACo) and the 3,069 counties we represent, we respectfully submit comments on the U.S. Environmental Protection Agency’s (EPA) and the U.S. Army Corps of Engineers (Corps) joint proposed rule on Definition of “Waters of the United States” Under the Clean Water Act. We thank the agencies for their ongoing efforts to communicate with NACo and our members throughout this process. We remain very concerned about the potential impacts of the proposed rule and urge the agencies to withdraw it until further analysis has been completed.

Founded in 1935, NACo is the only national organization that represents county governments in the United States and assists them in pursuing excellence in public service to produce healthy, vibrant, safe and resilient counties.

The Importance of Clean Water and Public Safety

Clean water is essential to all of our nation’s counties who are on the front lines of protecting the citizens we serve through both preserving local resources and maintaining public safety. The availability of an adequate supply of clean water is vital to our nation and integrated and cooperative programs at all levels of government are necessary for protecting water quality. Without clean water, our economies would not exist and counties are the first line of protecting these waters.

Counties are not just another stakeholder group in this discussion—they are a valuable partner with federal and state governments on Clean Water Act implementation. To that end, it is important that the federal, state and local governments work together to craft practical and workable rules and regulations.

Counties are also responsible to protect the public. Across the country, counties own and maintain public safety ditches including road and roadside ditches, flood control channels, stormwater culverts and pipes, and other infrastructure that is used to funnel water away from low-lying roads, properties and businesses to prevent accidents and flooding incidents. Defining what waters and their conveyances fall under federal

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jurisdiction has a direct impact on counties who are legally responsible for maintaining their public safety ditches and infrastructure.

NACo shares the EPA’s and Corps goal for a clear, concise and workable definition for “waters of the U.S.” to reduce confusion—not to mention costs—within the federal permitting process. Unfortunately, we believe that this proposed rule falls short of that goal.

EPA asserts that they are not trying to regulate any waters not historically or previously regulated. But this is misleading. Prior to a 2001 Supreme Court decision,2 virtually all water was jurisdictional and EPA’s and the Corps own economic analysis agreed. It states that “Just over 10 years ago, almost all waters were considered “waters of the U.S.”3 This is why we believe the proposed rule is an expansion of jurisdiction over current regulatory practices.

Hundreds of counties, including their respective state associations of counties, have submitted public comments on the proposed rule over concerns about how it will impact daily operations and local budgets. We respectfully urge the agencies to examine and consider these comments carefully.

This letter will highlight a number of areas important to counties as they relate to the proposed rule:

- Counties Have a Vested Interest in the Proposed Rule
- The Consultation Process with State and Local Governments was Flawed
- Incomplete Data was Used in the Agencies’ Economic Analysis
- A Final Connectivity Report is Necessary to Justify the Proposed Rule
- The Clean Water Act and Supreme Court Rulings on “Waters of the U.S.”
- Potential Negative Effects on All CWA programs
- Key Definitions are Undefined
- The Section 404 Permit Program is Time-Consuming and Expensive for Counties
- County Experiences with the Section 404 Permit Process
- Counties Need Clarity on Stormwater Management and Green Infrastructure Programs
- States Responsibilities Under CWA Will Increase
- County Infrastructure on Tribal Land May Be Jurisdictional
- Endangered Species Act as it Relates to the Proposed Rule
- Ensuring that Local Governments Are Able to Quickly Recover from Disasters

**Counties Have a Vested Interest in the Proposed Rule**

In the U.S., there are 3,069 counties nationally which vary in size and population. They range in area from 26 square miles (Arlington County, Virginia) to 87,860 square miles (North Slope Borough, Alaska). The population of counties varies from Loving County, Texas, with just under 100 residents to Los Angeles County, California, which is home to close to ten million people. Forty-eight of the 50 states have operational county governments (except Connecticut and Rhode Island). Alaska calls its counties boroughs and Louisiana calls them parishes.

Since counties are an extension of state government, many of their duties are mandated by the state. Although county responsibilities differ widely between states, most states give their counties significant

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authorities. These authorities include construction and maintenance of roads, bridges and other infrastructure, assessment of property taxes, record keeping, running elections, overseeing jails and court systems and county hospitals. Counties are also responsible for child welfare, consumer protection, economic development, employment/training, and land use planning/zoning and water quality.

Counties own and maintain a wide variety of public safety infrastructure that would be impacted by the proposed rule including roads and roadside ditches, stormwater municipal separate storm sewer systems (MS4), green infrastructure construction and maintenance projects, drinking water facilities and infrastructure (not designed to meet CWA requirements) and water reuse and infrastructure.

On roads and roadside ditches, counties are responsible for building and maintaining 45 percent of public roads in 43 states (Delaware, North Carolina, New Hampshire, Vermont and West Virginia counties do not have road responsibilities). These responsibilities can range from intermittent maintenance, such as snow plowing, debris cleanup, short term paving and surface repairs to maintenance of traffic safety and road signage and major long-term construction projects.

Many of these road systems are in very rural areas. Of the nation’s 3,069 counties, approximately 70 percent of our counties are considered “rural” with populations less than 50,000 and 50 percent of these are counties have populations below 25,000 residents. Any additional cost burdens are challenging to these smaller governments, especially since more rural counties have the most road miles and corresponding ditches. Since state constitutions and statutes dictate and limit the revenue sources counties may use, balancing increased federal and state regulations with the limited financial resources available to local governments poses significant implementation challenges.

Changes to the scope of the “waters of the U.S.” definition, without a true understanding of the direct and indirect impact and costs to state and local governments, puts our local governments in a precarious position, choosing between environmental protection and public safety. Counties do not believe this needs to be an either/or decision if local governments are involved in policy formations from the start.

Regardless of size, counties nationwide are coping with fiscally tight budgets. County revenues have declined and ways to effectively increase county treasuries are limited. In 2007, our counties were impacted by the national financial crisis, which pushed the nation into a recession. The recession affected the capacity of county governments to deliver services to their communities. While a number of our counties are experiencing moderate growth, in some parts of the country, economic recovery is still fragile. This is why we are concerned about the proposed rule.

**The Consultation Process with State and Local Governments was Flawed**

Throughout the entire rule-making process, state and local governments were not adequately consulted through the Regulatory Flexibility Act (RFA) and Executive Order 13132: Federalism. Since 2011, NACo has repeatedly requested a transparent process, as directed under the Administrative Procedures Act (APA), which includes meaningful consultation with impacted state and local governments.

The Regulatory Flexibility Act (RFA) as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA), requires federal agencies to consider potential impacts of proposed rules on small entities. This process was not followed for the proposed “waters of the U.S.” rule.

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Under RFA, small entities are defined as small businesses and organizations, cities, counties, school districts and special districts with a population below 50,000. RFA requires agencies to analyze the impact any proposed rule could have on small entities and provide less costly options for implementation. The Small Business Administration’s (SBA) Office of Advocacy (Advocacy) oversees federal agency compliance with RFA.

As part of the rulemaking process, the agencies must “certify” the proposed rule does not have a Significant Economic Impact on a Substantial Number of Small Entities (SISNOSE). To certify a proposed rule, federal agencies must provide a “factual basis” to certify that a rule does not impact small entities. This means “at minimum…a description of the number of affected entities and the size of the economic impacts and why either the number of entities or the size of the impacts justifies the certification.”

The RFA SISNOSE process allows federal agencies to identify areas where the proposed rule may economically impact a significant number of small entities and consider regulatory alternatives that will lessen the burden on these entities. If the agencies are unable to certify that a proposed rule does not impact small entities, the agencies are required to convene a small business advocacy review (SBAR) panel. The agencies determined, incorrectly, there was “no SISNOSE”—and therefore did not provide a necessary review.

In a letter sent to EPA Administrator Gina McCarthy and Corps Deputy Commanding General Major General John Peabody, SBA Advocacy expressed significant concerns that the proposed “waters of the U.S.” rule was “improperly certified…used an incorrect baseline for determining…obligations under the RFA…imposes costs directly on small businesses” and “will have a significant economic impact…” Advocacy requested that the agencies “withdraw the rule” and that the EPA “conduct a Small Business Advocacy Review panel before proceeding any further with this rulemaking.”

Since over 2,000 of our nation’s counties are considered rural and covered under SBA’s responsibility, NACo supports the SBA Office of Advocacy conclusions.

President Clinton issued Executive Order No. 13132, “Federalism,” on August 4, 1999. Under Executive Order 13132—Federalism, federal agencies are required to work with state and local governments on proposed regulations that will have a substantial direct impact on state and local governments. We believe the proposed “waters of the U.S.” rule triggers Executive Order 13132. Under Federalism, agencies must consult with state and local officials early in the process and must include in the final draft regulation a federalism summary impact statement, which must include a detailed overview of state and local government concerns and describe the extent the agencies were able to address the concerns. A federalism impact statement was not included with the proposed rule.

EPA’s own internal guidance summarizes when a Federalism consultation should be initiated. Federalism may be triggered if a proposed rule has an annual implementation cost of $25 million for state and local governments. Additionally, if a proposal triggers Federalism, EPA is required to work with state and local governments in a “meaningful and timely” manner which means “consultation should begin as early as possible and continue as you develop the proposed rule.” Even if the rule is determined not to impact state

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6 Letter from Winslow Sargeant, Chief Counsel for Advocacy, to Gina McCarthy, Adm’r, EPA and Gen. John Peabody, Deputy Commanding Gen., Corps of Eng’r, on Definition of “Waters of the United States” Under the Clean Water Act (October 1, 2014).
9 Id. at 6.
10 Id. at 9.
and local governments, the EPA still subject to its consultation requirements if the proposal has “any adverse impact above a minimum level.”

Within the proposed rule, the agencies have indicated they “voluntarily undertook federalism consultation.” While we are heartened by the agencies’ acknowledgement of our concerns, we are disturbed that EPA prematurely truncated the state and local government Federalism consultation process. EPA initiated a formal Federalism consultation process in 2011. In the 17 months between the consultation and the proposed rule’s publication, EPA failed to avail itself of the opportunity to continue substantial discussions during this intervening period with its intergovernmental partners, thereby failing to fulfill the intent of Executive Order 13132, and the agency’s internal process for implementing it.

Recommendations:

1. Pursuant to the rationale provided herein, as well as that put forth by the SBA Chief Counsel for Advocacy, formally acknowledge that this regulation does not merit a “no SISNOSE” determination and, thereby, must initiate the full small entity stakeholder involvement process as described by RFA SBREFA.

2. Convene a SBAR panel which provides an opportunity for small entities to provide advice and recommendations to ensure the agencies carefully considers small entity concerns.


4. Charter an ad hoc, subject-specific advisory committee under the authority of the Federal Advisory Committee Act (FACA), as EPA has done on numerous occasions for less impactful regulations, to underpin the development of this comprehensive regulation.

5. Accept an ADR Negotiated Rulemaking process for the proposed rule: Because of the intrinsic problems with the development of the proposed rule, we would also ask the agencies to consider an Alternative Dispute Resolution (ADR) negotiated rulemaking with all stakeholders. An ADR negotiated rulemaking process would allow stakeholders of various groups to “negotiate” the text of a proposed rule, to allow problems to be addressed and consensus to be reached.

Incomplete Data was Used in the Agencies’ Economic Analysis

As part of the proposed rule, the agencies released their cost-benefit analysis on Economic Analysis of Proposed Revised Definition of Waters of the U.S. (March 2014). We are concerned about the limited scope of this analysis since it bases its assumptions on a narrow set of CWA data not applicable to other CWA programs. Since EPA has held its 2011 Federalism briefing on “waters of the U.S.,” we have repeatedly raised concerns about the potential costs and the data points used in the cost-benefit analysis—these concerns have yet to be addressed.

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11 Id. at 11.
The economic analysis uses CWA Section 404 permit applications from 2009-2010 as its baseline data to estimate the costs to all CWA programs. There are several problems with this approach. Based on this data, the agencies expect an increase of approximately three percent of new waters to be jurisdictional within the Section 404 permit program. The CWA Section 404 program administers permits for the “discharge of dredge and fill material” into “waters of the U.S.” and is managed by the Corps.

First, we are puzzled why the agencies chose the span of 2009-2010 as a benchmark year for the data set as more current up-to-date data was available. In 2008, the nation entered a significant financial recession, sparked by the housing subprime mortgage crisis. Housing and public infrastructure construction projects were at an all-time low. According to the National Bureau of Economic Research, the recession ended in June 2009, however, the nation is only starting to show signs of recovery. By using 2009-2010 data, the agencies have underestimated the number of new waters that may be jurisdictional under the proposed rule.

Second, the economic analysis uses the 2009-2010 Corps Section 404 data as a baseline to determine costs for other CWA programs run by the EPA. Since there is only one “waters of the U.S.” definition used within the CWA, the proposed rule is applicable to all CWA programs. The Congressional Research Service (CRS), a public policy research arm of the U.S. Congress, released a report on the proposed rule that stated “costs to regulated entities and governments (federal, state, and local) are likely to increase as a result of the proposal.” The report reiterates there would be “additional permit application expenses (for CWA Section 404 permitting, stormwater permitting for construction and development activities, and permitting of pesticide discharges...for discharges to waters that would now be determined jurisdictional).”

We are concerned the economic analysis focuses primarily on the potential impacts to CWA’s Section 404 permit program and does not fully address the cost implications for other CWA programs. The EPA’s and the Corps economic analysis agrees, “...the resulting cost and benefit estimates are incomplete...Readers should be cautious in examining these results in light of the many data and methodological limitations, as well as the inherent assumptions in each component of the analysis.”

Recommendation:

- **NACo urges the agencies to undertake a more detailed and comprehensive analysis on how the definitional changes will directly and indirectly impact all Clean Water Act programs, beyond Section 404, for federal, state and local governments**

- **Work with national, state and local stakeholder groups to compile up-to-date cost and benefit data for all CWA programs**

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A Final Connectivity Report is Necessary to Justify the Proposed Rule

In addition to the aforementioned issues, we are also concerned that the draft science report, *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence*, used as a scientific basis of the proposed rule, is still in draft form.

In 2013, EPA asked its’ Science Advisory Board (SAB), which is comprised of 52 scientific advisors, to review the science behind the report. The report focused on more than 1,000 scientific studies and reports on the interconnectivity of water. In mid-October, 2014, the SAB completed its review of the draft report and sent its recommendations to the EPA.20

The SAB recommendations have yet to be incorporated into the draft connectivity report. Releasing the proposed rule before the connectivity report is finalized is premature—the agencies missed a valuable opportunity to review comments or concerns raised in the final connectivity report that would inform development of the proposed “waters of the U.S.” rule.

Recommendations:

- Reopen the public comment period on the proposed “waters of the U.S.” rule when the *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence* report is finalized

The Clean Water Act and Supreme Court Rulings on “Waters of the U.S.”

Clean water is essential for public health and state and local governments a large role in ensuring local water resources are protected. It is important state and local governments are involved as a significant partner in the CWA rule development process.

The Clean Water Act charges the federal government with setting national standards for water quality. Under a federal agreement for CWA enforcement, the EPA and the Corps share clean water responsibilities. The Corps is the lead on the CWA Section 404 Dredge and Fill permit program and the EPA is the lead on other CWA programs.21 46 states have undertaken authority for EPA’s Section 402 NPDES permit program—EPA manages NPDES permits for Idaho, Massachusetts, New Hampshire and New Mexico.22 Additionally, all states are responsible for setting water quality standards to protect “waters of the U.S.”23

“Waters of the U.S.” is a term used in CWA—it is the glue that holds the Clean Water Act together. The term is derived from a law that was passed in 1899, the Rivers and Harbors Act, that had to do with interstate commerce—any ship involved in interstate commerce on a “navigable water,” which, at the time, was a lake, river, ocean—was required to have a license for trading.

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21 Memorandum of Agreement Between the Dep’t of the Army & the Envtl. Prot. Agency Concerning the Determination of the Section 404 Program & the Applications of Exemptions Under Section(F) of the Clean Water Act, 1989.


23 Id.
The 1972 Clean Water Act first linked the term “navigable waters” with “waters of the U.S.” in order to define the scope of the CWA. The premise of the 1972 CWA was that all pollutants discharged to a navigable water of the U.S. were prohibited, unless authorized by permit. There is only one “waters of the U.S.” definition within the CWA and it is used to define federal jurisdiction for all CWA programs.

In the realm of the CWA’s Section 404 permit program, the courts have generally said that “navigable waters” goes beyond traditionally navigable-in-fact waters. However, the courts also acknowledge there is a limit to jurisdiction. What that limit is within Section 404 has yet to be determined and is constantly being litigated.

In 2001, in Solid Waste Agency of Northern Cook County (SWANCC) v. United States Army Corps of Engineers, the Corps had used the “Migratory Bird Rule”—wherever a migratory bird could land—to claim federal jurisdiction over an isolated wetland. In SWANCC, Court ruled that the Corps exceeded their authority and infringed on states’ water and land rights.

In 2006, in Rapanos v. United States, the Corps were challenged over their intent to regulate isolated wetlands under the CWA Section 404 permit program. In a 4-1-4 split decision, the Court ruled that the Corps exceeded their authority to regulate these isolated wetlands. The plurality opinion states that only waters with a relatively permanent flow should be federally regulated. The concurrent opinion stated that waters should be jurisdictional if the water has a “significant nexus” with a navigable water, either alone or with other similarly situated sites. Since neither opinion was a majority opinion, it is unclear which opinion should be used in the field to assert jurisdiction, leading to further confusion over what waters are federally regulated under CWA.

Potential Negative Effects on All CWA Programs

There is only one definition of “waters of the U.S.” within the CWA which must be applied consistently for all CWA programs that use the term “waters of the U.S.” While Congress defined “navigable waters” in CWA section 502(7) to mean “the waters of the United States, including the territorial seas,” the Courts have generally assumed that “navigable waters of the U.S.” go beyond traditional navigable-in-fact waters such as rivers. However, the Courts also acknowledge there is a limit to federal jurisdiction.

Previous Corps guidance documents on “waters of the U.S.” clarifications have been strictly limited to the Section 404 permit program. A change to the “waters of the U.S.” definition though, has implications for ALL CWA programs. This modification goes well beyond solely addressing the problems within the Section 404 permit program. These effects have not been fully studied nor analyzed.

Changes to the “waters of the U.S.” definition within the CWA will have far-reaching effects and unintended consequences to a number of state and local CWA programs. As stated before, the proposed economic analysis needs to be further fleshed out to recognize all waters that will be jurisdictional, beyond the current data of Section 404 permit applications. CWA programs, such as the National Pollutant Discharge Elimination System (NPDES), total maximum daily load (TMDL) and other water quality standards programs, state water quality certification process, or Spill Prevention, Control and Countermeasure (SPCC) programs, will be impacted.

25 Id.
27 Id.
**Key Definitions are Undefined**

The proposed rule extends the “waters of the U.S.” definition by utilizing new terms—“tributary,” “uplands,” “significant nexus,” “adjacency,” “riparian areas,” “floodplains” and “neighboring”—that will be used to claim jurisdiction more broadly. All of these terms will broaden the types of public infrastructure that is considered jurisdictional under the CWA.

**“Tributary”—**The proposed rule states that a tributary is defined as a water feature with a bed, bank, ordinary high water mark (OHWM), which contributes flow, directly or indirectly, to a “water of the U.S.” A tributary does not lose its status if there are man-made breaks (bridges, culverts, pipes or dams) or natural breaks upstream of the break. The proposed rule goes on to state that “A tributary...includes rivers, streams, lakes, ponds, impoundments, canals, and ditches...”[^28]

For counties that own and manage public safety infrastructure, the potential implication is that roadside ditches will be treated the same as rivers and streams, while the functions and purposes of both are significantly different. Public safety ditches should not be classified as tributaries. Further fleshing out the exemptions for certain types of ditches, which is discussed later in the letter, would be beneficial.

**“Uplands”—**The proposed rule recommends that “Ditches that are excavated wholly in uplands, drain only uplands, and have less than perennial flow” are exempt, however, the term “uplands” is undefined.[^29] This is problematic. County public safety ditch systems—roadside, flood, drainage, stormwater—can be complex. While they are generally dug in dry areas, they run through a transitional area before eventually connecting to “waters of the U.S.” It is important to define the term “uplands” to ensure the exemption is workable.

**“Significant Nexus”—**The proposed rule states that “a particular category of waters either alone or in combination with similarly situated waters in the region, significantly affect the chemical, physical, or biological integrity of traditional navigable or interstate waters.”[^30]

This definition uses the watershed approach to determine jurisdiction—a watershed is an area of land where all of the rivers, streams, and other water features drain to the same place. According to the EPA, “Watersheds come in all shapes and sizes. They cross county, state, and national boundaries. In the continental U.S., there are 2,110 watersheds, including Hawaii, Alaska, and Puerto Rico, there are 2,267 watersheds.”[^31]

There are very few parts of the country that are not in a watershed. This definition would create burdens on local governments who maintain public safety ditches and infrastructure near natural waterbodies; this infrastructure could be considered jurisdictional under the “significant nexus” definition.

**“Adjacent Waters”—**Under current regulation, only those wetlands that are adjacent to a “waters of the U.S.” are considered jurisdictional. However, the proposed regulate broadens the regulatory reach to “adjacent waters,” rather than just to “adjacent wetlands.” This would extend jurisdiction to “all waters,” not just “adjacent wetlands.” The proposed rule defines “adjacent as “bordering, contiguous or neighboring.”[^32]

[^29]: Id.
[^30]: Id.
Under the rule, adjacent waters include those located in riparian or floodplain areas.33 Expanding the definition of “adjacency,” will have unintended consequences for many local governments. Stormwater and floodwater infrastructure and facilities are often located in low-lying areas, which may be considered jurisdictional under the new definition. Since communities are highly dependent on these structures for public safety, we would encourage the agencies to assess the unintended consequences.

“Riparian Areas”—The proposed rule defines “riparian area” as “an area bordering a water where the surface or subsurface hydrology directly influence the ecological processes and plant and animal community structure in that area.” Riparian areas are transitional areas between dry and wet areas.34 Concerns have been raised that there are very few areas within the U.S. that would not meet this definition, especially if a riparian area boundary remains undefined.

“Floodplains”—The proposed definition states that floodplains are defined as areas with “moderate to high water flows.”35 These areas would be considered “water of the U.S.” even without a significant nexus. Under the proposed rule, does this mean that any area, that has the capacity to flood, would be considered to be in a “floodplain?”

Further, it is a major problem for counties that the term “floodplain” is not tied to, or consistent with, the generally accepted and understood definition used by the Federal Emergency Management Agency (FEMA). Notwithstanding potential conflicts with other Federal agencies, the multiple federal definitions could create challenges in local land use planning, especially if floodplain designations are classified differently by various agencies.

Aside from potential conflicts between Federal agencies, this would be very confusing to landowners and complicated to integrate at the local level. These definitions could create conflict with local floodplain ordinances, which were crafted to be consistent with FEMA National Flood Insurance Program (NFIP) rules. It is essential that floodplain definitions be consistent between and among all Federal agencies to ensure harmony.

“Neighboring”—“Neighboring” is a term used to identify those adjacent waters with a significant nexus. The term “neighboring” is used with the terms riparian areas and floodplains to define the lateral reach of the term neighboring.36 Using the term “neighboring,” without limiting qualifiers, has the potential to broaden the reach of the CWA. No one county is alike, nor are the hydrologic and geological conditions across the U.S. Due to these unique challenges, it is often difficult to craft a one-size-fits-all regulatory approach without considering regional or local differences. Moreover, there could be a wide range of these types of differences within one state or region.

Recommendations:

- Redraft definitions to ensure they are clear, concise and easy to understand
- Where appropriate, the terms used within the proposed rule should be defined consistently and uniformly across all federal agencies

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33 Id.
34 Id.
35 Id.
36 Id.
• Create a national map that clearly shows which waters and their tributaries are considered jurisdictional

**The Section 404 Permit Program is Time-Consuming and Expensive for Counties**

Ditches are pervasive in counties across the nation and, until recently, were never considered to be jurisdictional by the Corps. Over the years, numerous local governments and public agencies have expressed concerns that regional Corps offices sometimes require Section 404 permits for maintenance activities on public safety infrastructure conveyances. While a maintenance exemption for ditches exists on paper, in practice it is narrowly crafted. Whether or not a ditch is regulated under Section 404 has significant financial implications for local governments and public agencies.

In recent years, certain Corps districts have inconsistently found public safety ditches jurisdictional, both for construction and maintenance activities. Once a ditch falls under federal jurisdiction, the Section 404 permit process can be extremely cumbersome, time-consuming and expensive, leaving counties vulnerable to citizen suits if the federal permit process is not streamlined.

**Based on our counties’ experiences, while the jurisdictional determination process may create delays, lengthy and resource intensive delays also occur AFTER federal jurisdiction is claimed.** Once jurisdictional, the project triggers application of other federal laws like environmental impact statements, National Environment Policy Act (NEPA) and the Endangered Species Act (ESA). These impacts involve studies and public comment periods, all of which can cost both time and money. And often, as part of the approval process, the permit requires the applicant to "mitigate" the environmental impacts of the proposed project, sometimes at considerable expense. There also may be special conditions attached to the permit for maintenance activities. These specific required conditions result in a lengthy negotiation process with counties. A number of California counties have communicated this process can easily take easily three or more years, with costs in the millions for one project.

One Midwest county studied five road projects that were delayed over the period of two years. Conservatively, the cost to the county for the delays was $500,000. Some counties have missed building seasons waiting for federal permits. These are real world examples, going on now, for many our counties. They are not hypothetical, “what if” situations. These are actual experiences from actual counties. The concern is, if more public safety ditches are considered jurisdictional, more counties will face similar problems.

Counties are liable for ensuring their public safety ditches are maintained and there have been cases where counties have been sued for not maintaining their ditches. In 2002, in *Arreola v Monterey* (99 Cal. App. 4th 722), the Fourth District Court of Appeals held the County of Monterey (Calif.) liable for not maintaining a flood control channel that failed due to overgrowth of vegetation. Counties are legally responsible for public safety infrastructure, regardless of whether or not the federal agencies approve permits in a timely manner.

It is imperative that 404 permits be processed in a timely manner by the Corps. Delays in the permitting process have resulted in flooding of constituent and business properties. This puts our nation’s counties in a precarious position—especially those who are balancing small budgets against public health and environmental protection needs.

The bottom line is, county ditch systems can be complex. They can run for hundreds of miles continuously. By their very nature, they drain directly (or indirectly) into rivers, lakes, streams and eventually the ocean. At a time when local governments throughout the nation are only starting to experience the beginnings of economic recovery,
proposing far reaching changes to CWA’s “waters of the U.S.” definition seems to be a very precarious endeavor and one which should be weighed carefully knowing the potential implications.

**County Experiences with the Section 404 Permit Process**

During discussions on the proposed “waters of the U.S.” definition change, the EPA asked NACo to provide several known examples of problems that have occurred in Section 404 jurisdictional determinations, resulting in time delays and additional expenses. These examples have been provided to the agencies.

One Midwest county received Federal Highway Authority funding to replace two old county bridge structures. The Corps determined that because the project would impact 300 feet of a roadside ditch, the county would have to go through the individual permit process. The county disagreed with the determination but decided to acquiesce to the Corps rather than risk further delay and the withdrawal of federal funding. The cost associated with going through the Corps process required the county to significantly scale back its intended project in order to stay on time and budget. Ultimately, the project’s completion was still delayed by several months.

The delay that can result from regulating local drainage features is evidenced by another Midwestern county that wanted to conduct a storm water improvement project to address local flooding concerns. The project entailed adding a second structure to a concrete box culvert and replacing a corrugated metal culvert. These structures were deemed jurisdictional by the Corps because they had a “bank on each side” and had an “ordinary high water mark. Thus, the county was forced to go through the individual permit process.

The delay associated with going through the federal permit process nearly caused the county to miss deadlines that would have resulted in the forfeiture of its grant funds. Moreover, because the project was intended to address flooding concerns, the delay in its completion resulted in the flooding of several homes during heavy rains. The county was also required to pay tens of thousands in mitigation costs associated with the impacts to the concrete and metal structures. Ultimately, no changes were recommended by the Corps to the project, and thus, no additional environmental protection was provided by going through the federal process.


While the proposed rule offers several exemptions to the “waters of the U.S.” definition, the exclusions are vague and imprecise, and may broaden jurisdiction in a number of areas. Specifically, we are concerned about the exemptions on ditches and wastewater treatment systems.

**“Ditches”**— The proposed rule contains language to exempt certain types of ditches: 1) Ditches that are excavated wholly in uplands, drain only uplands, and have less than perennial flow and 2) Ditches that do not contribute flow, either directly or through another water, to a traditional navigable water, interstate water, the territorial seas or a jurisdictional impoundment.

For a ditch to be exempt, it must be excavated and drain only to a dry area and be wet less than 365 days each year. This is immediately problematic for counties. County ditches are not dug solely in dry areas, because they are designed to drain overflow waters to “waters of the U.S.”

Counties own and manage different types of public safety ditches—roadside, drainage, flood control, stormwater—that protect the public from flooding. They can run continuously for hundreds, if not thousands, of miles throughout

37 Id.
the county. Very few county ditches just abruptly end in a field or a pond. Public safety ditches are generally dug in dry areas, run through a transition area, before connecting directly or indirectly to a “water of the U.S.”

Under the proposed rule, if dry ditches eventually connect, directly or indirectly, to a “water of the U.S.,” will the length of the ditch be considered jurisdictional waters? Or will portions of a dry ditch be considered exempt, even though the ditch’s physical structure interconnects with a jurisdictional river or stream?

The exclusion also states that ditches that do not “contribute to flow,” directly or indirectly to “waters of the U.S.,” will be exempt. The definition is problematic because to take advantage of the exemption, ditches must have “no flow” to a river, stream, lake or ocean. Most ditches, by their nature, have some sort of flow in rain events, even if those ditches are dry most of the year. Since the proposed rule indicates that perennial, intermittent or ephemeral flows could be jurisdictional, the agencies need to further explain this exclusion. Otherwise, there will be no difference between a stream and publicly-owned ditches that protect public safety.

The agencies have reiterated that the proposed rule leaves in place the current exemption on ditch maintenance activities. EPA has indicated this exemption is automatic and that counties do not have to apply for the exemption if they are performing maintenance activities on ditches. However, in practice, our counties have reported the exemption is inconsistently applied by Corps districts across the nation. Over the past decade, a number of counties have been required to obtain special Section 404 permits for ditch maintenance activities.

These permits often come with tight special conditions that dictate when and how the county is permitted to clean out the relevant ditch. For example, one California county has a maintenance permit for an earthen stormwater ditch. They are only permitted to clear grass and debris from the ditch six months out of the year due to ESA impacts. This, in turn, has led to multiple flooding of private property and upset citizens. In the past several years, we’ve heard from a number of non-California counties who tell us they must get Section 404 permits for ditch maintenance activities.

Some Corps districts give a blanket exemption for maintenance activities. In other districts, the ditch maintenance exemption is very difficult to obtain, with narrow conditions governing the types maintenance activities that are considered exempt. Additionally, a number of Corps districts are using the “recapture provision” to override the exemption. Under the “recapture clause,” previously exempt ditches are “recaptured,” and must comply for the Section 404 permitting process for maintenance activities. Additionally, Corps districts may require documentation to original specifications of the ditch showing original scope, measurements, etc. Many of these ditches were hand-dug decades ago and historical documentation of this type does not exist.

Other districts require entities to include additional data as part of their request for an exemption. One Florida county applied for 18 exemptions at a cost of $600,000 (as part of the exemption request process, the entity must provide data and surveying materials), three months later, only two exemptions were granted and the

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41 Id.
42 Id. at 4.
county was still waiting for the other 16 to be granted. At that point, the county was moving into its seasonal rainy season and fielding calls from residents who were concerned about flooding from the ditches.

This is what is happening to counties now. If the approval process for ditch maintenance exemptions is not clarified and streamlined, more counties will experience delays in safeguarding and caring for these public safety ditches.

It is the responsibility of local governments to ensure the long-term operation and protection of public safety infrastructure. The federal government must address problems within the current CWA Section 404 regulatory framework, to ensure that maintenance activities on public safety infrastructure do not require federal approval. Without significantly addressing these problems, the federal agencies will hinder the ability of local governments to protect their citizens.

Recommendations:

- Exclude ditches and infrastructure intended for public safety
- Streamline the current Section 404 permitting process to address the delays and inconsistencies that exist within the existing decision-making process
- Provide a clear-cut, national exemption for routine ditch maintenance activities

“Waste Treatment Systems”—Water treatment refers to the process of taking waste water and making it suitable to discharge back to the environment. The term “waste treatment” can be confusing because it is often linked to wastewater or sewage treatment. However, “water treatment” can also include water runoff from landscape irrigation, flushing hydrants, stormwater runoff from roads, parking lots and rooftops.

The proposal states that “waste treatment systems,”—including treatment ponds or lagoons, designed to meet the requirements of the CWA—are exempt.43 In recent years, local governments and other entities have moved toward a holistic approach in treating stormwater by using ponds, swales and wetlands. Traditionally, such systems have been exempt from CWA, but due to the broad nature of the proposed rule, we believe the agencies should also exempt other constructed wetland and treatment facilities which may be included under the proposed rule. This would include, but not be limited to, water and water reuse, recycling, treatment lagoons, setting basins, ponds, artificially constructed wetlands (i.e. green infrastructure) and artificially constructed groundwater recharge basins.

It is important that all constructed features built for the purpose of water quality treatment or runoff control be exempt, whether or not it was built for CWA compliance. Otherwise, this sets off a chain reaction and discourages further investment which will ultimately hurt the goals of the CWA.

Recommendations:

- The proposed rule should expand the exemption for waste treatment systems if they are designed to meet any water quality requirements, not just the requirements of the CWA

Counties Need Clarity on Stormwater Management and Green Infrastructure Programs

Under the CWA Section 402 National Pollution Discharge Elimination System (NPDES) permit program, all facilities which discharge pollutants from any point source into “waters of the U.S.” are required to obtain a permit; this includes localities with a Municipal Separate Storm Sewer System (MS4). An MS4 is defined as a conveyance or system of conveyances (including roads with drainage systems, municipal streets, catch basins, curbs, gutters, ditches, man-made channels, or storm drains) owned by a state, tribal, local or other public body, which discharge into “waters of the U.S.” They are designed to collect and treat stormwater runoff.

Since stormwater management activities are not explicitly exempt under the proposed rule, NACo is concerned that man-made conveyances and facilities for stormwater management could now be classified as a “water of the U.S.”

In various conference calls and meetings over the past several months, the agencies have stressed that municipal MS4s will not be regulated as “waters of the U.S.” However, EPA has indicated that there could be “waters of the U.S.” designations within a MS4 system, especially if a natural stream is channelized within a MS4. This means an MS4 could potentially have a “water of the U.S.” within its borders, which would be difficult for local governments to regulate. The definitional changes could easily be interpreted to include the whole MS4 system or portions thereof which would be a significant change over current practices. It would also potentially change the discharge point of the MS4, and therefore the point of regulation. Not only would MS4 permit holders be regulated when the water leaves the MS4, but also when a pollutant enters the MS4. Since states are responsible for water quality standards of “waters of the U.S.” within the state, this may trigger a state’s oversight of water quality designations within an MS4. Counties and other MS4 permittees would face expanded regulation and costs as they will now have to ensure that discharges from outfalls to these new “waters of the U.S.” meet designated water quality standards.

MS4s are subject to the CWA and are regulated under Section 402 for the treatment of water. However, treatment of water is not allowed in “waters of the U.S.” This automatically sets up a conflict if an MS4 contains “waters of the U.S.” Would water treatment be allowed in the “waters of the U.S.” portion of the MS4, even though it’s disallowed under current law? Additionally, if MS4s contained jurisdictional waters, they would be subject to a different level of regulation, requiring all discharges into the stormwater system to be regulated along with regulating discharges from a NPDES system.

This would be problematic and extremely expensive for local governments to comply with these requirements. Stormwater management is often not funded as a water utility, but rather through a county or city general fund. If stormwater costs significantly increase due to the proposed rule, not only will it potentially impact our ability to focus available resources on real, priority water quality issues, but it may also require that funds be diverted from other government services such as education, police, fire, health, etc. Our county members cannot assume additional unnecessary or unintended costs.

Further, by shifting the point of compliance for MS4 systems further upstream, the proposed rule could reduce opportunities for establishment of cost effective regional stormwater management systems. Many counties and stormwater management agencies are attempting to stretch resources by looking for regional and integrated approaches for managing stormwater quality. The rule would potentially inhibit those efforts. Even if the agencies do not initially plan to treat an MS4 as a “water of the U.S.,” they may be forced to do so as a result of CWA citizen suits that attempt to address lack of clarity in the proposed rule.

44 40 CFR 122.26(b)(8).
EPA has indicated these problems could be resolved if localities and other entities create “well-crafted” MS4 permits. In our experience, writing a well-crafted permit is not enough—localities are experiencing high levels of litigation from outside groups on approved permits that have been signed off by both the state and the EPA. A number of Maryland counties have been sued over the scope and sufficiency of their approved MS4 permits.

In addition, green infrastructure, which includes existing regional stormwater treatment systems and low impact development stormwater treatment systems, is not explicitly exempt under the proposed rule. A number of local governments, as well as private developers, are using green infrastructure as a stormwater management tool to lessen flooding and protect water quality by using vegetation, soils and natural processes to treat stormwater runoff. The proposed rule could inadvertently impact a number of these facilities by requiring Section 404 permits for green infrastructure construction projects that are jurisdictional under the new definitions in the proposed rule. Additionally, it is unclear under the proposed rule whether a Section 404 permit will be required for maintenance activities on green infrastructure areas once the area is established.

While jurisdictional oversight of these “waters” would occur at the federal level, actual water quality regulation would occur at the state and local levels, becoming an additional unfunded mandate on our counties and agencies.

Recommendations:

- Explicitly exempt MS4s and green infrastructure from “waters of the U.S.” jurisdiction

States Responsibilities Under CWA Will Increase

While the EPA and the Corps have primary responsibility for water quality programs, everyday CWA implementation is shared with the states and local governments. Under the CWA, states are required to identify polluted waters (also known as impaired waters) and set Water Quality Standards (WQS) for them. State WQS are intended to protect jurisdictional “waters of the U.S.,” such as rivers, lakes and streams, within a state. As part of the WQS process, states must set designated uses for the waterbody (e.g. recreation, drinkable, fishable) and institute Total Maximum Daily Loads (TMDL) for impaired waters.

Currently, WQS regulation focuses on waters regulated under federal law, however, NACo is concerned the proposed rule may broaden the types of waters considered jurisdictional. This means the states will have to regulate more waters under their WQS and TMDL standards. This would be extremely costly for both the states and localities to implement.

In EPA’s and the Corps economic analysis, it states the proposed rule “may increase the coverage where a state would...apply its monitoring resources...It is not clear that additional cost burdens for TMDL development would result from this action.” The data used to come to this conclusion is inconclusive. As discussed earlier, the agencies used data from 2009-2010 field practices for the Section 404 program as a basis for the economic analysis. This data is only partially relevant for the CWA Section 404 permit program, it is not easily interchangeable for other CWA programs.

Because of vague definitions used in the proposed rule, it is likely that more waters within a state will be designated as “waters of the U.S.” As the list of “waters of the U.S.” expand, so do state responsibilities for

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WQS and TMDLs. The effects on state nonpoint-source control programs are difficult to determine, but they could be equally dramatic, without a significant funding source to pay for the proposed changes.

Recommendation:

- NACo recommends that the federal agencies consult with the states to determine more accurate costs and implications for the WQS and TMDL programs

**County Infrastructure on Tribal Lands May Be Jurisdictional**

The proposed rule reiterates long-standing policy which says that any water that crosses over interstate lines—for example if a ditch crosses the boundary line between two states—falls under federal jurisdiction. But, this raises a larger question. If a ditch runs across Native American land, which is considered sovereign land, is the ditch then considered an “interstate” ditch?

Many of our counties own and maintain public safety infrastructure that runs on and through Native American tribal lands. Since these tribes are sovereign nations with self-determining governments, questions have been raised on whether county infrastructure on tribal land triggers federal oversight.

As of May 2013, 566 Native American tribes are legal recognized by the Bureau of Indian Affairs (BIA). Approximately 56.2 million acres of land is held in trust for the tribes and it is often separate plots of land rather than a solidly held parcel. While Native American tribes may oversee tribal roads and infrastructure on tribal lands, counties may also own and manage roads on tribal lands.

NACo has asked the federal agencies to clarify their position on whether local government ditches and infrastructure on tribal lands are currently regulated under CWA programs, including how they will be regulated under the final rule.

A number of Native American tribes are in rural counties—this creates a patchwork of Native American tribal, private and public lands. Classifying these ditches and infrastructure as interstate will require counties to go through the Section 404 permit process for any construction and maintenance projects, which could be expensive and time-consuming.

Recommendation:

- We request clarification from the federal agencies on whether ditches and other infrastructure that cross tribal lands are jurisdictional under the “interstate” definition

**Endangered Species Act as it Relates to the Proposed Rule**

NACo is concerned that provisions of the proposed rule may interact with provisions of the Endangered Species Act (ESA) and its implementing regulations in ways that may produce unintended negative outcomes.

For instance, when a species is proposed for listing as endangered or threatened under ESA, large swaths of land may be designated as critical habitat, that is essential to the species’ protection and recovery. Critical

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48 Id.
habitat requires special management and conservation, which can have enormous economic impacts on county governments and private landowners.

This effect is intensified when the Section 404 permit program is triggered. Section 7 consultation under the ESA could be required, which can be time-consuming and expensive, especially for public safety projects. Some counties are already reporting strict ESA requirements on maintenance of public safety ditches.

To further compound the issue, the vague terms used in the proposed rule such as “floodplains,” may also trigger ESA compliance. In recent years, the Federal Emergency Management Agency (FEMA) has been sued for not considering the habitat needs of threatened and endangered species in National Flood Insurance Program (NFIP) floodplain designations. Local governments in certain states, who participate in the NFIP, must now certify they will address ESA critical habitat issues in floodplain areas. This litigation-driven approach circumvents local land use planning authority and creates an atmosphere of mistrust rather than providing incentives to counties and private landowners to actively engage in endangered species conservation.

If the agencies plan to use broad definitions within the proposed rule, regulation by litigation would seem to be an increasingly likely outcome. These issues need to be carefully considered by the agencies.

**Ensuring that Local Governments Are Able to Quickly Recover from Disasters**

In our nation’s history, our citizens have experienced both manmade and natural disasters. Counties are the initial line of defense, the first responders in protection of its residents and businesses. Since local governments are responsible for much of what constitutes a community—roads and bridges, water and sewer systems, courts and jails, healthcare, parks, and more—it is important that local governments quickly recover after disasters. This includes removing wreckage and trash from ditches and other infrastructure that are considered jurisdictional.\(^4\)

Counties in the Gulf Coast states and the mid-west have reported challenges in receiving emergency waivers for debris in ditches designated as “waters of the U.S.” after natural and manmade disasters. This, in turn, damages habitat and endangers public health. NACo would urge the EPA and the Corps to revisit that policy, especially if more waters are classified as “waters of the U.S.”

**Conclusion**

We appreciate the opportunity to be a part of this process. NACo acknowledges the efforts taken by both EPA and the Corps to conduct outreach on the proposed rule. This is a priority issue for our nation's counties who are responsible for environmental protection and public safety.

As stated earlier, we believe that more roadside ditches, flood control channels and stormwater management conveyances and treatment approaches will be federally regulated under this proposal. This is problematic because counties are ultimately liable for maintaining the integrity of these ditches, channels, conveyances and treatment approaches. Furthermore, the unknown impacts on other CWA programs are equally problematic, the degree and cost of regulation will increase dramatically if these features are redefined as “waters of the U.S.” **We urge you to withdraw the rule until further study on the potential impacts are addressed.**

We look forward to working together with our federal partners, as our founding fathers intended, to protect our nation’s water resources for generations to come. If you have any questions, please feel free to contact Julie Ufner, NACo’s Associate Legislative Director at Jufner@naco.org or 202.942.4269.

Sincerely,

Matthew D. Chase
Executive Director
National Association of Counties