Oral Reports
3-22-05

March 18, 2005

The Honorable Judith F. Davis
Chair, COG Board of Directors
Metropolitan Washington Council of Governments
777 North Capitol St., NE Suite 300
Washington, DC 20002

Subject: COG Board of Directors Request for Member Feedback on Federal/State Proposal for Establishing a Chesapeake Bay Finance Authority and Related Restoration Funding Recommendations

Dear Mayor Davis:

This letter is in response to your letter dated February 7, 2005, requesting comments on the Chesapeake Bay Watershed Blue Ribbon Finance Panel Report and on the recommendation to establish a Chesapeake Bay Financing Authority.

The City believes COG should support the recommendation of establishing a regional authority financed with federal, state and local user fees to finance restoration efforts for the Chesapeake Bay, and believes contemplated funding can be essential elements to achieve the restoration goals for the Chesapeake Bay. The proposed financing Authority should be a lean, non-bureaucratic organization that uses the talents and staff resources of existing state and local governmental agencies.

Specifically, local governments were requested to consider the following:

1. How should local governments be represented on the authority?

The City believes that local governments should be involved and have a majority of the representation on the proposed Financing Authority (as well as on any committee work groups) since most of the protection and restoration efforts are being implemented at the local government level by wastewater treatment plants through restoration projects, or through implementing various environmental policies and regulations related to the development process in the Chesapeake Bay watershed.

2. What means should be used for distributing funds (e.g., cost share grants, low interest loans, etc.)?

The distribution of funds should include a variety of methods including grants and low interest loans. With respect to grants, any administrative processes and requirements should be efficient

so that nearly all the funding goes toward direct, actual restoration efforts. Special designated funding should be provided for the development of innovative, cost effective efforts that meet restoration goals which can be easily duplicated and shared throughout the region.

3. Would your jurisdiction make use of low-interest loans to fund restoration measures such as wastewater treatment plant upgrades and stormwater infrastructure retrofits?

Depending on terms and conditions, the City may pursue the use of low interest loans. Any such funding should allow flexibility to address local restoration efforts which could include, but should not be limited to, wastewater plant and stormwater infrastructure improvements. Funding should also accommodate projects such as combined sewer infrastructure improvements and tributary/green infrastructure improvements including stream restoration, riparian enhancement, and urban reforestation. Additionally, funding for the preservation of open space with ecologically sensitive areas with water quality benefits, either through acquisition, or through conservation easements should also be a permitted use of the funds.

Thank you for the opportunity to share the City of Alexandria's comments on the creation of a Financing Authority and funding issues. If you have any questions, please contact William Skrabak, Division Chief of Environmental Quality at 703-519-3400 ext. 163.

Sincerely,

William D. Euille
Mayor

cc: The Honorable Members of City Council
James K. Hartmann, City Manager
Mark Jinks, Assistant City Manager
Richard Baier, Director, Transportation and Environmental Services
Environmental Policy Commission
William Skrabak, Division Chief, Environmental Quality
James T. Canaday, Director, Alexandria Sanitation Authority