REPORT ON EXPENDITURES FROM THE CHESAPEAKE BAY RESTORATION FUND

Prepared Pursuant to § 58.1-344.3.C2.c of the Code of Virginia

Presented by the Secretary of Natural Resources

Annual Report on the Chesapeake Bay Restoration Fund By the Secretary of Natural Resources November 14, 2018

Pursuant to § 58.1-344.3.C(2)(a), the purpose of voluntary contributions of tax refunds to the Chesapeake Bay Restoration Fund (Fund) is to fulfill "the Chesapeake Bay Watershed Implementation Plan submitted by the Commonwealth of Virginia to the U.S. Environmental Protection Agency on November 29, 2010, **and any subsequent revisions thereof**." [Emphasis added.]

This report fulfills the requirements of § 58.1-344.3.C(2)(c) that "the Secretary of Natural Resources shall submit a report to the House Committee on Agriculture, Chesapeake and Natural Resources; the Senate Committee on Agriculture, Conservation and Natural Resources; the House Committee on Appropriations; the Senate Committee on Finance; and the Virginia delegation to the Chesapeake Bay Commission, describing the grants awarded from moneys deposited in the fund. The report shall include a list of grant recipients, a description of the purpose of each grant, the amount received by each grant recipient, and an assessment of activities or initiatives supported by each grant."

The balance of the Chesapeake Bay Restoration Fund as of October 26, 2018 was \$404,356.38.

The Commonwealth is currently developing a Phase III of the Chesapeake Bay Watershed Implementation Plan (WIP) that will revise restoration plans for reducing nutrient and sediment pollution based upon updated science, enhanced modeling tools, higher resolution land use/ cover data, as well as regional and local water quality indicators. The Phase III WIP succeeds the Phase I and Phase II WIPs, prepared in 2010 and 2012 respectively, and will serve as the guide for implementation efforts beginning in 2019. The Secretary of Natural Resources will release the draft Phase III WIP by April 12, 2019 for public review and comment, with a final Phase III WIP prepared for release on August 9, 2019.

The Secretary of Natural Resources has temporarily delayed release of the funds until completion of the Phase III WIP. A revised and updated WIP will provide new guidance on the most cost effective and efficient use of the funds to address the Commonwealth's nutrient and sediment pollution reduction goals. It will also improve the Commonwealth's capacity to select on-the-ground conservation practices and their geographic location to achieve the greatest pollution reductions. Upon release of the draft Phase III WIP, the Secretary of Natural Resources will solicit input from the Chesapeake Bay Stakeholders Advisory Group on the most appropriate and beneficial use of the funds.

For further information: Contact: Ann Jennings, Deputy Secretary of Natural Resources for the Chesapeake Bay <u>ann.jennings@governor.virginia.gov</u> 804-786-0044