

**STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION**

STAFF REPORT FOR MEETING OF May 3, 2012
Prepared March 27, 2012

ITEM NUMBER: 12

SUBJECT: Proposed Funding for a Regional Groundwater Assessment and Protection Program and Specific Projects

SUMMARY

During the mid-1990's, the Water Board directed staff to create the Central Coast Ambient Monitoring Program (CCAMP) to provide comprehensive monitoring and assessment of both surface water and groundwater on the Central Coast. The Water Board and staff realized that this program would be critical to measure our performance in achieving our mission. Over the next several years, staff built one of the most successful surface water programs in the country. Staff is now focusing on building the Groundwater Assessment and Protection (GAP) component of CCAMP (referred to as CCAMP-GAP).

Over eighty percent of the people living on the Central Coast rely on groundwater for their drinking water and other uses. A regional groundwater monitoring program is essential to identify areas of potentially unsafe drinking water supply, measure individual groundwater basin health, and determine the effectiveness of our efforts to protect groundwater. Many local agencies monitor groundwater quality to some degree, or have the potential to do so, and there is a great opportunity for the Water Board to coordinate and leverage these local efforts into a state-of-the-art groundwater protection program. We realize that our success in protecting groundwater for future generations depends on coordinating and leveraging the efforts of local agencies with our own priority actions, and this is the main purpose of CCAMP-GAP.

This staff report is a proposal to allocate \$1.271 million from the Central Coast Water Board's enforcement settlement accounts to begin building CCAMP-GAP and to support specific projects, as follows:

1. Establish a CCAMP-GAP endowment with an initial amount of \$800,000 to support the ongoing implementation of a regional groundwater assessment and protection program. Staff's goal is to increase this endowment to \$5 million over the next five years.
2. Allocate \$471,000 to two groundwater projects, where the total amount spent on each project will depend on need and staff's ability to leverage these funds with other fund sources. Any funds that are not used for these projects will roll over into the CCAMP-GAP endowment (above). These projects are as follows:
 - a. Technical assistance to local agencies to help build the groundwater database infrastructure of CCAMP-GAP. Once the groundwater database infrastructure is built, the CCAMP-GAP endowment will provide support over the long term.
 - b. A regional outreach and sampling program for domestic well owners to address the severe health threat from nitrate pollution in domestic wells. In addition, these funds will be available on a sliding-scale, as-needed basis for Limited Resource Farmers and Ranchers, or Socially Disadvantaged Operators, to help them comply with the groundwater sampling requirements of the Irrigated Agriculture Order.

Staff will leverage these funds with other fund sources, such as local agency funds, State Water Board grant funds, and State Water Board Cleanup and Abatement Account funds, to the maximum extent possible.

Staff also recommends reserving the remaining \$500,000 (approximate amount) in the Water Board's enforcement settlement accounts for priority basin planning amendments. These funds would be used, if necessary, for expert consulting services regarding the economic, social, and scientific analyses (triple bottom line analyses) of proposed Basin Plan amendments. Staff's goal is to present draft Basin Plan amendment language to the Board in 2012. Any funds that are not used for this purpose would roll over into the CCAMP-GAP endowment.

Staff recommends that the Water Board approve Resolution No. R3-2011-0024 to allocate Guadalupe and PG&E Settlement Funds for the priority projects outlined within this staff report.

DISCUSSION

The Water Board affirmed its highest priorities at its July 14, 2011 annual "big picture" meeting (agenda Item No. 18)¹ as follows:

Preventing and Correcting Impacts to Human Health
Preventing and Correcting Degradation of Aquatic Habitat
Preventing Degradation of Hydrologic Processes
Preventing/Reversing Seawater Intrusion
Preventing Further Degradation of Groundwater Basins from Salts

With over eighty percent of the population on the Central Coast relying on groundwater for its drinking water supply and other uses, it is no surprise that three of the Water Board's top priorities listed above are focused on groundwater. The other two priorities, Aquatic Habitat and Hydrologic Processes, also involve groundwater (groundwater provides base flow for habitat, and hydrologic processes including recharge). Groundwater is critical to our communities and our economy. In July 2009, the Water Board directed staff to focus settlement funds on large-scale, long-term solutions to our priority water quality problems. The Board also directed staff to consider "regional benefit" and "leveraging" criteria when developing proposals for funding. Over the last several years we have become increasingly focused on identifying and addressing our highest water quality priorities throughout the region, and in transforming ourselves into a performance-based organization.²

The Water Board has two major enforcement settlement fund accounts that are available to help the Water Board achieve its goals. The funds are described below.

Guadalupe Fund: The Guadalupe Fund was established in 1998, as a settlement between the Water Board and Unocal Corporation regarding unpermitted discharges at Unocal's Guadalupe Dunes Oilfield. The original fund amount was \$15.6 million, and there is approximately \$1.544 million remaining (the actual amount fluctuates with the market). These funds may be allocated to region-wide water quality projects, and the projects proposed in this staff report are in direct alignment with the original broad fund criteria established in the settlement agreement, and the more recent Water Board direction regarding its priorities. The Board used this same fund for many projects over the last 14 years. Two of the largest projects utilize similar concepts to today's

¹ http://www.waterboards.ca.gov/centralcoast/board_info/agendas/2011/July/Item_18/index.shtml

² Performance-based organizations have clear and measurable goals, objectives, and targets for improved performance, which are established, regularly evaluated and reported.

proposal. The Board established endowments for our regional monitoring program, CCAMP, and for our resource center for Low Impact Development, the LID Initiative, or LIDI. Both of these projects have been and continue to be very successful.

PG&E Fund: The PG&E Fund was established in 2003, as a settlement between the Water Board and PG&E regarding unpermitted discharges from the Moss Landing Power Plant. The original fund amount was \$5 million, and there is approximately \$227,000 remaining (the actual amount fluctuates with the market). These funds must be allocated to water quality projects in the watersheds tributary to the Elkhorn Slough and Moss Landing Harbor. Staff will ensure these funds are allocated accordingly for the projects proposed in this staff report.

The total amount remaining in the Guadalupe Fund and PG&E Fund is approximately \$1,544,000 + \$227,000 = \$1,771,000.

This staff report recommends the Water Board allocate Guadalupe and PG&E Moss Landing settlement funds as follows:

Project Description	Project Amount
CCAMP-GAP Endowment Fund	\$800,000
CCAMP-GAP Operating Fund <ul style="list-style-type: none"> • Domestic Well Outreach/Sampling and Ag Order assistance • Regional Groundwater Monitoring 	\$471,400
Subtotal	\$1,271,000
Technical Support for Basin Plan Amendments <ul style="list-style-type: none"> • Protection of riparian and wetland habitat and groundwater recharge 	\$500,000 (rolls over to CCAMP-GAP endowment if not needed)
Subtotal	\$500,000
Total	\$1,771,000

Attachment 1 is a Conceptual Project Proposal and Fiscal Year 2012-2013 Work Plan for CCAMP-GAP, and provides details on the following sections:

- Conceptual Model
- Endowment
- Operating Fund
- Domestic Well Outreach and Sampling Program
- Regional Groundwater Monitoring and Assessment
- Special Projects
- Goals
- Accountability & Transparency

Alignment with Statewide Programs and Goals

The CCAMP-GAP goal to develop a regional groundwater monitoring and assessment program is in alignment with and supports various statewide policies, mandates and programs. California's comprehensive groundwater quality monitoring program, the Groundwater Ambient Monitoring and Assessment (GAMA) Program, was created by the State Board in 2000, and was later expanded by

Assembly Bill 599 (AB 599 Liu) – the Groundwater Quality Monitoring Act of 2001. The Main goals of the GAMA program and AB 599 are:

- To improve statewide groundwater monitoring
- To increase the availability of groundwater quality information to the public

AB 599 requires the integration of existing monitoring programs and design of new program elements, as necessary, to establish a comprehensive statewide groundwater quality monitoring program with priority given to groundwater basins that supply drinking water. As proposed, CCAMP-GAP will build on the existing GAMA program consistent with AB 599 by integrating and building on regional groundwater monitoring programs to develop a comprehensive monitoring program within the Central Coast Region. In addition, the data generated from CCAMP-GAP will be publicly available on the GeoTracker GAMA website, and part of the benefit of this effort will be better public access to groundwater quality data from local water agencies. Our Regional Water Board will benefit from a better characterization of groundwater quality within the region, which will greatly assist our prioritization of water quality problems and our control/improvement efforts.

The regional monitoring component of CCAMP-GAP also supports or is otherwise consistent with the Recycled Water Policy (SWRCB Resolution No. 2009-0011) which calls for the development of local salt and nutrient management plans, including the development and implementation of regional groundwater monitoring programs. The Recycled Water Policy calls for the submittal of the proposed plans by February 3, 2014, and consideration for adoption by the Regional Water Boards within one year of the receipt of the proposed plans. A number of salt and nutrient management planning efforts are currently underway within the Region. Consequently, it would be beneficial for us to support and leverage these efforts via CCAMP-GAP in an effort to develop monitoring programs that address multiple pollutants, priorities, and objectives.

Interested Party Notification List

The Water Board has developed an electronic interested parties mailing list for the Groundwater Assessment and Protection program via the State Water Board's existing Email List Subscription Form portal (known as the Lyris subscription list). Interested parties wishing to receive future notices and updates regarding the Central Coast Water Board's Groundwater Assessment and Protection Program and regional groundwater issues should sign up at:

http://www.waterboards.ca.gov/resources/email_subscriptions/reg3_subscribe.shtml

Complete the form and check the box for: GAP - Groundwater Assessment and Protection

RECOMMENDATION

Staff recommends that the Water Board approve Resolution No. R3-2011-0024 to allocate Guadalupe and PG&E Settlement Funds for the priority projects outlined in this staff report.

The attached Resolution No. R3-2011-0024 accomplishes the following:

- Acknowledges the Water Board's concurrence with and approval of the development and implementation of the Central Coast Ambient Monitoring Program – Groundwater Assessment and Protection (CCAMP-GAP) program and the implementation of specific high priority projects as discussed in detail within this staff report.
- Approves the allocation of all remaining Guadalupe and PG&E settlement funds for CCAMP-GAP implementation, including the domestic well outreach and sampling project and CCAMP-GAP startup, and technical support for a potential Basin Plan amendment project, as outlined in this staff report.

- Authorizes the Executive Officer to manage the remaining Guadalupe and PG&E settlement funds to effectively implement the proposed projects. This includes finalizing the necessary grant agreements and MOAs with the various foundations to effectuate the proposed projects in the most efficient and cost effective manner.

ATTACHMENT

1. Conceptual Project Proposal and Fiscal Year 2012-2013 Workplan for Central Coast Ambient Monitoring Program (CCAMP) – Groundwater Assessment and Protection (GAP)
2. Resolution No. R3-2011-0024