



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

Thomas Howard
Executive Director
State Water Resources Control Board
1001 I Street
Sacramento, California 95814

AUG 12 2015

Dear Mr. Howard:

I am pleased to approve the *California Nonpoint Source Program Implementation Plan, 2014-2020*, (Plan) submitted by California's State Water Resources Control Board (State Board) on July 27, 2015. Enclosed is a summary of findings for each key component of an effective state nonpoint source (NPS) management program as described in EPA's *Nonpoint Source Program and Grants Guidelines for States and Territories* (April, 2013).

The Plan describes California's NPS program over the next 5 years, consistent with Clean Water Act (CWA) §319 and §6217 of the Coastal Zone Act Reauthorization Amendments of 1990 ("CZARA"). The Plan includes the goal of restoring impaired waters, supported by identifying targeted watersheds, performance measures for water quality improvements, and implementation using the California Water Boards' regulatory authorities and significant resources. EPA will work with you to support this goal along with the other key Plan components, including: increased integration with the TMDL Program, improved watershed planning, a more robust monitoring strategy and improved reporting. Setting water quality goals increases the likelihood of success. It also provides a much needed framework for assessing effectiveness so we can engage in discussions concerning future efforts needed to address roadblocks and improve implementation. We encourage the State to prepare an accessible summary of the Plan for public distribution that conveys priorities and metrics for the next five years.

We appreciate the NPS Program's work in developing this Plan, and look forward to engaging with you and your staff to help address the many challenges to preventing NPS pollution and restoring impaired water quality. We are committed to supporting California in implementing the Plan and achieving its water quality goals, and working with the State to prepare the next Plan. Please contact Sam Ziegler, Watersheds Section Chief, at 415-972-3399, or Susan Keydel at 415-972-3106 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael Montgomery".

Michael Montgomery, Acting Director
Water Division

Enclosure

Cc: Lynda Hall, Chief, NPS Control Branch, EPA Office of Wetlands, Oceans and Watersheds

California Nonpoint Source Program Implementation Plan 2014-2020
Submitted by State Water Resources Control Board
EPA Review and Approval, August 12, 2015

The U.S. Environmental Protection Agency (EPA) approves the California Nonpoint Source Program Implementation Plan, 2014-2020, submitted on July 27, 2015 by California's State Water Resources Control Board (State Board) as the State's updated Nonpoint Source (NPS) Management Program Plan (Plan) in accordance with EPA's *Nonpoint Source Program and Grants Guidelines for States and Territories* (April 2013) (Guidelines). EPA's Guidelines provide updated program direction, with increased focus on accountability and a continued emphasis on watershed plan implementation to address impaired waters. These Guidelines require states to review and update the Plan every 5 years to maintain current and relevant NPS management programs. Plans provide the foundation for state programs to address NPS pollution, and should address both state and federal resources. Updates do not require wholesale revisions unless significant program changes warrant a major revision. Instead, updates should target the parts of the program that are out-of-date. At a minimum, EPA requires updating the goals, objectives and annual milestones, so that they remain current and relevant for achieving water quality goals. California's next update is due to be approved by EPA no later than May 2020.

The following provides a brief overview of California's Plan and a summary of findings for each of the Key Components of an Effective State Nonpoint Source Management Program (defined in Appendix A of the Guidelines) as the basis for EPA's decision to approve the Plan.

Overview of California's NPS Management Plan

NPS pollution continues to dominate water quality impairments in California, as it does throughout the United States. According to the Plan, an estimated 75% of California's TMDLs address waters that are either completely or partially impaired by NPS pollution.

California's prior NPS Program Plan provided a fifteen-year strategy (1998 to 2013) and three 5-year implementation plans (1998-2003, 2003-2008, and 2008-2013). While these documents expired in June 2013, EPA agreed to have California continue operating under a temporary extension of the expired plan, anticipating approval of an updated NPS Management Plan. EPA recognizes the challenge in preparing such a document for a state as large and complex as California, and will work with the State in the coming years to help develop subsequent plans that best support efforts to address polluted runoff. EPA recognizes that climate change impacts, including drought are providing additional short and long term challenges that will have to be addressed by this and other water quality programs.

The Plan describes how California's NPS program will improve water quality in California over the next 5 years. A key aspect of the Plan is setting measureable water quality goals in targeted waterbodies. These goals will be achieved through on-the-ground restoration, developing programmatic processes, utilizing regulatory authorities, and improving coordination with internal and external partners. EPA finds the five areas of most importance in the Plan are: (1) commitments to achieving water-quality improvements by 2020; (2) targeted watersheds for tracking water quality improvement efforts; (3) watershed planning improvements including integration with the TMDL

program; (4) improved reporting; and (5) coordination with partners to advance restoration and leverage funds.

The Plan will advance water quality improvement activities and meets federal requirements necessary to ensure continued eligibility for funding under CWA §319. Over the next 5 years, EPA will work in partnership with the State to address the following aspects of the program:

- Watershed Planning - improve planning to more efficiently and effectively guide future investments in water quality improvement, and share those plans with stakeholders;
- Promoting coordination between CWA programs - focus on the NPS, TMDL and monitoring programs for planning, implementing and tracking of water quality improvement efforts;
- Furthering coordination and leveraging with other strategic partners - build successful partnerships to leverage technical assistance and funding resources for assessment, planning, and implementation of water quality restoration efforts (e.g., US Department of Agriculture Natural Resources Conservation Service, Drinking Water and Clean Water State Revolving Funds, and select bond funds).
- Improving reporting - better assess and document progress of water quality improvement efforts, and optimize annual and semi-annual grant reporting to be more useful and easier to prepare.
- Adaptive management of the program - facilitate assessment and improvement of the program through management discussions informed by program performance data.

The development of this Plan used significant resources and was a lengthy effort with delays and communication challenges. EPA will work with the Water Boards to develop the next plan with the goals of using a less resource intensive process and producing a shorter, more readable plan that more clearly fits into California's framework for advancing the protection and restoration of water quality.

Findings for Key Components of an Effective State Nonpoint Source Management Program

EPA finds that California's NPS Management Plan addresses the eight Key Components of an Effective State Nonpoint Source Management Program as required by EPA's 2013 NPS CWA §319 Guidelines (defined in Appendix A of the Guidelines). The following is EPA's assessment of the Plan relative to each of these components.

1. The state program contains explicit short- and long-term goals, objectives and strategies to restore and protect surface water and ground water, as appropriate.

California's Plan builds on robust programs and authorities already in place. Broad program goals and objectives are to: restore and protect surface water and groundwater resources from the impacts of NPS pollution; implement strategies to improve watershed-based planning processes to focus implementation and funding efforts, and better communicate priorities to others including partners and stakeholders; and evaluate and improve the effectiveness of the CA NPS Program implementation actions and communicate successes.

The Plan includes specific commitments for achieving water-quality improvements, including submitting ten WQ-10 Nonpoint Source Success Stories (at a minimum pace of one per year), and twelve SP-12 (Watershed Improvement) reports (covering a minimum of 12 HUC watersheds, likely

more) by 2020. These represent significant commitments. Since 2005, California has submitted 17 WQ-10 Nonpoint Source Success Stories and 8 SP-12 reports (28 HUC-12 watersheds) with two more SP-12 reports currently in process. To support these commitments, the Plan identifies short-term and long-term water quality improvements in targeted waterbodies, as well as implementation activities and appropriate metrics and mechanisms for measuring progress toward those goals. (Section VI, Table 17 of the Plan summarizes the targeted watersheds; Tables 18 through 26 provide Region-specific targeted waterbodies with activities, metrics and mechanisms to be used for implementing and measuring progress.) This information will be used to inform discussion of program performance and identify needed adjustments.

Initiatives to continue strengthening the State's NPS Programmatic elements are identified. Statewide initiatives, led by the State Board and the California Coastal Commission (CCC), include: advancing the coastal protection program; improving watershed-based planning; developing program management/tracking systems for TMDL implementation efforts, and irrigated lands and forestry/timber regulatory programs; improving coordination with key internal programs and external partners; advancing the statewide irrigated lands regulatory program, including developing approaches to address nitrate contamination in groundwater; advancing the statewide forestry and timber management regulatory programs; strategically developing statewide monitoring programs to document environmental results; and streamlining statewide reporting. Regional and local initiatives, led by the Regional Water Quality Control Boards (Regional Boards), include: developing or updating regional regulatory authorities including those addressing irrigated lands, dairies, forest, livestock and grazing management; developing local coordination and stewardship programs; and implementing water quality improvement projects using §319 and other resources. These initiatives are presented in Sections IV and V of the Plan, and include associated goals, objectives, activities and performance measures.

The Plan maintains the existing CA NPS Program framework, while providing updated goals, milestones and performance measures. However, the terms "measures" and "milestones" are not consistently used throughout the Plan, which EPA anticipates may pose some challenges during work planning, tracking and reporting. EPA will work with the Water Boards to utilize meaningful metrics, more effectively track progress and improve reporting (i.e., better information that takes less time to document). This information will better inform management discussions regarding potential program improvements.

2. The state strengthens its working partnerships and linkages to appropriate state, interstate, tribal, regional, and local entities (including conservation districts), private sector groups, citizens groups, and federal agencies.

The Plan describes California's extensive ongoing work with numerous programs and partners, including state, federal and local agencies, Tribes and community groups. The Plan includes regional and statewide initiatives to address specific needs. Several Regional Boards have identified initiatives to build partnerships to support regional or watershed-specific implementation efforts (e.g., the North Coast Regional Water Quality Control Board's Mendocino County Permit Coordination Program (Initiative RB1.3) and the Wood for Salmon Workgroup (Initiative RB1.4)).

The Plan highlights important efforts focused on two key statewide coordination needs related to agriculture: 1) California Department of Pesticide Regulation to address pesticide regulation, registration and education/outreach for agricultural and boating/marina anti-fouling pesticides; and 2) US Department of Agriculture, Natural Resources Conservation Service (NRCS), including developing a memorandum of understanding, and better coordinating financial and technical assistance toward achieving water quality improvements, with special emphasis on coordination around the two National Water Quality Initiative (NWQI) areas. EPA supports these efforts, particularly with NRCS to better coordinate programs, leverage technical and Farm Bill funding resources, and advance state involvement on NWQI projects.

As priorities for internal coordination, the Plan identifies work with four programs to increase effective implementation and documenting of water quality improvements: Irrigated Lands, TMDL and Forestry programs, and the Surface Water Ambient Monitoring Program (SWAMP). The Plan includes separate initiatives to improve coordination with each of these programs, with specific goals, objectives and activities. Other planned coordination efforts include: enhancing the effectiveness of the State's NPS Roundtable, and promoting coordination with the Division of Water Rights (regarding the water quantity/quality overlap and in-stream flow issues) and the Division of Drinking Water (to promote surface water and ground water source protection by aligning priorities and leveraging resources including the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF). The Plan identifies many other entities, measures, policies and programs for possible coordination efforts, including cooperative projects, leveraging of funds, and meetings to share information and ideas.

EPA supports the Water Boards' efforts building these targeted programs and partnerships to advance the restoration and protection of water quality. EPA will work with the Water Boards to improve the utility of the NPS Roundtable, strengthen the partnerships with the Regional Boards, and facilitate cross-program integration. The TMDL coordination activities identified in the Plan are important, and while we consider implementation tracking to be a priority need, we have concerns about the proposed TMDL tracking database to be developed by 2030. These concerns would need to be addressed prior to EPA approval for using CWA §319 funds to develop this tracking database.

Public participation is also critical to program implementation. The Water Boards have extensive interaction with many stakeholders and partners on a wide range of implementation activities, but did not explicitly involve stakeholders in the preparation of this Plan. We support engaging stakeholders throughout the implementation of this Plan, and encourage the State to consider appropriate public involvement in developing the next five year plan. EPA understands the Water Boards will make the Plan available on the State's website, and suggests providing a reader friendly summary that focuses on priorities and metrics for the next five years.

3. The state uses a combination of statewide programs and on-the-ground projects to achieve water quality benefits; efforts are well-integrated with other relevant state and federal programs.

California's NPS Program plans to achieve water quality results through a combination of statewide and on-the-ground activities, including regulatory and non-regulatory approaches, and integration with federal, state and local agencies. A strength of California's NPS program is utilizing regulatory authorities to address leading sources of impairments including agriculture. California also leverages

significant state resources such as funding from state bond measures to support both statewide programs and on-the-ground projects.

The Plan includes the required components of §319 and the Guidelines, and establishes commitments pursuant to the EPA National Water Program Measures. In accordance with the Guidelines, at least 50% of §319 funds are targeted for on-the-ground implementation projects selected through the annual §319 project solicitation process; remaining funds are used for “program” activities to support the initiative goals of Plan, tasks in other programs (e.g., Department of Financial Assistance §319 grant and sub-grant management), salaries and planning projects.

The Plan presents state and regional programmatic efforts, called initiatives, which will be advanced in the next five years. Four priority statewide initiatives are identified: agriculture and irrigated lands regulatory program; forestry and rangeland activities program; NPS-related TMDL implementation programs; and monitoring for implementation effectiveness and water quality improvement. Each Regional Board has also identified regional initiatives to protect and restore water quality. Watersheds with on-the-ground projects are also identified at the statewide and regional level. Four watersheds are identified as statewide priorities (Klamath River, Napa River, Sacramento-San Joaquin River Delta; and Lake Tahoe) and approximately 30 watersheds are identified as regional areas of focus (summarized in Table 17 of the Plan). These watersheds are representative of TMDL/Watershed Plan implementation efforts where the State has committed to tracking implementation and water quality trends.

At each of the Regional Boards, the NPS Program coordinates with other CWA programs, integrating work and resources (e.g., CWA §319 and §106). Additionally, to support NPS program work, the State relies significantly on State General funds, permit fees (e.g., agriculture programs), leveraging of bond funds, and partnerships with other state agencies for on-the-ground projects to implement water quality improvements (e.g., California Dept. of Fish and Wildlife, Board of Forestry, etc.). The Plan recognizes the need to continue efforts to improve program integration and align with others, particularly to leverage resources and authorities necessary to achieve significant water quality results. The Plan identifies a goal of achieving 100% match of the CWA §319 funding allocation by 2020, to provide additional opportunities for managing the NPS Program to achieve water quality results. Additionally, as discussed above (see Element 2), the State has identified improved integration with USDA NRCS and CWSRF to better coordinate on-the-ground project priorities and leverage the significant resources potentially available for nonpoint source activities.

4. The state program describes how resources will be allocated between (a) abating known water quality impairments from NPS pollution and (b) protecting threatened and high quality waters from significant threats caused by present and future NPS impacts.

The California NPS Program has been focused on restoring impaired waters particularly through supporting TMDL implementation for more than 15 years, and this remains the primary approach of this Plan update. As described above, each Regional Board has identified several targeted watersheds impaired by NPS pollution for focused restoration efforts and measurable short-term water quality improvements (by 2020). With minimal exception, these waters are listed on California’s 303(d) impaired waters list and have TMDLs and implementation plans completed. Together, these TMDLs and implementation plans largely meet the watershed plan requirements established in the Guidelines.

The Plan also identifies the intent to use limited resources to address threatened waters (i.e., not yet on the State's 303(d) list), including waters at risk from catastrophic fire and other NPS-related impacts. The Guidelines allow states to allocate funds to protect threatened and high quality waters when protection is cited as a priority in the states NPS Management Plan.

5. The state program identifies waters and watersheds impaired by NPS pollution as well as priority unimpaired waters for protection. The state establishes a process to assign priority and to progressively address identified watersheds by conducting more detailed watershed assessments, developing watershed-based plans and implementing the plans.

To identify NPS-impaired waters for prioritization, the Regional Boards use the 303(d) listing process together with professional judgment for prioritizing development of TMDLs or alternative plans, programmatic authorities, and partnerships to improve water quality. TMDLs adopted by the State are required to include implementation plans; these provide assessments to inform implementation needs to address NPS pollution. In 2009, the Regional Boards identified 23 waterbody-pollutant combinations (encompassing 88 HUC-12 sub-watersheds) as priorities for measureable "water quality improvements" resulting from implementation of the watershed approach. California has demonstrated progress in many of these priority watersheds, including documenting 17 WQ-10 Nonpoint Source Success Stories and 8 SP-12 reports addressing 28 HUC-12 watersheds. As part of the updated Plan, over 30 targeted watersheds are identified where implementation is underway and many of these are expected to have measureable water quality improvements by 2020.

The Plan indicates California will continue to focus §319 project funds on restoration activities, investing in on-the-ground projects identified by TMDL implementation and watershed plans to achieve specific water quality results. Annually, for the §319 funding solicitation materials, the Regional Boards identify priority watersheds and the types of projects sought for possible funding. §319 project proposals must address one of these identified waterbody-specific project priorities, and demonstrate that they are implementing watershed-based plans. Recognizing the need for additional planning to better inform implementation, California will continue to provide limited funding for refining plans to better direct implementation, as funds allow. It is recognized that funds needed to support implementation far exceed funding provided under CWA §319. California will continue to partner with other agencies to leverage diverse resources (e.g., bond funds and fees) to increase the scope of implementation activities. EPA encourages California to further enhance coordination with CWSRF and various State bond funding (e.g., Prop 1) programs to align programmatic priorities and leverage funding opportunities. With funding challenges in mind, EPA supports California's decision to maintain its priority on addressing impaired waters, while as noted in element 4 above, still intending to protect some threatened and high quality waters.

The Plan identifies improving watershed based plans (WBPs) as a programmatic priority, including assessing existing plans to identify common weaknesses and developing strategies to address those weaknesses. WBPs provide complimentary information to TMDLs, such as more specific identification of sources, management practices and costs needed to support more effective implementation and adaptive management. EPA will work with the NPS Program to improve WBPs to better guide NPS investments and to integrate these plans with priorities of other stakeholders to better support local stewardship and to leverage resources to achieve water quality results. EPA will also

work with the State to assess current plans and identify needed improvements to watershed plans to better guide public and private sector investments. Improved watershed plans are needed to better articulate potential return on investments and help guide better funding decisions by the Water Boards and other partners. Additionally, the State should consider supporting the development and use of decision tools that are important components of watershed planning, as well as additional technical assistance such as training workshops on plan development.

6. The state implements all program components required by §319(b) of the Clean Water Act, and establishes strategic approaches and adaptive management to achieve and maintain water quality standards as expeditiously as practicable. The state reviews and upgrades program components as appropriate. The state program includes a mix of regulatory, non-regulatory, financial and technical assistance, as needed. In addition, the state incorporates existing baseline requirements established by other applicable federal or state laws to the extent that they are relevant.

California's NPS Program addresses water quality impairments using a combination of regulatory authority, including developing and implementing permit programs (e.g., waste discharge requirements (WDRs)) and orders (e.g., Cleanup and Abatement Orders), and non-regulatory approaches including working with partners and local stakeholders to provide technical and financial assistance and implement projects. The regulatory authorities are reviewed, renewed and/or upgraded in accordance with State requirements (e.g., Waivers of WDRs must be renewed every 5 years).

The Plan identifies several initiatives to review and adaptively manage aspects of the program, including: evaluating the NPS Roundtable to improve its effectiveness, evaluating and improving watershed-based planning, and streamlining water quality improvement reporting to efficiently meet reporting needs for both EPA and the State (Report Cards for tracking TMDL implementation progress). EPA strongly supports the State's efforts to evaluate and improve these and other aspects of the program.

7. The state manages and implements its NPS management program efficiently and effectively, including necessary financial management.

The Plan relies on established programmatic and financial mechanisms to manage the program. It is anticipated that improvements in this area could be realized over the next five years.

The NPS Program supports the implementation of priority projects through the §319 grant sub-award program. To disburse §319 funds, California conducts an annual request for proposals (RFP) process beginning nearly a year in advance of receiving the §319 grant so that projects are selected and approved by State management prior to receipt of §319 funds. After receiving the §319 grant, sub-grant contracting begins immediately, in order to meet grant conditions to encumber §319 funds into project contracts within one year of the date of award. This has resulted in contracts being issued nearly two years after the initial solicitation, creating a challenge for watershed restoration applicants. The Plan establishes a goal to significantly shorten the contracting process.

8. The state reviews and evaluates its NPS management program using environmental and functional measures of success, and revises its NPS management program at least every five years.

California will be measuring success through tracking the Plan's milestones, submitting performance measure reports (e.g., WQ-10 and SP-12), and tracking water quality improvements in the targeted watersheds identified in Table 17. The Plan includes efforts to improve work planning and reporting, improve the usefulness of information, and reduce the level of effort necessary to prepare the documents. EPA will use these measures during annual program reviews, including annual Satisfactory Progress and Performance Determinations (Guidelines, Appendix E) to better support and assist California. We encourage the State to utilize this and other relevant information to more systematically evaluate the program and guide the development of future NPS Plan updates. EPA recognizes that it will take ongoing collaboration to effectively utilize these measures in an efficient manner to foster improved achievement of water quality results. EPA suggests that at least once a year, a discussion of Plan implementation progress be an agenda item for the bi-monthly SWRCB-EPA Coordination Meetings.

EPA will work with the State to establish a more efficient process to prepare the next Plan. EPA expects that Plan update process to be managed efficiently, with an inclusive process involving Water Board management, EPA, other key partners and stakeholders. California's next update is due to be approved by EPA no later than May 2020, to support the award of the federal fiscal year 2020 funds.