

State Water Resources Control Board
July 23, 2013
Item 13 - Executive Director's Report

DIVISION OF FINANCIAL ASSISTANCE

Division Performance Report: Each of the State Water Board's program divisions will be presenting an overview of their performance on a rotating basis beginning with this month's Executive Director's Report. The Division of Financial Assistance is presenting the first performance overview as Appendix 1 of this report.

Clean Water State Revolving Fund (CWSRF): On May 7, 2013, the Water Board approved an amendment to the *Policy for Implementing the CWSRF Program*. The main objectives of the amendment are to provide additional process streamlining, clarify financing requirements, and provide additional flexibility and features for financing recipients. For additional clarity, the Priority List has been renamed the Project List. The process for developing the Project List has been simplified so that no work is necessary on the applicant's part, and new projects can be added to the Project List quarterly by the Executive Director. Construction contingencies can be included as an eligible cost in a financing agreement. "Sustainability points" have been included to encourage sustainable practices, including climate change adaptation. The project "certification" process has also been simplified.

In conjunction with the *Policy* amendment, the State Water Board released in May, a revamped CWSRF application, and a new planning/design financing application. The CWSRF application has been revamped to be more organized and make use of self-certifications wherever possible.

In addition to the Policy changes and the revamped application, the Division of Financial Assistance (DFA) has been updating its recordkeeping to reduce paperwork redundancy. General documents applicable to all project applications are being saved so that applicants do not have to resubmit the same document with each project application. Therefore, applicants can focus on project specific documents or submitting updates to previous documents.

The amended *Policy* will be effective October 1, 2013. Current applications will continue to be processed, but DFA recommends that applicants begin using the new forms for all new project applications. DFA will be using a number of avenues over the next several months to make stakeholders aware of the changes, to assist applicants with the new forms, and to clarify any confusing new policies or procedures. Regional Water Board staff or applicants can contact the CWSRF program at CleanWaterSRF@waterboards.ca.gov or (916) 327-9978 for further information.

Marketing and Outreach: On May 15, 2013, State Water Board staff participated in the 2013 Central Valley Clean Water Association (CVCWA) Annual Conference in Sacramento. The CVCWA provides valuable industry insight and information regarding current and emerging regulatory issues that can affect the cost and approach to wastewater collection, treatment, and disposal. State Water Board staff also presented updated information and funding opportunities

on the Clean Water State Revolving Fund. Information on the CVCWA Annual Conference is available at: <http://www.cvcwa.org/conference>.

Program Activity:

Clean Water State Revolving Fund (CWSRF): Between April 4, 2013 and July 9, 2013, the Deputy Director of DFA approved the following Preliminary Loan/Grant Commitments:

- On April 5, 2013, Determination No. 2013-13 approved \$1,215,000 in CWSRF financing for the Rio Alto Water District's Wastewater Improvement and Constructed Wetland Project; CWSRF No. C-06-7823-110.
- On April 16, 2013, Determination No. 2013-09 approved \$7,828,918 in funding (\$3,828,918 in CWSRF financing; \$590,386 in CWSRF principal forgiveness; and \$3,409,614 in Proposition 50 residual bond grant funds) for the City of Holtville's Wastewater Treatment Plant Improvement Project; CWSRF No. C-06-7828-110.
- On May 6, 2013, Determination No. 2013-07 approved \$3,600,000 in CWSRF financing for the Castro Valley Sanitary District's Sanitary Sewer Master Plan Priority 4 Phase 1 Improvement Project; CWSRF No. C-06-5351-140.
- On May 31, 2013, Determination No. 2013-18 approved \$499,805 in CWSRF Small Community Grant funds for Planning Financing for the Willow Creek Community Services District's Downtown Wastewater Development Project; CWSRF No. C-06-5957-110.
- On June 6, 2013, Determination No. 2013-19 approved \$488,000 in CWSRF Small Community Grant funds for Planning Financing for Easton Community Services District's Wastewater Planning Project; CWSRF No. C-06-7864-110.
- On June 13, 2013, Determination No. 2013-16 approved \$34,482,000 in CWSRF financing for the County Sanitation District No. 2 of Los Angeles' Long Beach Main Pumping Plant Facility Upgrades Project; CWSRF No. C-06-7694-110.
- On June 18, 2013, Determination No. 2013-20 approved \$5,943,275 in funding (\$2,323,275 in CWSRF financing; \$1,088,724 in CWSRF principal forgiveness; and \$2,531,276 in CWSRF Small Community Grant funds) for the Planada Community Services District's Wastewater Treatment Plant Improvement Project; CWSRF No. C-06-7649-210.

Water Recycling Funding Program (WRFP): Between April 4, 2013, and July 9, 2013, the Deputy Director of DFA approved the following Preliminary Loan/Grant Commitments:

- On April 23, 2013, Determination No. 2013-14 approved \$75,000 in grant funding from the WRFP Planning Grant Program for Davenport County Sanitation District's Recycled Water System Feasibility Study; WRFP No. 3315-010.

- On May 28, 2013, Determination No. 2013-15 approved \$75,000 in grant funding from the WRFPP Planning Grant Program for the City of Mountain View's Recycled Water System Expansion Feasibility Study; WRFPP No. 3240-010

Office of Operator Certification (OOC):

- The OOC attended the Regional Tribal Operations Committee Meeting on May 8, 2013, in San Francisco. OOC staff presented program information regarding the revised amended regulations, which became effective April 1, 2013.
- OOC staff participated in several workshops conducted by the California Water Environmental Association (CWEA) in an effort to provide information regarding the revised Wastewater Operator Certification Program regulations.

The workshops were held on May 14, 2013 in Chino, May 21, 2013 in Fresno, and May 22, 2013 in Sacramento. The workshop topics included: roles of the chief plant operator and designated operator-in-charge; education and experience requirements; exemption of class I wastewater treatment plants; inclusion of privately-owned wastewater treatment plants; roles of lone operators and provisional operators; wastewater operator certification examination process; and enforcement actions.

- **Advisory Committee** - On June 18, 2013, the State Water Resources Control Board presented awards to the current members of the Operator Certification and Training Advisory Committee for service dedication. Immediately following the service award presentation, the OOC conducted an Advisory Committee meeting.
- **Examinations** – The pass/fail notification letters for Grades I through V Wastewater Treatment Plant Operator Examination were mailed in May 31, 2013. The pass rate for Grades I - V was 58 percent.

Performance Measure:

MEASURE	FY 13/14 Target	FY 13/14 YTD
% of Operator Certification Applications processed in less than 30 days	98%	98%

Underground Storage Tank Program - Case Closures: The Low Threat Closure Policy (LTCP) for underground storage tank cleanup sites became effective on August 17, 2012. The tables available at http://www.waterboards.ca.gov/water_issues/programs/ustcf/reports_stats.shtml illustrate progress that the various regulatory agencies, the Division of Water Quality and the Division of Financial Assistance are making in reviewing their respective caseloads of UST sites using the criteria contained in the LTCP. The Division of Water Quality and the Division of Financial Assistance coordinated on the construction of a GeoTracker Report accessible to the public; this report is now available on the web.

DIVISION OF WATER QUALITY

Industrial Storm Water General Permit Inspector Training: To facilitate storm water permitting implementation of industrial facilities statewide, State Water Resources Control Board (State Water Board) staff offered training for inspectors of industrial storm water sites. This two-day training provided the attendees with knowledge and abilities regarding how to determine compliance with the State Water Board's Industrial Storm Water General Permit and its upcoming reissuance. In addition to sharpening storm water inspection and report writing skills, the training provided a forum for inspectors to share storm water permitting information with the goal of improving overall knowledge, effectiveness, and consistency statewide.

The training sessions were held on June 19-20, 2013 in Sacramento and on June 26-27, 2013 in Riverside.

California High Speed Rail Authority Permitting: On April 10, 2013, High Speed Rail Authority (HSRA) submitted an application to the State Water Board for a Clean Water Act (CWA) section 401 Certification for the Merced to Fresno segment. The application was formally accepted by the State Water Board on May 17, 2013 and deemed complete on June 17, 2013. In coordination with the Central Valley Regional Water Quality Control Board, the U.S. Environmental Protection Agency and the US Army Corps of Engineers, the State Water Board proposes to issue a 401 Certification upon submittal of the required mitigation plan information from the HSRA. The 401 Certification is expected to be issued in late August or early September, in coordination with the U.S. Army Corps of Engineers' CWA Section 404 permit. Storm water from construction activities for the project will be regulated through the State Water Board Construction General Storm Water Permit (CGP). The 401 Certification will contain post-construction requirements equivalent to the provisions in the recently adopted National Pollutant Discharge Elimination System (NPDES) permit for discharge of storm water from Municipal Separate Storm Sewer System (MS4) permit for the California Department of Transportation (Caltrans NPDES MS4). These post-construction requirements will satisfy the requirements of CGP's post-construction element specific to this project. State Water Board staff is currently developing a draft NPDES MS4 permit to regulate storm water resulting from the ultimate operation of the HSRA's facilities.

The Fresno to Bakersfield segment is scheduled to start construction following the Merced to Fresno segment in January 2014. In all, 11 segments are planned, from San Francisco to Los Angeles.

Water Quality Control Plan Amendment: Desalination: In its 2011 triennial review of the Ocean Plan, the State Water Board identified amendment of the plan to include water quality objectives for the intake of ocean water and the discharge of brines as a very high priority. In June 2010, State Water Board staff held a series of stakeholder outreach meetings with groups of affected stakeholders to discuss overarching issues related to the proposed amendment. Facilitated meetings were held in Costa Mesa, San Francisco, Santa Monica, and Santa Cruz with northern and southern California desalination project proponents and non-governmental agencies. Regional Water Board staff and staff from other state agencies also attended. The meetings were well-received by all stakeholders, who provided valuable insights on the issues that were identified by staff.

Additionally, State Water Board staff has reconvened an expert review panel providing scientific information to the staff related to the development of the amendment. The review panel has

been asked to provide additional information on three topics: (1) the potential for zooplankton mortality or increased turbidity associated with high-pressure diffusers on outfall lines, (2) mitigation fees for unavoidable mortality of aquatic life associated with desalination operations, and (3) if funding allows, comments on a study by West Basin Municipal Water District on the efficacy of 1 millimeter screens to reduce intake entrainment mortality. A report is expected in August 2013.

Implementation of New Storm Water Permit for Small Municipalities: The State Water Board adopted the General Permit for Waste Discharge Requirements for Storm Water Discharges from Small Municipal Separate Storm Sewer Systems (Phase II Small MS4 Permit) on February 5, 2013. In May and June 2013, State Water Board staff conducted seven informal workshops statewide to facilitate the implementation of the new Phase II Small MS4 Permit. The workshops were held on the following dates and locations:

May 7, 2013 – Redding
May 8, 2013 – Arcata
May 14, 2013 – Santa Rosa
May 16, 2013 – San Luis Obispo
May 21, 2013 – Sacramento (also available via Webcast)
May 23, 2013 – Costa Mesa
June 13, 2013 – Palm Desert

The purpose of the workshops was to provide guidance to permittees to help them implement the requirements of the new Phase II Small MS4 Permit, and provide assistance with the electronic application process. The workshop presentation focused on explaining the Phase II Small MS4 Permit program elements with examples of existing resources the Small MS4s can use to help implement the requirements. The audience consisted of municipal permittee staff, consultants, and interested parties including the public at large. The *Storm Water Multi-Application, Reporting, and Tracking System*, typically referred to as the *SMARTS*, is now available through the State Water Board Web site for electronic permit enrollment; test screenshots of *SMARTS* were demonstrated during the workshops.

During the workshops Regional Water Quality Control Board staff provided responses to many region-specific questions. The most common question during the workshops was how Total Maximum Daily Loads (TMDLs) are going to be implemented. State Water Board staff intends to address TMDL implementation through a future permit reopener.

Storm Water Multi-Application Reporting and Tracking System (SMARTS): The State Water Board provides for online filing of storm water permit applications and required information through SMARTS. On June 3, 2013, SMARTS was updated to allow dischargers to electronically file the Phase II Small MS4 General Permit Notice of Intent (NOI). On July 1, 2013 SMARTS was updated to allow registered engineers and geologists to self-certify and become Qualified Stormwater Practitioners for the Construction General Permit. The July 1st SMARTS update also included a function for Caltrans to electronically submit the Incident Report Form required in the statewide Caltrans storm water permit.

Pinto Lake Nutrients Study Update: Seasonal discharges from Pinto Lake in Santa Cruz County contain biotoxins that threaten receiving waters and wildlife, including the California sea otter in downstream surface waters. Biotoxins, including microcystin, are produced by excessive nutrients and algae growth in the lake. Alternative treatment systems to reduce toxic contamination in the lake discharge are being examined in a pilot research study under a

Cleanup and Abatement Account grant between the State Water Board and the City of Watsonville. A draft final report is due to the State Water Board on October 1, 2013, and the final report is due November 1, 2013. Potential next steps for short and long-term protection of beneficial uses in these surface waters will be determined after consideration of the recommendations and conclusions of the final report.

Sanitary Sewer Systems Waste Discharge Requirements (SSS WDRs, Order 2006-0003-DWQ) Reporting Requirement Changes: State Water Resources Control Board staff proposed updates to the existing SSS WDRs' Monitoring and Reporting Program (MRP) in accordance with State Water Board direction and input from stakeholders. The Executive Director re-issued the updated MRP in early July 2013. As part of the update, staff upgraded the current California Integrated Water Quality System (CIWQS) Sanitary Sewer Overflow (SSO) Database. Some of the MRP updates include classifying former Category 2 spills as Category 3, adding a new Category 2 for SSOs greater or equal to 1,000 gallons not reaching surface waters, and adding a new Category 1 for spills that reach surface water. Spill forms have been refined and streamlined based on stakeholder input. Other changes include questionnaire upgrades, allowance of batch upload of Category 3 SSOs reports, electronic submittal of Sewer System Management Plans, and allowing upload of technical reports. Upgrades to the CIWQS SSO Database became effective on July 8, 2013. A step-by-step guidance document on the new changes will be made available to all dischargers and interested parties.

Vector Control Permit Toxicity Study: The Vector Control Permit (Water Quality Order 2011-0002-DWQ) regulates, on a statewide basis, the application of vector-control pesticides for the protection of public health. The permit specified that the State Water Board fund a toxicity study to determine if toxicity testing is an appropriate method to determine compliance with the permit's receiving water limitation and receiving water monitoring triggers during spray applications to control adult mosquitoes. The State Water Board contracted with UC Davis to conduct the study. UC Davis is in the process of finalizing the draft report to address staff's comments. In addition to reviewing the study, staff has reviewed the annual reports submitted by the vector control districts. Based on study results, annual reports and stakeholder input, staff is drafting an amendment to the existing monitoring and reporting program to ensure that all required monitoring under the permit brings forth valuable information for protection of water quality from these pesticide applications.

Suction Dredging Update: On June 28, 2013, the Office of Administrative Law (OAL) approved an emergency regulation proposed by the Department of Fish and Wildlife to amend its existing regulation defining "suction dredging." The regulatory language and other information are available at <http://www.dfg.ca.gov/suctiondredge/>. The State Water Board's comment letter to OAL on the emergency regulation is posted at http://www.waterboards.ca.gov/water_issues/programs/cwa401/suction_dredge.shtml. With approval of the emergency regulation, suction dredging with or without a sluice box is clearly subject to the continued statutory moratorium.

Hydraulic Fracturing - Groundwater Ambient Monitoring and Assessment Program: Staff from the Groundwater Protection Section and the Groundwater Ambient Monitoring and Assessment (GAMA) Program met on May 6, 2013, May 22, 2013 and June 4, 2013 with staff from the Department of Conservation's Division of Oil, Gas, and Geothermal Resources (Division). The purpose was to continue the dialogue related to the Division's draft regulations for Hydraulic Fracturing to ensure they adequately address water quality issues.

Draft Statewide Order for Composting Operations - Land Disposal Program: Staff from the Groundwater Protection Section and Land Disposal Unit presented the changes to the Draft Statewide Order for Composting Operations (General Order) to stakeholders on May 20, 2013 for Northern California participants and May 21, 2013 for Southern California participants. Approximately 80 people were in attendance, either in person or via Web cast. The purpose of the meeting was to present proposed changes to the General Order to the stakeholders, answer questions, and provide a schedule showing next steps.

Concurrently, staff are developing a Request for Qualifications to procure a contractor to assist with preparing a Program Environmental Impact Report for the General Order. A public scoping meeting in accordance with the California Environmental Quality Act is scheduled for August 23, 2013.

Water Board Irrigated Lands Regulatory Program (ILRP): This month's ILRP Water Board report is included in the Appendix at the end of this report.

Statewide Policies/Significant General Permits: Please visit http://waternet/dwq/policies_permits/policies_permitspw3.php for the Policy and Permits Table.

DIVISION OF WATER RIGHTS

Division of Water Rights Core Program Progress Report

The Division of Water Rights (Division) administers the Water Rights Program for the entire State of California including permitting, compliance, and enforcement, and assists the State Water Board in water rights adjudicatory functions. In addition, the Division administers the 401 water quality certification program for water diversion projects that require a federal permit or license, including those projects that seek a Federal Energy Regulatory Commission (FERC) dam license or relicense. The following table shows the progress of the Division through May 2013, for the 2012-2013 fiscal year for these core water rights functions.

Division of Water Rights

Monthly Progress Report

	Fiscal Year ¹
Permitting	
Applications Rejected	1
Applications Cancelled	11
Registrations Issued	15
Registrations Renewed	95
New Statements Processed	2053
New Groundwater Recordations Processed	23
Permits Issued	22
Temporary Urgency Permits Issued	2
Licensing	
Licenses Issued	25
Amended Licenses Issued	16
Petitions	
Time extension Orders Issued	16
Change Orders Issued	37
Transfers Approved²	
Orders Issued on Temporary Urgency Change Petitions	3
Orders Issued on Temporary Change for Transfer Petitions	3
Orders Issued on Long Term Transfer Petitions	0
Monitoring and Reporting	
Annual Reports of Permittee and Licensee Processed	4844
Supplemental Statement of Diversion & Use Processed	3109
Annual Groundwater Recordation Processed	771
Ownership Changes Processed	753
Enforcement	
Permit, License and Registration Revocations Issued	77
Cease and Desist Notices Issued	123
Final Cease and Desist Orders Issued	32
Administrative Civil Liability Complaints Issued	16
Final Administrative Civil Liabilities Issued	8
Administrative Civil Liability Orders Paid	23
Settlement Agreement Orders Issued by Executive Director	2
Settlement Agreement Orders Issued by Delta Water Master	1
Water Quality Certifications	
Certifications on FERC projects	1
Application Denials on FERC projects	0
Certifications on Non-FERC projects	4
Application Denials on Non-FERC projects	0
Adjudicatory	
Water Right Decisions Issued by the Board	1
Division Decisions Issued	2
Water Right Orders Issued By the Board	1
Orders on Petitions for Reconsideration	0
By the Executive Director	2
By the State Water Board	1
Administrative Records Completed	0

¹ These numbers may reflect work that was completed in past months that were not previously reported.

² Transfers may also be accomplished under change petitions filed pursuant to Water Code section 1700 *et seq.*

Monterey Peninsula Water Supply Project Evaluation: In a memo dated September 26, 2012, the California Public Utilities Commission (Commission) requested assistance from the State Water Board regarding a pending Application the Commission had received from the California-American Water Company (CAW), proposing a Monterey Peninsula Water Supply Project (Project) and authorization to recover all present and future costs in rates. As proposed, this Project would consist of a desalination facility combined with planned groundwater replenishment and aquifer storage and recovery. Water from this Project is intended to replace the portion of CAW's supply from the Carmel River that becomes unavailable in December 2016 under the State Water Board's October 20, 2009 Cease and Desist Order (WR-2009-0060).

On April 3, 2013, the revised draft report was circulated to the public for review with comments due on May 3, 2013. Six comment letters were received. Based on the comments received, State Water Board staff made revisions to the report and released the report for public review prior to a State Water Board workshop. The State Water Board held a workshop in Monterey on June 4, 2013 to receive input from the Board on the report prior to finalization.

San Joaquin River Restoration Program (SJRRP): On March 26, 2013, the U.S. Bureau of Reclamation (Bureau) submitted petitions requesting the State Water Board's temporary approval to change the method of operation of the Friant Division of the Central Valley Project in order to implement the SJRRP. The SJRRP facilitates restoration of fish habitat in the San Joaquin River below Friant Dam. The SJRRP has two primary goals: (1) to restore and maintain fish populations, including salmon, in good condition in the mainstem of the San Joaquin River below Friant Dam; and (2) to reduce or avoid adverse water supply impacts to the Friant Division long-term contractors that may result from the restoration program.

The SJRRP flows were previously authorized by Division of Water Rights (Division) Order. That authorization expired March 30, 2013. The temporary change petitions request authorization to continue the SJRRP flow program after March 30, 2013. The Division issued an order approving the temporary change petitions on March 28, 2013. The order authorizes continued operation of the SJRRP for up to 180 days.

The Division is evaluating the change petitions filed by the Bureau seeking to authorize long-term operation of the SJRRP. Presently, the Division is working with the Bureau and protestants to resolve the remaining protests. If the protests cannot be resolved, the petitions will require a hearing before the State Water Board.

Review of Bay-Delta Conservation Plan Environmental Impact Statement/Environmental Impact Report: Staff from the State Water Board and Central Valley and San Francisco Bay Regional Water Boards recently coordinated on the preparation of comments on an Administrative Draft of the Bay-Delta Conservation Plan (BDCP) Environmental Impact Statement/Environmental Impact Report (EIR/S). The [BDCP](#) is a comprehensive, 50-year conservation plan for the Delta that proposes new water intakes, conveyance and habitat. The BDCP is intended to achieve the two co-equal goals of providing for a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. It is being prepared as a Natural Community Conservation Plan (NCCP) under California's Natural Communities Conservation Planning Act and the state's endangered species regulations, and as a Habitat Conservation Plan (HCP) under federal endangered species act regulations.

Along with the BDCP, a joint environmental impact report/statement (EIR/S) is currently being prepared by DWR, the U.S. Bureau of Reclamation, the U.S. Fish and Wildlife Service, and the National Oceanic and Atmospheric Administration's National Marine Fisheries Service. DWR is the lead agency under the California Environmental Quality Act. When complete, the BDCP and EIR/S will provide the basis for the issuance of endangered species permits for the operation of the state and federal water projects. In addition, the Water Boards will be relying on the EIR/S to consider petitions to add the points of diversion for the proposed new water intakes, as well as Clean Water Act section 401 water quality certifications and other authorizations needed for the project. The State Water Board will also use information from the BDCP to inform its current review of the Water Quality Control Plan for the Bay-Delta.

Updates Related to the Klamath Hydroelectric Project (Federal Energy Regulatory Commission Project No. 2082):

There are three updates for the Klamath Hydroelectric Project (Project): (1) April 25, 2013, Interim Measures Implementation Committee (IMIC) meeting and associated follow up on June 27, 2013; (2) the Klamath River Basin Adjudication; and (3) Abeyance Update. See below for more details on each item.

IMIC Meeting: The IMIC met in Yreka, California on April 25, 2013. The meeting included a discussion of interim measures (IM) 10 (Water Quality Conference) and 11 (Water Quality Improvements), as well as a proposal by PacifiCorp. The purpose of the IMIC is to collaborate with PacifiCorp on issues related to the implementation of the interim measures set forth in the Klamath Hydroelectric Settlement Agreement. The IMIC had a follow up teleconference on June 27, 2013.

- **IM 10.** It is anticipated that the final IM 10 Water Quality Workshop Report (Report) will be released in August 2013. The Report will include a pilot project designed to improve water quality in the Klamath River. The October 16, 2012, Executive Director Report provides additional background information on the Klamath River Water Quality Workshop.
- **IM 11.** PacifiCorp provided an update on pilot projects and studies conducted with IM 11 funds in 2012.
- **PacifiCorp Proposal.** PacifiCorp submitted a draft proposal (Study Plan) to the IMIC regarding how IM 11 funds could be spent in Year 2013-2014 (follows state fiscal year). The IM 11 Study Plan proposal includes: (1) a second pilot algaecide project in Copco Reservoir (one was conducted in 2012); (2) research of microcystis genotypes; (3) finding a location for a demonstration wetland and development of the associated conceptual design; (4) continued development of the Water Quality Accounting Framework; (5) evaluation of more efficient use of the selective withdrawal/intake barrier at Iron Gate Dam; (6) preliminary design of an organic matter removal system at Link River/Keno Reservoir; and (7) pilot study for nutrient reduction methods.
- **June 27 Teleconference.** On June 27, 2013, the IMIC had a conference call to further discuss PacifiCorp's IM 11 Study Plan proposal for 2013-2014. PacifiCorp reviewed the comments submitted by the IMIC members on the Study Plan proposal and provided an update on how it plans to proceed. The IMIC members stated they did not have adequate time to review PacifiCorp's updates and some IMIC members were disappointed that PacifiCorp did not revise key parts of the Study Plan to address requests from IMIC members.

The next IMIC meeting is scheduled for July 18, 2013.

Klamath Basin River Adjudication: On March 7, 2013, the Klamath County Circuit Court (Court) in Oregon delivered its final order on Phase One of the Klamath River Basin Adjudication. After 38 years of work reviewing 730 claims to the use of surface water in the Klamath Basin the Court ruled that the Klamath Tribes' water rights in Upper Klamath Lake and a major segment of its tributaries carry a priority date of "time immemorial." The ruling certifies the Klamath Tribes water rights priority over other water rights in the area including farmers and irrigators.

On June 10, 2013, the Klamath Tribes contacted the Oregon Water Resources Department (Department) and requested that the Department reduce water use of lower priority users so that the Klamath Tribe's water right can be used to provide adequate water for environmental resources.

Abeyance Update: The State Water Board received a letter from PacifiCorp, dated June 13, 2013, outlining PacifiCorp's proposed plan and schedule to update its water quality certification application for the Project. On June 28, 2013, the State Water Board issued a letter stating that staff will review the proposed work plan and schedule a meeting to discuss the proposal further prior to July 31, 2013. The State Water Board took no action to extend the abeyance of the Project's water quality certification application prior to June 30, 2013. Therefore, in accordance with Resolution No. 2012-0039, the abeyance of the Project's water quality certification application is lifted. A copy of PacifiCorp's letter and the State Water Board's response are available on the Project's webpage at: http://www.waterboards.ca.gov/waterrights/water_issues/programs/water_quality_cert/klamath_ferc2082.shtml .

Notice of Preparation for Draft Environmental Impact Report for the Lower American River Flow Management Standard Update (County Control No. 09-70070):

On May 17, 2013, Sacramento County and the City of Sacramento released a Notice of Preparation (NOP) for a Draft Environmental Impact Report to amend the 2000 Water Forum Agreement to include the Lower American River Flow Management Standard (FMS) Update. The purposes of the proposed FMS update are to: improve the release of available water from Folsom Reservoir for lower American River fisheries; regulate temperature of lower American River through specific releases; and implement mitigation monitoring.

The proposed project is an amendment to the Water Forum Agreement that would incorporate the proposed FMS update. In accordance with the existing Water Forum Agreement, the Water Forum would present the FMS update to the State Water Resources Control Board as proposed amendments to the Bureau of Reclamation's permits (Permit Nos. 11315 and 11316). On June 24, 2013, State Water Board staff provided comments on the NOP.

Coordination with Fishery Resource Agencies: Division of Water Rights staff is coordinating with the fishery resource agencies on various topics including:

- **Interagency Instream Flow Workgroup Meeting.** On May 15, 2013, Division of Water Rights staff met with staff from the California Department of Fish and Wildlife (CDFW), United States Fish and Wildlife Service (USFWS), and the State Coastal Conservancy (SCC). Topics covered at the meeting include: updates from each of the agencies; an overview of the status of planned and upcoming instream flow studies and recommendations; and a discussion of coordination on various instream flow-related

efforts, including the State Water Board's Phase 4 Bay-Delta effort and CDFW's efforts on Butte, Mill, and Deer Creeks.

- **Interagency Coordination for Orwick Diversion Ditch on Battle Creek.** On May 9, 2013, Division of Water Rights staff met with regional staff from CDFW, USFWS, and the Bureau of Land Management (BLM). The Orwick Diversion ditch is a large water diversion (up to 50 cubic feet per second) on Battle Creek (Sacramento River watershed, Tehama County) that traverses federal (BLM) and state (CDFW) land through approximately 8 miles of unlined ditch. The ditch experienced multiple blowouts this winter creating false attraction flows for salmonids, fine sediment inputs, and damage to vegetation restoration projects. Topics discussed included: federal/state ownership of land; federal/state water rights; interest in improving the efficiency of water delivery; who to contact in case of disturbance or blow-out; and vegetation restoration projects in vicinity of the ditch.

Meeting with Merced Irrigation District: On May 3, 2013, Division of Water Rights and Executive staff met with Merced Irrigation District (District) staff. District staff presented the District's preliminary flow proposal for the Merced River Hydroelectric Project (Project), Federal Energy Regulatory Commission Project No. 2179. The flow proposal marks the beginning of flow negotiations for the Project between the District, agencies, and various stakeholders.

Pit 1 Hydroelectric Project 401 Water Quality Certification Amendment to Eliminate Flushing Flows: The State Water Board issued a water quality certification (certification) for the Pit 1 Hydroelectric Project (Project), Federal Energy Regulatory Commission (Commission) Project No. 2687 on December 4, 2001. The Project is owned and operated by the Pacific Gas and Electric Company (PG&E). The United States Fish and Wildlife Service (USFWS) submitted a letter to the State Water Board requesting the suspension of flushing flows (Condition 13 of the certification) for the summer of 2009 due to concerns that the flows were contributing to the decline of the local population of Shasta crayfish (*Pacifastacus fortis*), a listed endangered species under both the Federal and California Endangered Species Acts.

The State Water Board Executive Director ordered the suspension of flushing flows in 2010, 2011, 2012, and 2013 to allow for the completion of the California Environmental Quality Act (CEQA) document and issuance a water quality certification amendment. A Notice of Preparation (NOP), which contains information on public scoping meeting for the Project amendment, was released to the public on May 17, 2013. Two scoping meetings were held on June 11, 2013 in Redding and McArthur, California. The NOP comment period ended on June 24, 2013. In addition to the verbal comments made at the two scoping meetings, the State Water Board received written comments from 19 stakeholders. State Water Board staff is reviewing the comments and beginning to develop a draft environmental impact report for the Project.

The orders, NOP, comments, and other information related to the Project are available on the Project webpage at:
http://www.waterboards.ca.gov/waterrights/water_issues/programs/water_quality_cert/ceqa_projects.shtml#ferc2687

2013 Water Transfers: As of July 3, 2013, 12 water right holders have filed more than 40 petitions requesting the one-year transfer of water in the total amount of 260,783 acre-feet. The Division is expediting the processing of the transfers in accordance with California Water Code

provisions and Governor Brown's Executive Order to Streamline Approvals for Water Transfers. Consistent with the Executive Order, the Division of Water Rights (Division) shared the transfer proposals with the Delta Watermaster, the Department of Water Resources, the U.S. Bureau of Reclamation, and the Department of Fish and Wildlife within 10 days of receipt. The Division also issued public notice of the petitions within 10 days of receipt. Following the 30-day notice period and considering the comments received, the Division approved transfers totaling 254,625 acre-feet. A table summarizing water right transfer requests and their status can be found at: http://www.waterboards.ca.gov/waterrights/water_issues/programs/water_transfers/docs/transfe_rstable.pdf.

Water Quality Certification Issued for Meridian Farms Fish Screen Project, Phase 2:

On June 7, 2013, the Executive Director issued a water quality certification for the Meridian Farms Fish Screen Project, Phase 2 (Project). Meridian Farms Water Company (Company) currently diverts water at Meridian, Drexler, and Grimes. Each of these diversions previously had no fish screen. The Company is consolidating diversions and adding fish screens through a phased construction project. In 2010, the Company added a fish screen and other facilities to the Grimes diversion and pumping plant (Phase 1). As part of this Project (Phase 2), the Company is proposing to construct a consolidated point of diversion and fish screen for the Meridian and Drexler points of diversion. This new point of diversion will retain the Meridian name. The new Meridian diversion will be located approximately 50 feet upstream of the existing diversion, and will be equipped with fish screens to prevent the entrainment of migrating fish. The water quality certification was issued to ensure the Project will comply with the Clean Water Act and other requirements of state law. The water quality certification is available online at:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/water_quality_cert/401_certifications.shtml.

Feather River Fish Screen Project Water Quality Certification Amendment:

On June 11, 2013, the Executive Director issued an amendment to the water quality certification for the City of Yuba City (City) Feather River Fish Screen Project (Project). The original certification for the Project was issued on April 17, 2012. The Project involved the replacement of an existing unscreened intake structure located on the lower Feather River that is part of the City's Treatment Plant system. The in-channel construction period specified in the original Project certification was limited to July 1 through October 31, as outlined in the Mitigation, Monitoring and Reporting Plan for the Project. The amendment modified the work period to allow in-channel construction starting in May 2013, to facilitate early removal of the Project cofferdam. The City asserted that the early removal of the cofferdam would benefit the fisheries of the Feather River by allowing for earlier operation of the screened intake.

The certification amendment, original Project certification, and other associated documents are available online at:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/water_quality_cert/401_certifications.shtml

Comments Received on Draft Water Quality Certification, Draft Initial Study, and Proposed Mitigated Negative Declaration for DeSabra-Centerville Hydroelectric Project:

The Pacific Gas and Electric Company (PG&E) is undergoing relicensing of its DeSabra-Centerville Hydroelectric Project (Project), Federal Energy Regulatory Commission (FERC) Project No. 803. The Project is located on Butte Creek and the West Branch Feather River. Before FERC can issue a new license, PG&E must receive a water quality certification from the State Water Board. On April 12, 2013, the State Water Board released the Project's Draft Initial

Study (IS)/Proposed Mitigated Negative Declaration (MND) and Draft Water Quality Certification for public comment. The public comment period ended on June 13, 2013. The State Water Board received comments on the Draft Water Quality Certification and Draft IS/Proposed MND from the following parties: PG&E; California Department of Fish and Wildlife; M & T Chico Ranch; Conservation Groups; and United States Department of the Interior – Bureau of Land Management. All comments will be considered in the development of a Final Water Quality Certification and Final IS/MND for the Project. The comments on the Draft Water Quality Certification and Draft IS/MND can be found online at:

http://www.waterboards.ca.gov/waterrights/water_issues/programs/water_quality_cert/desabla_ferc803.shtml

OFFICE OF ENFORCEMENT

Administrative Civil Liability (ACL) and Cleanup and Abatement Actions Issued 2013:

a. ACL Complaint(s) Issued

Region	Discharger/Facility	Violation(s) Addressed	ACL Complaint Amount	Date Issued
WATER QUALITY				
3	City of Grover Beach / Municipal Separate Storm Sewer System	Failure to submit 2009–2010, 2010–2011, and 2011–2012 annual reports	\$35,000	6/26/2013
9	Chad Enniss and Enniss, Inc.	Failure to submit 2010-2011 industrial stormwater annual report	\$5,950 (MMP: \$1,000; Staff costs: \$4,950)	6/14/2013

Region	Discharger/Facility	Violation(s) Addressed	ACL Complaint Amount	Date Issued
WATER RIGHTS				
WR	Heber Field Company (New River, Imperial County)	Failure to submit 2011 annual use report electronically	\$500/ \$5,000	6/17/2013
WR	Carol Rhodehouse (Blackhawk Creek, Plumas County)	Failure to submit 2011 annual use report electronically	\$500/ \$5,000	6/17/2013
WR	POSZ Ranch, Inc., Mike Griffith, and Joe Cardio (Colusa Basin Drain, Colusa County)	Failure to submit 2011 annual use report electronically	\$500/ \$5,000	6/17/2013
WR	Dirk Vlot, Mario Pstoresi & Sons Ltd. Ptp., and Valerie Vlot (Eastside Bypass, Madera County)	Failure to submit 2011 annual use report electronically	\$500/ \$5,000	6/17/2013
WR	Deep Violet Farms, Inc. (Hutchinson Creek, Yuba County)	Failure to submit 2011 annual use report electronically	\$1,000/ \$10,000	6/17/2013

*The five water rights ACL complaints issued offered two choices to the recipients:

- (1) Pay smaller amount by submitting check for smaller amount, waiver, and delinquent annual report within 20 days
OR
(2) Proceed to hearing with proposed liability at higher amount listed.

b. ACL Order(s) Issued

Region	Discharger/Facility	Violation(s) Addressed	ACL Order Amount	Date Issued
WATER QUALITY				
2	Caltrans District 4 / Caldecott Tunnel Fourth Bore	Two effluent limit violations (total petroleum hydrocarbon as diesel) and one late reporting violation	\$9,000 (MMP)	6/13/2013
2	City of San Jose /	Effluent limit violation (chlorine)	\$3,000 (MMP)	6/13/2013
2	Napa Valley Cast Stone, LLC	Failure to implement industrial stormwater best management practices	\$5,200 (CAA)	6/14/2013
4	El Segundo Energy Center, LLC / Generating Station Redevelopment Project	Effluent limit violation (total petroleum hydrocarbon)	\$3,000 (MMP)	6/6/2013
4	InterActiveCorp	Effluent limit violations (copper)	\$24,000 (MMP)	6/14/2013

Region	Discharger/Facility	Violation(s) Addressed	ACL Order Amount	Date Issued
WATER RIGHTS				
WR	Giese Neill & Coehling Kathleen Trust and Neill Giese and Kathleen Coehling (Napa Watershed)	Unauthorized diversion of water to reservoir	\$5,300 (Water Rights Fund)	6/4/2013
WR	Corbin Gwaltney Trust and Corbin and Pamela Gwaltney (Napa Watershed)	Unauthorized diversion of water to reservoir	\$5,000 (Water Rights Fund)	6/4/2013
WR	John C. Coleman, Jr. (Napa Watershed)	Unauthorized diversion of water to reservoir	\$6,000 (Water Rights Fund)	6/17/2013
WR	David Burton / Speedy Creek Ranch (Sonoma County)	Failure to file statement of water diversion and use	\$1,000 (Water Rights Fund)	6/17/2013

c. Cleanup and Abatement Order(s) Issued

Region	Discharger/Facility	Action(s) Required	Date Issued
2	Guadalupe Rubbish Disposal Company, Inc. / Guadalupe Mine	Containment of mercury mining wastes; development and implementation of mercury sources workplan and stormwater best management practices; submittal of report on completion of remedial actions; development and implementation of monitoring plan	6/13/2013
5	Raymond Paige and Lucas Booker / Wild Rice Farm	Submittal and implementation of erosion control and irrigation water management plan to clean up and prevent discharges of sediment-laden water	6/7/2013

OFFICE OF INFORMATION MANAGEMENT AND ANALYSIS

California Wetlands Workgroup Delivers Two Innovative New Web Tools

- *“What is the extent of our wetlands?”*
- *“How healthy are they?”*
- *“How are they protected?”*

These are three of many questions addressed by two new web-based tools, released by the Wetland Monitoring Workgroup of the California Water Quality Monitoring Council. Together, these tools are designed to make information about wetlands location, extent and condition more readily available to the public. The first, EcoAtlas, is targeted toward wetland scientists, managers and regulators. It provides an online resource for compiling maps and data about wetlands produced by numerous local, state and federal agencies and non-governmental organizations. The second, the California Wetlands Portal, has been extensively redesigned to help members of the general public answer fundamental questions about wetlands in their communities and around the state using the data stored in EcoAtlas. Under the guidance of the Monitoring Council, the Wetland Workgroup facilitates dialogue and coordination among twenty-three state, federal, and local agencies and non-governmental organizations that monitor and

assess our state's wetlands. By making information more accessible, the Wetland Workgroup and the Monitoring Council strive to better inform agency decision making. View EcoAtlas at www.EcoAtlas.org. View California Wetlands Portal at www.MyWaterQuality.ca.gov/eco_health/wetlands.

OFFICE OF RESEARCH, PLANNING AND PERFORMANCE

Water Board Academy – The following table includes highlights of our recent and ongoing classes.

Current classes	<p>Measuring the Health of Streams and Rivers in California – Bioassessment in water quality management involves the use of biotic indicators and measures of physical/habitat condition to determine the health of aquatic systems. Water resource managers and others concerned about protecting the health of streams and rivers need to understand the implications of bioassessment data and how it is being collected and used in California. The 2013--14 bioassessment curriculum is taught by Jin Herrington from CDFW and consists four 2--day courses.</p>
Recent classes	<p>Vapor Intrusion - This class was taught by staff from the Department of Toxic Substances Control, is specific to DTSC and Water Board guidance and is an introduction to each of the four Vapor Intrusion guidance.</p> <p>The class included training on the following documents, collectively known as the Vapor Intrusion Compendium:</p> <ul style="list-style-type: none"> • Advisory- Active Soil Gas Investigations (ASGI) • Guidance for the Evaluation and Mitigation of Subsurface Vapor Intrusion to Indoor Air (aka The Vapor Intrusion Guidance, or VIG) • Vapor Intrusion Mitigation Advisory (VIMA) • Vapor Intrusion Public Participation Advisory (VIPPA)
	<p>Risk and Decision Making Workshop: Risk assessment is an effective tool for making environmental decisions. This highly participatory course provides an introduction to the basics of risk assessment, risk management, risk based decision making and risk communication. Participants explore the science and policies of risk assessment and risk management in the context of a hypothetical case study that is representative of those that staff may encounter in their day to day work. The workshop is facilitated by toxicologists from the Department of Toxic Substances Control.</p>

Development of a Groundwater Strategic Workplan

Population growth and more intensive land use will place increased demands on the State's water supply; while at the same time surface water runoff is projected to decline due to the effects of climate change. These and other factors point to an increased reliance on groundwater; however, many of California's aquifers are already experiencing contamination

and/or overdraft. For example, the State Water Board has identified 680 community water systems, serving nearly 21 million people that rely on a groundwater source contaminated by one or more contaminants that exceed drinking water standards. Likewise, UC Davis has determined that as many as 245 thousand people are now at risk for nitrate contamination of their drinking water in the Tulare Lake Basin and the Salinas Valley. In the California's Central Valley, groundwater depletion is now estimated to range from approximately 1.4 to 2.5 million acre-feet a year.

The State Water Board, working with the Regional Water Boards, is developing a multi-year, strategic workplan for groundwater that will describe actions that the Water Boards could undertake to address groundwater quality and quantity concerns and that supports beneficial uses over the long-term. The strategic workplan will promote collaboration and cooperation with local and regional stakeholders and other agencies to address water quality degradation, overdraft, and reduced replenishment, among many other pressing groundwater challenges. These challenges do not lend themselves to a "one size fits all" solution, given the varying physical and institutional characteristics of California's groundwater basins. The Water Boards' strategic workplan acknowledges the historical and, in many cases, highly effective role of local and regional management, backed up by State-level support and oversight where needed.

The strategic workplan will be organized around the following five key management elements that should be in place at the local, regional, or State level to help ensure that effective groundwater management is achieved:

1. **Thresholds** for groundwater quality and levels for impacted, vulnerable, and high-use basins;
2. **Monitoring data and assessment** of groundwater quality and levels to determine if thresholds are being met, evaluate trends, and inform management decisions;
3. Governance structures with the planning, assessment, and **control** and **management** mechanisms needed to prevent impacts to groundwater before they occur, clean up contamination where it has occurred, provide adequate treatment of contaminated drinking water sources, and ensure groundwater quality and level thresholds are attained over the long term;
4. **Funding** to support groundwater monitoring, and management and control actions; and
5. **Oversight** and **enforcement** in basins where ongoing management and control efforts are not protecting groundwater.

For each of these key management elements, the strategic workplan will describe the Water Boards' current groundwater protection efforts, efforts of other agencies or entities with groundwater management responsibility, actions that the Water Boards plan to undertake to augment existing groundwater protection efforts, and recommendations to others with groundwater authority. Strategies and recommendations will focus on developing and refining groundwater thresholds, improving the integration and public accessibility of groundwater data, evaluating current groundwater conditions and management efforts, identifying and prioritizing high-use basins that do not support beneficial uses, incentivizing local and regional management, and providing regulatory oversight and enforcement where needed.

The strategic workplan will also incorporate all recommendations contained in the State Water Board's February 2013 report to the Legislature providing recommendations for addressing nitrate in groundwater. A draft of the groundwater strategic workplan will be publicly available in mid-August, with a public workshop anticipated in September 2013.

APPENDIX 1

Division of Financial Assistance Performance Measures Fiscal Year 2012-2013 July 2013 Update

The Division of Financial Assistance (DFA) has performance measures designed to evaluate how we are implementing several of our programs, notably the Underground Storage Tank Cleanup Fund Program (UST Cleanup Fund), and the Clean Water State Revolving Fund (CWSRF) Program. The table below lists the performance measures we are currently tracking, and the fiscal year (FY) 2012-2013 targets and end-of-year progress results.

Measure	FY 12/13 Target	FY 12/13 (July 1, 2012 to June 30, 2013)
UST Cleanup Fund 5-Year Reviews Completed	1250	387
UST Cleanup Fund Sites Closed with Claim Closure	400	423
UST Cleanup Fund Income to Expenditure Ratio	1 to 1.05	1
UST Cleanup Fund Overhead Rate	<10%	3%
% of CWSRF Applications Processed in Less than 9 Months	95%	34%
% of CWSRF Disbursements Processed in Less than 30 Days	100%	82%

Each of these measures is discussed briefly below, including: a description of the measure and its importance; whether or not we met the target for that measure in the 2012-2013 fiscal year; the causes of our not meeting the target if we didn't meet it; and steps we are taking to improve our performance related to that particular measure if we did not meet the target.

Underground Storage Tank Cleanup Program

1. UST Cleanup Fund 5-Year Reviews Completed

The performance measure is the number of 5-Year Reviews completed for UST Cleanup Fund claims that have had a Letter of Commitment for five years or more. The performance measure is intended to track the number of claims that have been reviewed to identify those UST cases that are ready for closure. Other potential outcomes of our review for each claim include a concurrence with current regulatory directives, or a finding that the regulatory agency should be requiring additional work to move the case through the cleanup process. We did not meet the target for this performance measure in the 2012-2013 fiscal year for the following reasons. In August 2012, the State Board adopted Resolution No. 2012-0062, which required UST Cleanup Fund staff to evaluate approximately 555 cases for closure under the Low-Threat Closure Policy criteria, a new and unanticipated workload. These 555 cases had previously been recommended for closure as part of a routine 5-year review. These Low-Threat Closure Policy Reviews are two to three times more labor intensive than the routine 5-Year Reviews.

Consequently, fewer of them were performed during the reporting timeframe. In addition to the 387 reviews that were conducted, we also anticipate that all of the 555 cases will be reviewed by the required date in August 2013, and recommended for either closure or, if data necessary to make a determination under the Low-Threat Closure Policy criteria are lacking, additional work. In the future, all 5-Year reviews will incorporate the criteria of the Low-Threat Closure Policy. As a result, we anticipate that some of the reviews, particularly those that are ready for closure and require additional documentation for closure justification, will take longer to review. We intend to re-evaluate this measure and target for the 2013-2014 fiscal year to ensure that it conforms with the new work required by the Low Threat Closure Policy and Resolution No. 2012-0062.

2. UST Cleanup Fund Sites Closed with Claim Closure

The performance measure is the number of claims that have been administratively closed by the UST Cleanup Fund subsequent to receiving site closure from the appropriate regulatory closure. Once a site receives regulatory site closure, under current law the claimant has up to one calendar year to submit their final costs. The Claim Closure unit audits each claim closure to ensure that: 1) the claimant has received all reimbursements due to them; and 2) the UST Cleanup Fund has not inadvertently double-paid the claimant on any reimbursement. This performance measure indicates how well the UST Cleanup Fund is providing service to claimants by closing out their claims once they have obtained regulatory closure for their site. We exceeded the target for this performance measure for the 2012-2013 fiscal year.

3. UST Cleanup Fund Income to Expenditure Ratio

The performance measure is the UST Cleanup Fund's gross income relative to the gross expenditures of the UST Cleanup Fund. The UST Cleanup Fund uses an income to expenditure ratio as a budgeting tool to assist in measuring and monitoring performance related to overall fiscal operations and to ensure that we do not overspend relative to the amount of revenues available. The UST Cleanup Fund has implemented a fiscal year budget to account for every dollar that is projected to be collected during that fiscal year. We base our expenditures, including individual claim budgets, on that revenue projection. During the fiscal year, we monitor to see if the actual expenditure patterns match the budgeting plan. If the ratio is equal to or greater than 1, we have a planned expenditure for every dollar that has come in for that fiscal year. This ensures that as a program we stay within our allotted revenue resources. This also helps claimants, through their annual claim budgets, to plan for work during the fiscal year and gives them some assurance of the amounts that we reasonably expect to be able to reimburse them. We are currently at 1, which meets our target of 1 – 1.05 for the 2012-2013 fiscal year.

4. UST Cleanup Fund Overhead Rate

This performance measure is the spending that the UST Cleanup Fund requires to support administration of the UST Cleanup Fund program (not including the UST regulatory program, which the UST Cleanup Fund also supports). The UST Cleanup Fund overhead rate evaluates the cost of State Water Resources Control Board personnel (Division of Financial Assistance, Office of Enforcement, Regional Water Boards, and Office of Chief Counsel) managing this program in relation to revenue received for the fiscal year, plus cash carryover from the previous fiscal year. Although a certain amount of administrative cost is necessary to support the program, we are trying to reasonably minimize that cost so that as much of our resources as possible can go directly to reimbursements for costs incurred by claimants in cleaning up their sites. We are currently at 3%, which is well below our target of 10%.

Clean Water State Revolving Fund

1. Percent of State Revolving Fund Applications Processed in Less than 9 Months
2. Percent of State Revolving Fund Disbursement Processed in Less than 30 Days

Both of these performance measures indicate the CWSRF's ability to quickly finance projects that help local agencies meet Regional Water Board objectives or enforcement orders and to quickly reimburse financing recipients for their project costs. Local agencies have indicated that both of these are critical to their use of the CWSRF, instead of seeking funding from other sources, such as bonds or financial institutions. Local agencies have indicated that financially it may be advantageous to them to access these other sources of funding if the CWSRF loan process takes more than 9 months, or loan payments are not processed in a timely manner.

We did not meet either of these performance measures for the 2012-2013 fiscal year, for the following reasons. Approvals of applications were hampered by outdated review requirements and processes. In 2012, we conducted a bottom-up review of the application requirements and processes in conjunction with the U.S. Environmental Protection Agency's management consultant. The outcome of the review was a CWSRF Policy amendment and revamped application forms and processes that were approved by the State Water Board at its May 7, 2013 meeting. The Policy amendment and new application forms have been posted on the CWSRF website and will go into effect in October 2013. The additional streamlining and application improvements are expected to significantly cut financing approval time. In addition, the Policy and application changes were designed to enhance the CWSRF's ability to finance agencies' Capital Improvement Plans (CIP). Financing CIPs should also reduce the effort and time to approve CWSRF financing for agencies that have multiple projects. Additionally, during 2012-2013 fiscal year, DFA had 100% staff turnover in our Environmental Review Unit. Compliance with federal environmental review and consultation requirements are often the critical path item for applications, and regular monitoring and coordination by staff is critical to ensure that these reviews are completed quickly. DFA has filled all of the vacancies now, and is focused on Environmental Review Unit staff training to resume its former efficiency. There is also a staff shortage in the Office of Chief Counsel (OCC) for the program. Only one attorney is available to provide legal support for this multi-billion dollar financing program. In May, 2013, DFA moved a position and SRF funding to OCC to address the shortage of legal staffing for the SRF program.

Several factors contributed to not meeting the disbursement target. DFA continues to receive disbursement requests with incomplete documentation, and the existing performance measure does not consider completeness of documentation. In the 2013-2014 fiscal year, we plan to provide additional outreach, communication and education to applicants on providing complete, well-documented disbursement requests, and will assess whether it is more efficient to return incomplete requests rather than keep those requests in-house pending the submittal of additional documents. In addition, final disbursement requests can take longer than 30 days in order to review and verify change orders related to the projects. We will reexamine its review process to ensure that it is efficient, and expects to suggest a modification to the performance measure based on its analysis, including starting the "clock" only with submittal of complete disbursement requests.

APPENDIX 2

IRRIGATED LANDS REGULATORY PROGRAM MAY AND JUNE 2013 REPORT

STATE WATER BOARD ILRP MONTHLY REPORT:

On May 2, 2013, ILRP staff participated in a meeting with the California Roundtable on Food and the Environment (CRAE). The roundtable discussed CRAE's strategic plan for FY 2013-14 and the finalization of "*Considerations for Managing Agricultural Nitrogen to Reduce Groundwater Contamination in California*".

On May 2, 2013 ILRP staff and DAS management met with Assembly staff to discuss the ILRP. The Legislature is proposing new positions for the ILRP to address nitrate issues. Discussion at the meeting focused on the ILRP program background and where the program is headed. Assembly staff had general questions and some regarding enforcement and cleanup. Water Board staff emphasized the nitrate report recommendation for a broader funding source to mitigate contamination of drinking water supplies by nitrate. Assembly staff also asked where we would place the new positions, and whether they would be placed at State Board or the Regional Boards. Water Board staff indicated that they would be placed at the Regional Boards and if nitrate was the issue, mostly likely at the Central Coast and Central Valley Water Boards. But we would consider the available information before any final determination.

On May 7, 2013, ILRP staff participated in a Farm, Food Safety, and Conservation Network meeting to discuss proposed revisions to the Federal Food Safety Modernization Act and the potential impact the revisions may have on the agricultural community and agricultural related water quality regulatory programs. Also discussed, was the planning schedule for the annual conference.

May 8, 2013, ILRP staff met with U.S. EPA Region 9 and Nation Resource Conservation Service (NRCS) staff to discuss field visit trips to National Water Quality Initiative (NWQI) projects in the Salt River sub-watershed.

On May 9, 2013, ILRP staff conducted the ILRP Roundtable. All Regional Water Board ILRP coordinators participated.

On May 13, 2013 ILRP and DWQ staff met with the Executive Director to brief him on NWQI Projects being implemented in Calleguas Creek and Salt River sub-watersheds.

On May 14, 2013, ILRP staff met with California Department of Food and Agriculture (CDFA) working group to develop the Assembly Bill 32 agricultural sector scoping plan. Assembly Bill 32 concerns global climate change.

On May 15 – 17, 2013, ILRP staff and U.S. EPA Region 9 staff met with Humboldt County Resource Conservation District and NRCS staff for a NWQI project site visit in the Salt River sub-watershed.

On May 30, 2013, State Water Board staff and the State Water Board Chair met with a CRAE delegation. The CRAE delegation presented their proposed “*Considerations for Managing Agricultural Nitrogen to Reduce Groundwater Contamination in California*”.

On May 31, 2013, ILRP staff participated in the quarterly full member CRAE meeting and Water Quality sub-group meeting.

On June 5 – 7, 2013, ILRP staff participated in a California Association of Sanitation Agencies biosolids workshop at the East Bay Municipal Utility District Pardee Facility. Issues discussed included recent statewide biosolids generation and management trends, status of anaerobically digestible material permitting issues, a standard operating procedures template, an Assembly Bill 371 update, a biosolids ordinances and litigation update, new project update, a pyrethroid survey update, a State Water Board update, a CalRecycle update, and a U.S. EPA update.

On June 13, 2013, ILRP staff participated in a Farm, Food Safety, and Conservation Network meeting to continue the discussions from the May meeting.

On June 25, 2013, ILRP staff participated in a workshop conducted by the American Farmland Trust (AFT). At the workshop, AFT’s recent survey report entitled “Encouraging California Specialty Crop Growers to Adopt Environmentally Beneficial Management Practices for Efficient Irrigation and Nutrient Management” was discussed.

REGIONAL WATER BOARD ILRP MAY 2013 REPORT:

This month’s Irrigated Lands Regulatory Program (ILRP) report covers the month of May 2013 and will provide an update on the activities of the Central Valley Water Quality Control Board ILRP.

Future monthly reports will alternate between the status of the ILRP from the Central Valley Regional Water Board for one month, and the status of other Regional Water Board ILRPs for the alternate month. Current and past ILRP monthly reports can be found on the State Water Boards ILRP Web site:

http://www.waterboards.ca.gov/water_issues/programs/agriculture/

For additional information on the statewide ILRP, please contact State Water Board staff:

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CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD IRRIGATED LANDS REGULATORY PROGRAM (ILRP)

Long-Term Irrigated Lands Regulatory Program: On March 27, 2013, the ILRP Stakeholder Advisory Workgroup met in Merced. At this meeting Regional Water Board staff provided an update on development of the tentative WDRs for individual growers, and tentative WDRs for the Tulare Lake Basin. Representatives from the agricultural and environmental justice communities attended the meeting.

On April 16, 2013, Regional Water Board staff met with representatives from the International Plant Nutrition Institute to discuss the ILRP and the role the institute might play in research and outreach to growers.

On April 17, 2013, the ILRP Stakeholder Advisory Workgroup met in Merced. The focus of the meeting was on the templates submitted to the board by the East San Joaquin Water Quality Coalition and other agricultural groups. The East San Joaquin Water Quality Coalition also described their outline and approach for the Groundwater Quality Assessment Report. Representatives from the agricultural and environmental justice communities attended the meeting.

On April 24, 2013, Regional Water Board staff attended a meeting of the Nitrogen Management Ad Hoc Committee convened by the California Department of Food and Agriculture (CDFA) and the University of California Agriculture and Natural Resources (UC ANR). The discussion included an update of CDFA's efforts to create a Web site with plant nutrition information. UC ANR provided an update on their work with CDFA and California Certified Crop Advisors (CCAs) in developing a nitrogen management certification program for CCAs.

On April 29, 2013, Regional Water Board staff met with private, state, and federal wetland managers to discuss the long-term ILRP. The wetland managers wanted to discuss the goals of the program, how their current water quality investigations could be used to meet those goals, and the options available to managed wetlands under the ILRP.

General Waste Discharge Requirements (WDRs) Development

Individual Growers WDRs: Regional Water Board staff circulated the tentative WDRs for individual growers (those not part of a third-party group) for a thirty day comment period, which ended April 22, 2013. Eight comment letters were received by the due date. The hearing originally scheduled for the May 2013 board meeting has been cancelled. A new hearing will be scheduled pending resolution of the litigation in Sacramento County Superior Court.

Tulare Lake Basin WDRs: The Regional Water Board held a workshop in Fresno on April 25, 2013 to discuss the tentative Tulare Lake Basin WDRs. The hearing originally scheduled for June 2013 has been cancelled. A new hearing will be scheduled pending resolution of the litigation in Sacramento County Superior Court.

Sacramento River Watershed WDRs: On April 24, 2013, Regional Water Board staff met with representatives of the Sacramento Valley Water Quality Coalition (SVWQC) to discuss the development of the Sacramento River Watershed WDRs. The meeting covered the basic elements of the WDR and highlighted areas of agreement and a few concerns that the coalition and board staff agreed to continue to work on.

Sacramento Valley Rice WDRs: On March 18, 2013, Regional Water Board staff met with representatives of the California Rice Commission (CRC) to discuss the CRC comments and recommended changes to the WDRs and surface water monitoring proposed by Regional Water Board staff.

On April 10, 2013, Regional Water Board staff met with the CRC for a technical discussion on the CRC's submitted Groundwater Assessment Report (GAR). Major items discussed were based on a comparison of the requirements in the ESJ WDRs and MRP to the submitted GAR.

On May 2, 2013, Regional Water Board staff met with the CRC to continue discussion of the revised WDRs, surface water monitoring requirements, and next steps for the GAR.

Delta WDRs: On April 3, 2013, Regional Water Board staff met with the San Joaquin County and Delta Water Quality Coalition (SJCDWQC) to discuss the language in the Draft WDR Order. The Coalition provided WDR concepts regarding low threat and deliverable time lines, including revised language to be considered. The meeting participants developed a task list to address the comments, which are to be discussed at the next meeting scheduled for May 2013.

Western San Joaquin River Watershed WDRs: On March 27, 2013, Regional Water Board staff met with representatives of the Westside Coalition to discuss proposed changes in the WDRs for the growers within the Western San Joaquin River Watershed. The next meeting will be held in May 2013.

Westlands WDRs: On April 18, 2013, Regional Water Board staff met with Westlands Stormwater Coalition to discuss development of the Draft WDRs for the Long Term Irrigated Lands Regulatory Program.

Litigation and Petition: The Sacramento County Superior Court hearing on the Program Environmental Impact Report and the short-term renewal of the conditional waiver took place on March 29, 2013 (Case No. 34-2012-80001186-CU-WMGDS). The Court has issued a tentative ruling and asked for a supplemental written briefing. The documents associated with the case can be found at:

<https://services.saccourt.ca.gov/publicdms/Search.aspx> (enter the case number).

Three separate petitions were filed with the State Water Resources Control Board regarding the Regional Water Board's adoption of the "Waste Discharge Requirements General Order for Growers within the Eastern San Joaquin River Watershed that are Members of the Third-Party Group" (Resolution No. R5-2012-0116). Those petitions are identified as A-2239(a); A-2239(b); A-2239(c) and can be found at:

http://www.waterboards.ca.gov/public_notices/petitions/water_quality/petitions.shtml

Compliance & Outreach – Final Notice to East San Joaquin Watershed Growers:

In January, Regional Water Board staff used Department of Conservation Farmland Mapping and Monitoring Program (FMMP) data, county tax assessor's parcel information, East San Joaquin Water Quality Coalition member lists, and lists of parcels under the Dairy General Order to identify landowners with parcels that likely require coverage under the Waste Discharge Requirements General Order for Growers within the Eastern San Joaquin River Watershed (General Order). The FMMP maps identify where farmland is located; the county tax assessor information identifies parcel number and landowner; and the Coalition Member lists and Dairy parcel information indicate which parcels already have necessary regulatory coverage. All of these information sources can have errors or can be out of date, which means the initial identification of the number of parcels, landowners, and acres of land requiring regulatory coverage will be in error to a degree. In January and February 2013, a total of 4,937 landowners with a total of 284,013 acres of land were mailed an outreach letter informing them of new ILRP requirements under the General Order, and how they could join the East San Joaquin Water Quality Coalition or get more information.

As a follow-up to the above mail out, Regional Water Board staff sent a final notice to those landowners who had received, but not responded to, the earlier letter. A total of 2,370 letters were sent to these landowners on April 18, 2013. The letter urged the recipients to join the East

San Joaquin Water Quality Coalition, if applicable, by May 13, 2013, or potentially face penalties for non-compliance.

Compliance & Outreach – East San Joaquin Surveillance Inspections: In April 2013, Regional Water Board staff began conducting inspections of parcels in the East San Joaquin River Watershed. The purpose of these inspections is to determine if the parcels are commercial irrigated lands that require coverage under the Eastern San Joaquin River Watershed General Order. Staff conducted inspections on five days in April 2013, with a total of 159 parcels inspected. Data gathered during these inspections will be used to focus and prioritize the issuance of 13260 Orders to commercial irrigated lands that do not become members of the East San Joaquin Coalition by the May 13, 2013, deadline.

Compliance & Outreach – Postcards: In March 2013, ILRP staff mailed 59 postcards to non-participating landowners in Contra Costa County, which is within the San Joaquin County & Delta and Sacramento Valley Water Quality Coalitions' boundaries.

COALITION GROUPS

East San Joaquin Water Quality Coalition: On March 20, 2013, representatives of the East San Joaquin Water Quality Coalition met with Regional Water Board staff to discuss the draft outline for the Groundwater Quality Assessment Report.

On April 1, 2013, Regional Water Board staff received the East San Joaquin Water Quality Coalition Annual Management Plan Update Report (MPUR). Staff is reviewing the MPUR and preparing comments.

On April 5, 2013, Regional Water Board staff met with representatives of grower coalitions and commodity groups to discuss the draft templates for Farm Evaluations, Nitrogen Management Plans, Summary Reports, and Sediment and Erosion Control Plans.

On April 11, 2013, the East San Joaquin Water Quality Coalition (Coalition) submitted the outline for the Groundwater Quality Assessment Report (GAR) templates for Farm Evaluations, Nitrogen Management Plans, Summary Reports, and Sediment and Erosion Control Plans as required by the Waste Discharge Requirements General Order for Growers within the Eastern San Joaquin River Watershed. The templates and the GAR outline are under Regional Water Board staff review.

On April 23-25, 2013, Regional Water Board staff attended the East San Joaquin Water Quality Coalition (Coalition) New Member Signup Meetings. New member Signup Meetings were hosted by the Madera, Merced and Stanislaus county farm bureaus and the Coalition. Regional Water Board staff presented information and answered questions about the Central Valley Water Board, regulatory background, and the requirements and options for coverage under the long-term Irrigated Lands Regulatory Program.

Sacramento Valley Water Quality Coalition (SVWQC): On March 20, 2013, representatives of the SVWQC met with Regional Water Board staff for a quarterly Management Plan meeting. The discussion focused on Coalition progress on Management Plans in Yolo, Solano and Sutter Counties.

On April 2, 2013, the Coalition submitted a request to the Executive Officer to approve the completion of the Management Plan for Malathion on Ulatis Creek. This request is under review by Regional Water Board staff.

On April 15, 2013, the Coalition submitted a Management Plan Progress Report for the 2012 water season. This report is under review by Regional Water Board staff.

On April 8, 2013, the Coalition submitted a final revision of a table for the *Hyalella azteca* toxicity performance goals document for Z-Drain in Solano County. On April 26, 2013, the Coalition submitted an addendum to their performance goals documentation for Diazinon on Gilsizer Slough. Both of these documents are being reviewed by Regional Water Board staff.

The Executive Officer determined that the Management Plan for Selenium in Willow Slough has been completed as of March 26, 2013. On April 8, 2013, the Executive Officer sent a letter to the Coalition stating that the Management Plan for *Selenastrum* toxicity on Butte Slough was complete.

San Joaquin County and Delta Water Quality Coalition: On April 1, 2013, the San Joaquin County and Delta Water Quality Coalition (Coalition) submitted their 2013 Annual Monitoring Report. The AMR is under Regional Water Board staff review and will be posted on the Central Valley Water Board Web site.

On April 15, 2013, in response to the March 15, 2013 management plan approval letter, staff prepared a response to the San Joaquin County and Delta Water Quality Coalition's request to consider the remaining management plans as complete. This is currently being reviewed by management.

Southern San Joaquin Valley Water Quality Coalition (SSJVWQC): On April 9, 2013, Regional Water Board staff responded to a complaint regarding potential impacts to a water supply well from discharges from irrigated lands. Regional Water Board staff sampled the well for a general suite of constituents including nitrate and pesticides. Analytical results are pending.

On April 15, 2013, Regional Water Board staff issued a Notice of Violation to the Southern San Joaquin Valley Water Quality Coalition for failure to comply with electronic data submittal formatting and quality control requirements. The Notice of Violation instructed the Coalition to correct and re-submit monitoring data collected between July and December 2012, and ensure all future monitoring data is submitted according to the Irrigated Lands Regulatory Program required data submission format.

Westside Coalition: On March 21, 2013, the Westside San Joaquin River Watershed Coalition provided a focus plan implementation schedule through 2016, as part of the required updates to their Management Plan. Regional Water Board staff provided comments for the Coalition to append their Management Plan general approach.

On April 2, 2013, Regional Water Board staff participated in a portion of the Westside San Joaquin River Watershed Coalition steering committee meeting.

On April 18, 2013, Regional Water Board staff participated in the Westside San Joaquin River Watershed tour hosted by the coordinator of the Middle San Joaquin Watershed East and West Stanislaus RCDs. The tour goals included providing examples of agriculture and the types of conservation practices.

OTHER PROJECTS

Data Management: Data from 2009 through 2011 for all Coalitions are available to the public on CEDEN. The most recent transfer occurred February 15, 2013 and added data through late 2012 for some coalitions. New data will continue to be transferred to CEDEN on a quarterly basis.

Data reports received in acceptable condition through March 1, 2013 have been processed and loaded into the California Environmental Data Exchange Network (CEDEN) comparable database provided by the Central Valley Regional Data Center (CV RDC). This data is planned to be transferred to CEDEN in June 2013.

Data collected prior to 2009 will continue to be available on the ILRP surface water quality data Web page until those sets have been processed and transferred to CEDEN as resources permit. Regional Water Board staff is currently processing the Westside Coalition data collected between 2004 and 2008. Once complete, this set will complement the existing data on CEDEN providing all of the data submitted by the Westside Coalition since program inception.

Prop 84 Grant Funding: Thirty projects have been completed to date. Funding was re-allocated, freeing up additional funds for another round of applications. This last round of funding is concentrated in sub-watersheds where previous projects were awarded.

A Quality Assurance Program Plan (QAPP) has been submitted and accepted for the sampling to be performed for the soil erosion model. Field measurements are included to validate the model accuracy. The model is scheduled to be completed in December 2013.

The CURES Web site at <http://www.curesworks.org/bmp/projects84.asp> has additional information on the Prop 84 funding and photos of completed projects.