

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION — DIVISION OF FINANCIAL ASSISTANCE  
JUNE 21, 2006**

**ITEM 6**

**SUBJECT**

CONSIDERATION OF A RESOLUTION APPROVING PROJECTS, AND AUTHORIZING ISSUANCE OF GRANTS TO IMPLEMENT THE OCEAN PROTECTION PROJECTS (OPPs) PORTION OF THE 2005-06 CONSOLIDATED GRANTS PROGRAM

**DISCUSSION**

I. 2005-06 Consolidated Grant Program

In response to stakeholders' requests to integrate and coordinate related grant programs, State Water Resources Control Board (State Water Board) staff consolidated and made available approximately \$162 million in grants from six interrelated programs administered by the State Water Board's Division of Financial Assistance. Consolidation allowed staff to identify the appropriate grant program(s) for the multitude of project types, reduce application efforts, and better integrate State Water Board program goals with those of our partner agencies. These programs are funded from Proposition 40, Proposition 50, and federal appropriations. The six consolidated programs are as follows:

- 1) Nonpoint Source Pollution Control Program (*Proposition 40, Chapter 4*) - \$19 million
- 2) Coastal Nonpoint Source Pollution Control Program (*Proposition 50, Chapter 5*) - \$43.1 million
- 3) Nonpoint Source Implementation Program (*Federal Clean Water Act, Section 319 [h]*) - \$4 million
- 4) Agricultural Water Quality Grant Program (*Propositions 40 and 50, Chapters 4 and 5*) - \$18.3 million
- 5) Urban Stormwater Program (*Proposition 40, Chapter 4*) - \$14.25 million
- 6) Integrated Watershed Management Program (*Proposition 40, Chapter 4*) - \$47.5 million

Additional funds amounting to approximately \$15.9 million are also available from Proposition 13<sup>1</sup>. These are remaining funds from the Watershed Protection Program (\$4 million), Nonpoint Source Pollution Control Program (\$8.8 million), and Coastal Nonpoint Source Pollution Control Program (\$3.1 million). These funds will most likely be used to fund additional projects submitted for the above six programs that meet the Proposition 13 eligibility requirements.

The group of projects presented for approval in this agenda item is the first recommendation for funding under the 2005-06 Consolidated Grants Program. This agenda item includes recommendations for the OPPs, which is a subset of the Proposition 50 Coastal Nonpoint

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<sup>1</sup> Proposition 13 – Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Act of 2000.

Source Pollution Prevention Program. All other programs under the 2005-06 Consolidated Grants Program will be considered for funding at later State Water Board meetings.

II. Ocean Protection Projects

In June 2005, the State Water Board adopted Resolution No. 2005-0041, designating \$10 million of the Proposition 50 Coastal Nonpoint Source Pollution Control Program funds for OPPs. Ocean protection projects are projects that meet one of the two mutual priorities identified by the State Water Board and Ocean Protection Council (OPC): (1) development and implementation of rapid indicators of beach pathogen contamination; and (2) elimination or reduction of nonpoint source discharges to areas of special biological significance and their adjacent Critical Coastal Areas.

III. Appropriations and Grant Program Fund Balances

Funds for the 2005-06 Consolidated Grants Program are released to eligible entities through a competitive two-step request for proposal solicitation process. The OPP grants are awarded and committed based on a State Fiscal Year (SFY) appropriation. Appropriations for the Proposition 50 Coastal Nonpoint Source Pollution Control Program are provided below in Table 1:

**Table 1: Funding Appropriations**

Grant Program	SFY 2005-06	Total Funding Available
Proposition 50 Coastal Nonpoint Source Pollution Control Program	X	\$43,100,000

Table 2, below, shows the fund balance for the Proposition 50 Coastal Nonpoint Source Pollution Control Program if all OPP proposals recommended for funding are approved:

**Table 2: Grant Program Fund Balances**

<b><u>Proposition 50 Coastal Nonpoint Source Pollution Control Program</u></b>	
Total Funding Available	\$43,100,000
Recommended (June 2006)	\$10,021,317
<b>Balance Remaining if Approved</b>	<b>\$33,078,683</b>

IV. Guidelines, Grant Application, and Review and Selection Process

A. Guidelines

The State Water Board, along with staff from the Regional Water Quality Control Boards (Regional Water Boards), United States Environmental Protection Agency, and other partner agencies worked together to develop the *2005-06 Consolidated Grants Program Guidelines*, which include a list of priorities for the grant funds. The State Water Board considered input from a broad spectrum of stakeholders and the public regarding the development and implementation of the 2005-06 Consolidated Grants Program through

public scoping and draft Guidelines workshops, associated meetings, and the State Water Board website. The Guidelines were adopted by the State Water Board on January 4, 2006, and establish the evaluation criteria and the review and selection process for the 2005-06 Consolidated Grants Program's two-step process.

**B. Grant Application Process**

The submittal of grant applications through the web-based Financial Assistance Application Submittal Tool (FAAST) consisted of two steps. In January 2006, the State Water Board released a Solicitation Notice for Concept Proposals. By the February 9, 2006, submittal deadline, the State Water Board received more than 470 Concept Proposals for the six grant programs. More than 45 of these Concept Proposals were reviewed, scored, and evaluated for the OPP funds. On March 14, 2006, the State Water Board invited 14 applicants (with projects totaling \$18,588,788 in grant fund requests) that submitted the most competitive OPP Concept Proposals to submit Full Proposal applications for the \$10 million in OPP funds available through the Proposition 50 Coastal Nonpoint Source Pollution Control Program. Thirteen applicants submitted Full Proposal applications requesting \$16,765,283.

**C. Review and Selection Process**

The Concept Proposals and Full Proposals were reviewed, scored, and evaluated by technical reviewers using the FAAST. Each proposal received multiple independent technical reviews, in accordance with the Guidelines. Full Proposal technical review teams consisted of staff from the State Water Board, coastal Regional Water Boards, and the California Coastal Commission. Additionally, staff from the following agencies provided comments: State Coastal Conservancy, Department of Fish and Game, and some coastal Regional Water Boards.

The Selection Panel consisted of management staff from the State Water Board, California Coastal Commission, State Coastal Conservancy, and Department of Fish and Game. The Selection Panel convened and developed the OPP funding recommendation presented in this agenda item, which recommends five OPPs, totaling \$10,021,317. Ocean protection projects that were not selected for the \$10 million will be considered for the remaining \$33.1 million available through the Proposition 50 Coastal Nonpoint Source Pollution Control Program.

State Water Board staff presented the recommended OPP Funding List to the OPC at its June 8, 2006, meeting. The OPC approved the recommended list.

**POLICY ISSUE**

Should the State Water Board adopt a resolution to:

1. Approve the funding for projects in the Funding List from the Proposition 50 Coastal Nonpoint Source Pollution Control Program, as part of the 2005-06 Consolidated Grants Program; and
2. Authorize the issuance of grants and amendments to implement the projects?

**FISCAL IMPACT**

Local assistance appropriations authorized for Proposition 50 are sufficient to fund the recommended projects.

**REGIONAL WATER BOARD IMPACT**

Yes. All Coastal Regional Water Boards.

**STAFF RECOMMENDATION**

That the State Water Board adopt a resolution to:

1. Approve the funding for projects in the Funding List from the Proposition 50 Coastal Nonpoint Source Pollution Control Program; and
2. Authorize the issuance of grants and amendments to implement the projects.

**STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2006 -**

**CONSIDERATION OF A RESOLUTION APPROVING PROJECTS, AND AUTHORIZING  
ISSUANCE OF GRANTS TO IMPLEMENT THE OCEAN PROTECTION PROJECTS (OPPs)  
PORTION OF THE 2005-06 CONSOLIDATED GRANTS PROGRAM**

**WHEREAS:**

1. In June 2005, the State Water Resources Control Board (State Water Board) adopted Resolution No. 2005-0041 designating \$10,000,000 of Proposition 50 funds for OPPs that meet the mutual priorities of the State Water Board and Ocean Protection Council (OPC);
2. The State Water Board is authorized to administer approximately \$43,100,000 in bond funds from Proposition 50 for the purpose of financing projects that restore and protect the water quality and environment of coastal waters, estuaries, bays and near-shore waters, and groundwater;
3. The State Water Board adopted the 2005-06 Consolidated Grants Program Guidelines (Guidelines) establishing the evaluation criteria and the review and selection process for the 2005-06 Consolidated Grants Program's two step process and identifying two OPP priorities: (1) development and implementation of rapid indicators of beach pathogen contamination; and (2) elimination or reduction of nonpoint source discharges to areas of special biological significance and their adjacent Critical Coastal Areas;
4. The State Water Board released the Concept Proposal Solicitation Notice in January 2006, soliciting project proposals for six interrelated grant programs from Proposition 40, Proposition 50, and federal Clean Water Act section 319;
5. The State Water Board released the OPP Full Proposal Solicitation Notice in March 2006, soliciting Full Proposal applications from the most competitive OPP Concept Proposal applicants;
6. Consistent with the Guidelines, the Full Proposals were reviewed for technical merit by technical review teams consisting of staff from the State Water Board, coastal Regional Water Quality Control Boards, and California Coastal Commission, and comments were provided by staff from the State Coastal Conservancy, Department of Fish and Game, and coastal Regional Water Boards. State Water Board staff also reviewed the Full Proposals for grant agreement readiness. The projects recommended for funding are those that have shown competitive technical merit and have provided adequate information for grant agreement preparation;
7. Grant program funding recommendations were prepared by State Water Board staff with input from the technical review teams and forwarded to the Selection Panel for review and recommendation in accordance with the process outlined in the Guidelines; and
8. The Selection Panel and OPC recommends funding the projects presented on the Funding List, which were determined to best address the mutual priorities of the State Water Board and OPC and result in improvements to coastal water quality, particularly areas of special biological significance and their adjacent Critical Coastal Areas.

THEREFORE BE IT RESOLVED THAT THE STATE WATER BOARD

1. Approves the funding for projects in the Funding List from the Proposition 50 Coastal Nonpoint Source Pollution Control Program; and
2. Authorizes the issuance of grants and amendments to implement the projects.

**CERTIFICATION**

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Resources Control Board held on June 21, 2006.

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Song Her  
Clerk to the Board

2005-06 Consolidated Grants Program:  
Recommended Ocean Protection Project Funding List

CONCEPT PROPOSAL PIN	FULL PROPOSAL PIN	PROPOSAL TITLE	REGIONAL WATER BOARD	FUNDS REQUESTED (\$)
9170	9574	La Jolla Shores ASBS Dry Weather Flow and Pollution Control Program	9	\$3,600,000
9237	9576	Epidemiology Study to Assess Swimmer Health Risk from NPS Sources of Bacteria	9	\$3,000,000
9321	9579 <sup>1</sup>	North Coast Stormwater Coalition's NPS Pollution Prevention Program <sup>1</sup>	1	\$378,083
9332	9580	Implementation of rapid indicator methodology for measuring fecal indicator bacteria	STATEWIDE	\$1,500,000
9358	9582	Monitoring and mitigation to address fecal pathogen pollution along California coast	3	\$1,543,234

**TOTAL: \$10,021,317**

<sup>1</sup> The funding recommendation for PIN #9579 is conditioned upon the grantee addressing technical reviewer comments.

\* Note: At least \$10 million of the Proposition 50 Coastal Nonpoint Source Pollution Control Program funds are reserved for ocean protection projects. Ocean protection projects are those that meet the mutual priorities of the State Water Resources Control Board and the Ocean Protection Council. The projects that are not recommended for the ocean protection project funds will be considered for the remaining Proposition 50 Coastal Nonpoint Source Pollution Control Program funds, along with the proposed projects that will be submitted for funding consideration as part of the non-ocean protection project Full Proposal applications in the 2005-06 Consolidated Grants Program.