

**STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF WATER QUALITY  
AUGUST 19, 2014**

**ITEM 4**

**SUBJECT**

CONSIDERATION OF A PROPOSED RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO CONTRACTS RELATED TO PROVISIONS OF SENATE BILL 4 TO BE IMPLEMENTED BY THE OIL AND GAS MONITORING PROGRAM

**DISCUSSION**

Senate Bill 4 (SB 4) (Chapter 313, statutes of 2013) requires the State Water Resources Control Board (State Water Board) to establish and implement a comprehensive regulatory groundwater monitoring and oversight program for oil and gas field activities. The State Water Board's Oil and Gas Monitoring Program has been tasked to implement the provisions for the State Water Board as outlined in SB 4.

The Legislature appropriated \$6,177,000 in the 2014 Budget Act (Senate Bill 852, Leno) in support of the State Water Board payable from the Oil, Gas and Geothermal Administrative Fund. Expenditure authority for contracts included in the Fiscal Year 2014-15 budget for the Oil and Gas Monitoring program is \$4,200,000.

The Oil and Gas Monitoring Program proposes to use these funds to establish and implement a comprehensive regulatory groundwater monitoring and oversight program for oil and gas field activities. This effort will include developing model criteria for groundwater monitoring on a well-by-well or area-specific basis to be conducted by the well operator, as well as on a regional scale to be conducted by the State Water Board. Per SB 4, the State Water Board shall seek the advice of experts on the design of the model groundwater monitoring criteria. Other provisions of SB 4 require the State Water Board to designate one or more qualified independent third-party contractors to perform property owner requested sampling.

**POLICY ISSUE**

Should the State Water Board adopt a resolution authorizing the Executive Director or designee to enter into contracts and any amendments thereto, not to exceed \$4,200,000 for the Oil and Gas Monitoring Program to implement the provisions of SB 4?

**FISCAL IMPACT**

Contract costs for Fiscal Year 14-15 will include costs associated with information system development, and groundwater data submittal and integration, using the State Water Board's GeoTracker information system (\$200,000). Contracting will also include costs associated with academic/technical experts to help develop model groundwater monitoring criteria, and implementation of the regional groundwater monitoring efforts. Regional groundwater monitoring is assumed to include the drilling, installation, and on-going sampling of deep groundwater monitoring wells, as well as data report submittals (\$4,000,000).

## **REGIONAL BOARD IMPACT**

None.

## **STAFF RECOMMENDATION**

That the State Water Board adopt a resolution authorizing the Executive Director or designee to enter into contracts and any amendments thereto, not to exceed \$4,200,000 for the Oil and Gas Monitoring Program to implement the provisions of SB 4.

State Water Board action on this item will assist the Water Boards in reaching Goal 5 of the Strategic Plan Update: 2008-2012 to enhance and improve accessibility of groundwater quality information. Approval of this item will assist in fulfilling Objective/Action 5.2.2 to advance the Groundwater Quality Monitoring Act of 2001 and use online mapping.

# DRAFT

## STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2014-

AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO CONTRACTS RELATED TO PROVISIONS OF SENATE BILL 4 TO BE IMPLEMENTED BY THE OIL AND GAS MONITORING PROGRAM

### WHEREAS:

1. Senate Bill 4 (SB 4) (Chapter 313, Statutes of 2013, Water Code section 10783) was signed by the Governor on September 20, 2013, and requires the State Water Resources Control Board (State Water Board) to establish and implement a comprehensive regulatory groundwater monitoring and oversight program for oil and gas field activities.
2. The Legislature appropriated \$6,177,000 in the 2014 Budget Act (Senate Bill 852, Leno) in support of the State water Boards payable from the Oil, Gas and Geothermal Administrative Fund.
3. Expenditure authority for contracts included in the Fiscal Year 2014-15 budget for the Oil and Gas Monitoring program is \$4,200,000. This includes costs associated with information system development, and groundwater data submittal and integration, using the State Water Board's GeoTracker information system (\$200,000), and costs associated with academic/technical experts to help develop model groundwater monitoring criteria, and implementation of the regional groundwater monitoring efforts (\$4,000,000).

### THEREFORE BE IT RESOLVED THAT:

The State Water Board authorizes the Executive Director or designee to enter into contracts and any amendments thereto, not to exceed \$4,200,000 for the Oil and Gas Monitoring Program to implement the provisions of Senate Bill 4.

### 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 August 19, 2014.

---

Jeanine Townsend  
Clerk to the Board