

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF WATER QUALITY
JULY 7, 2015**

ITEM 5

SUBJECT

CONSIDERATION OF A RESOLUTION ADOPTING THE MODEL CRITERIA FOR GROUNDWATER MONITORING IN AREAS OF OIL AND GAS WELL STIMULATION AND TO AUTHORIZE THE EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO CONTRACTS FOR IMPLEMENTATION OF THE PROVISIONS OF THE MODEL CRITERIA.

DISCUSSION

Water Code section 10783, subdivision (c), requires the State Water Resources Control Board (State Water Board), on or before July 1, 2015, to develop model criteria for groundwater monitoring (Model Criteria) in order to assess the potential effects of well stimulation treatments on the state's groundwater resources. Well stimulation is defined in Article 3 (commencing with section 3150) of Chapter 1 of Division 3 of the Public Resources Code.

The Model Criteria describes how area-specific groundwater monitoring will be conducted by oil and gas operators and how regional groundwater monitoring will be conducted by the State Water Board. Operators will be required to submit groundwater monitoring plans to the State Water Board and appropriate Regional Water Board for approval prior to well stimulation activities. The regional monitoring program will assess potential effects that well stimulation and related activities may have on groundwater quality.

The State Water Board consulted with Department of Conservation, Division of Oil, Gas, and Geothermal Resources and sought expert technical advice from Lawrence Livermore National Laboratory, and their experts, for the Model Criteria. The State Water Board also obtained technical assistance from the United States Geological Survey to perform preliminary assessment of vulnerability of groundwater resources and exploratory sampling to evaluate methods for detecting effects of oil and gas development on groundwater quality to include in the Model Criteria.

The State Water Board received input from stakeholders identified in Water Code section 10783, subdivision (e). The stakeholder groups included the oil and gas industry, agriculture, environmental justice, and local government officials.

State Water Board staff released a draft Model Criteria for a 30-day public comment period on April 29, 2015. The State Water Board held a public workshop on May 19, 2015 to provide information, answer questions, and receive oral comments on the draft Model Criteria. State Water Board staff considered all comments received and made changes to the draft Model Criteria, as appropriate. The Model Criteria was posted again for a public comment period on June 23, 2015 with the written comment period closing at 12:00 noon on June 30, 2015.

POLICY ISSUE

Should the State Water Board adopt the Model Criteria, authorize the Executive Director or designee to approve future revisions to the Model Criteria, and authorize the Executive Director or designee to enter into contracts, and any amendments thereto, not to exceed \$7,250,000 for the implementation of the Model Criteria?

FISCAL IMPACT

State Water Board staff work associated with or resulting from this action will be addressed with existing and future budgeted resources.

Expenditure authority for contracts included in the Fiscal Year 2015-2016 budget for the Oil and Gas Monitoring program is \$7,400,000. This includes costs associated with information system development, groundwater data submittal, and integration using the State Water Board's GeoTracker information system (\$150,000) and the costs associated with implementation of the regional groundwater monitoring program (\$7,250,000).

REGIONAL BOARD IMPACT

State Water Board staff will work in collaboration with the Central Coast, Los Angeles, and Central Valley Regional Water Quality Control Boards to implement the Model Criteria.

STAFF RECOMMENDATION

The State Water Board should adopt the Model Criteria, authorize the Executive Director or designee to approve future revisions to the Model Criteria, and authorize the Executive Director or designee to enter into contracts and any amendments thereto, not to exceed \$7,250,000 for the Oil and Gas Monitoring Program to implement the provisions of the Model Criteria.

<p>State Water Board action on this item will assist the Water Boards in reaching Goals 2 and 5 of the Strategic Plan Update 2008-2012: To improve and protect groundwater quality in high-use basins by 2030 and to enhance and improve accessibility of groundwater quality information, respectively.</p>
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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2015-

ADOPTION OF MODEL CRITERIA FOR GROUNDWATER MONITORING IN AREAS OF OIL AND GAS WELL STIMULATION, AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO APPROVE FUTURE REVISIONS TO THE MODEL CRITERIA, AND AUTHORIZING THE EXECUTIVE DIRECTOR OR DESIGNEE TO ENTER INTO CONTRACTS TO IMPLEMENT THE PROVISIONS OF THE MODEL CRITERIA

WHEREAS:

1. Senate Bill 4 (Chapter 313, Statutes of 2013, including Water Code section 10783), signed by the Governor on September 20, 2013, requires the State Water Resources Control Board (State Water Board) to establish and implement a comprehensive regulatory groundwater monitoring and oversight program for well stimulation treatment activities in areas of oil and gas operations.
2. Water Code section 10783, subdivision (c), requires the State Water Board, on or before July 1, 2015, to develop model criteria for groundwater monitoring (Model Criteria) in order to assess the potential effects of well stimulation treatment activities on the state's groundwater resources. Well stimulation treatments are defined in Article 3 (commencing with section 3150) of Chapter 1 of Division 3 of the Public Resources Code.
3. Water Code section 10783 requires the State Water Board, on or before January 1, 2016, to implement regional groundwater monitoring based on the Model Criteria, to prioritize monitoring of groundwater that is or has the potential to be a source of drinking water, and to protect all waters designated for any beneficial use.
4. Water Code section 10783, subdivision (h)(2), requires a well owner or operator to develop and implement an area-specific groundwater monitoring program based upon the Model Criteria.
5. The State Water Board and the Department of Conservation, Division of Oil, Gas, and Geothermal Resources (DOGGR) signed a Memorandum of Agreement (MOA) in December 2014 to delineate the agencies' respective authority, responsibilities, and notification and reporting requirements associated with well stimulation treatments and well stimulation treatment-related activities, including water quality monitoring. (see Pub. Resources Code, § 3160, subd. (c)(2).)
6. The State Water Board consulted with DOGGR and sought expert technical advice from Lawrence Livermore National Laboratory (LLNL), and their experts, to assist in developing the Model Criteria. LLNL hosted a public meeting to gather information on stakeholders' perspectives on the effects of oil and gas activities on groundwater quality and the development of Model Criteria.

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7. The State Water Board obtained technical assistance from the United States Geological Survey (USGS). The USGS performed a preliminary assessment of the vulnerability of groundwater resources and conducted exploratory sampling to evaluate methods for detecting effects of oil and gas development on groundwater quality to include in the Model Criteria.
8. The State Water Board received input from stakeholders identified in Water Code section 10783, subdivision (e). The stakeholder groups included the oil and gas industry, agriculture, environmental justice, and local government officials.
9. The State Water Board held two public meetings in August 2014 and an informational workshop on April 8, 2015 to receive input from stakeholders on the scoping of the Model Criteria.
10. The State Water Board circulated the proposed draft Model Criteria for thirty days of public comment beginning April 29, 2015. A public workshop was held on May 19, 2015 to provide information and to answer questions related to the proposed draft Model Criteria. The State Water Board received the final LLNL recommendations on June 19, 2015.
11. Receipt of comments on the draft Model Criteria concluded on May 29, 2015. The State Water Board made revisions to the draft Model Criteria and released the revised draft Model Criteria on June 23, 2015.
12. The State Water Board circulated the revised draft Model Criteria with the comment period ending at 12:00 noon on June 30, 2015.
13. Water Code section 10783 requires that the Model Criteria be reviewed and updated periodically, as needed.
14. The adoption of the Model Criteria is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to California Code of Regulations, title 14 (State CEQA Guideline), section 15303 (new construction or conversion of small structures), section 15304 (minor alterations to land), and section 15306 (information collection). With regard to monitoring activities undertaken after wells are constructed, the adoption of Model Criteria is also categorically exempt from CEQA pursuant to section 15307 (actions by regulatory agencies for protection of natural resources) and section 15308 (actions by regulatory agencies for protection of the environment). The State Water Board staff will file a Notice of Exemption with the State Clearinghouse should the State Water Board approve the Model Criteria.
15. The Legislature appropriated \$9,377,000 in the 2015 Budget Act (Senate Bill 69, Leno) in support of the State Water Board payable from the Oil, Gas and Geothermal Administrative Fund.
16. Expenditure authority for contracts included in the Fiscal Year 2015-16 budget for the Oil and Gas Monitoring program is \$7,400,000. This includes costs associated with information system development, groundwater data submittal, and integration using the State Water Board's GeoTracker information system (\$150,000) and the costs associated with implementation of the regional groundwater monitoring program efforts (\$7,250,000).

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THEREFORE BE IT RESOLVED THAT:

1. The State Water Board adopts the [Model Criteria for Groundwater Monitoring in Areas of Oil and Gas Well Stimulation](#).
2. The State Water Board authorizes the Executive Director or designee to approve future revisions to the Model Criteria.
3. The State Water Board authorizes the Executive Director or designee to enter into contracts and any amendments thereto, not to exceed \$7,250,000, to implement the provisions of the Model Criteria.

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 July 7, 2015.

Jeanine Townsend
Clerk to the Board