

STATE WATER RESOURCES CONTROL BOARD  
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE  
JANUARY 13, 2006

ITEM 2

**SUBJECT**

ADOPTION OF THE PROPOSITION 50 DAIRY WATER QUALITY GRANT PROGRAM (DWQGP) RECOMMENDED PROJECTS LIST (RPL)

**DISCUSSION**

The State Water Resources Control Board (State Water Board) was appropriated \$5 million from the *Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002* (Proposition 50) for the DWQGP. The DWQGP Guidelines (Guidelines) were adopted by the State Water Board on June 16, 2005. The Guidelines established the criteria and process for selecting projects for funding.

On August 2, 2005, public agencies, dairy operators, and non-profit organizations were invited to submit proposals for the DWQGP. The deadline to submit proposals was October 3, 2005. Nineteen grant applications were submitted and 16 project proposals were found to be eligible. The total amount of funding requested by eligible grant applicants was \$16,633,943.

The DWQGP Selection Panel was comprised of representatives from the following agencies: Regional Water Quality Control Boards; State Water Board; California Dairy Quality Assurance Program; US Environmental Protection Agency; Sacramento-Yolo Mosquito Vector Control District; and the California Bay-Delta Authority. Several other agencies were invited to participate, but declined.

The Selection Panel representatives reviewed and ranked proposals according to the criteria in the Guidelines. After discussing the proposals in October and November 2005, the Selection Panel finalized the proposed RPL at a December 16, 2005, meeting. The Selection Panel identified minor improvements that are needed for specific projects and recommended approval of the RPL with the condition that the Grant Agreements developed for those projects include these improvements. The Selection Panel delivered its RPL to the Division of Financial Assistance (Division) where it was reviewed and approved by Division management. The RPL was provided to the California Bay-Delta Authority for review in December 2005.

Applicants with projects on the RPL will be offered funding in the priority order of the RPL until all available funds are committed. If applicants offered funds do not make adequate progress in executing a grant agreement with the State Water Board, the awarded funds may be withdrawn and offered to the next highest ranking unfunded project on the RPL.

The RPL identifies the top nine proposals recommended for funding. The other seven eligible proposals that were submitted are not on the RPL and are not recommended for funding:

**DAIRY WATER QUALITY GRANT PROGRAM  
RECOMMENDED PROJECTS LIST- 2005**

<b>PIN</b>	<b>Project Title</b>	<b>Applicant</b>	<b>Estimated Cost</b>	<b>Rank</b>
8713	Estero Americano Watershed Dairy Enhancement Project	Gold Ridge RCD	\$580,000	1
8718	Humboldt Agriculture Enhancement Program, Phase IV	Humboldt County RCD	\$740,000	2
8698	Dairy Waste and Nutrient Management Plans in Merced County	Merced County	\$1,200,000	3
8741	Developing BMPs for applying dairy lagoon water to forage crops in Stanislaus County	East Stanislaus RCD	\$950,000	4
8764	Reducing Water Quality Impacts from Dairies in the San Joaquin and Tulare Lake Basins	Sustainable Conservation	\$1,530,000	5
8757	Implementing and Evaluating the Effectiveness of Nutrient Management Plans in the San Joaquin Valley	California Dairy Campaign	\$1,400,000	6
8312	Western United Resource Development , Inc. Statewide Dairy Water Quality Improvement Program	Western United Resource Development, Inc.	\$3,000,000	7
8763	Demonstration Salt and Nutrient Reduction Program Utilizing Waste To Energy Technology	Inland Empire Utilities Agency	\$2,300,000	8
7944	An Integrated,Regional Approach to Dairy Management in the San Jacinto Watershed.	San Jacinto Basin RCD	\$1,130,000	9

**POLICY ISSUE**

Should the State Water Board adopt a resolution to:

1. Approve funding for projects as recommended on the RPL subject to changes made to the projects to adequately address the comments made by the Selection Panel?
2. Authorize the Executive Director, or her designee, or the Chief of the Division to issue grants, contracts, and amendments to implement the projects on the RPL?
3. Authorize the Executive Director, or her designee, or the Chief of the Division to withdraw a grant offer if the applicants that are offered funds do not make adequate progress in executing a grant agreement with the State Water Board.

## **FISCAL IMPACT**

The Legislature appropriated to the State Water Board \$5,000,000 of Proposition 50 funds for this program in 2004. Sixteen eligible proposals were submitted to the program with a total cost of \$16,633,943. Approval of the recommended funding list will result in full allocation and expenditure of the appropriated funds.

## **REGIONAL WATER BOARD IMPACT**

Recommended projects are located within the jurisdictions of Regional Water Boards 1, 5 and 8. These projects will assist in efforts to achieve or maintain water quality objectives within those Regions.

## **STAFF RECOMMENDATION**

That the State Water Board:

1. Approve funding for projects as recommended on the RPL subject to changes made to the projects to adequately address the comments made by the Selection Panel.
2. Authorize the Executive Director, or her designee, or the Chief of the Division to issue grants, contracts, and amendments to implement the projects according to the priority order of the RPL.
3. Authorize the Executive Director, or her designee, or the Chief of the Division to withdraw a grant offer if the applicants that are offered funds do not make adequate progress in executing a grant agreement with the State Water Board.

STATE WATER RESOURCES CONTROL BOARD  
RESOLUTION NO. 2006-

CONSIDERATION OF A RESOLUTION AUTHORIZING ISSUANCE OF PROPOSITION 50  
GRANTS TO IMPLEMENT THE DAIRY WATER QUALITY GRANT PROGRAM (DWQGP)

WHEREAS:

1. The State Water Resources Control Board (State Water Board) is authorized to administer \$5 million in bond funds from the *Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002* (Proposition 50) for the DWQGP;
2. The State Water Board adopted Resolution No. 2005-0044 on June 16, 2005, approving the DWQGP Grant Program Guidelines for implementing the program;
3. In August 2005, the State Water Board's Division of Financial Assistance (Division) solicited grant proposals to implement the DWQGP Grant program;
4. All 16 eligible projects were reviewed by a Selection Panel according to criteria in the DWQGP Grant Program Guidelines. The Selection Panel developed the Recommended Projects List (RPL) based on their review. The Selection Panel identified minor improvements that are needed for specific projects and recommended approval of the RPL with the condition that the Grant Agreements developed for those projects include these improvements.
5. The Selection Panel developed the Recommended Projects List (RPL) based on their review. The Selection Panel was made up of staff from the State Water Board, three Regional Water Boards, the U.S. Environmental Protection Agency, the California Bay-Delta Authority, the California Dairy Quality Assurance Program, and the Sacramento-Yolo Mosquito Vector Control District. The proposals were also reviewed for administrative readiness by Division staff. The projects recommended for funding are those judged by the Selection Panel most likely to reduce or eliminate pollution from dairy operations; and
6. Applicants with projects on the RPL will be offered funding in the priority order of the RPL until the available funds are committed.

THEREFORE BE IT RESOLVED THAT:

The State Water Resources Control Board:

1. Approves funding for projects as recommended on the RPL subject to changes made to the projects to adequately address the comments made by the Selection Panel;
2. Authorizes the Executive Director, or her designee, or the Chief of the Division to issue grants, contracts, and amendments to implement the projects according to the priority order of the RPL; and
3. Authorizes the Executive Director, or her designee, or the Chief of the Division to withdraw a grant offer if the applicants that are offered funds do not make adequate progress in executing a grant agreement with the State Water Board.

## **CERTIFICATION**

The undersigned, Acting 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 January 13, 2006.

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Selica Potter  
Acting Clerk to the Board