

**STATE OF CALIFORNIA  
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
CENTRAL COAST REGION**

**STAFF REPORT FOR OFFSITE MEETING OF June 9, 2004**

Prepared May 27, 2004

**ITEM NUMBER: 1**

**SUBJECT: Fiscal Year 04/05 Budget, Program Workplans and Priorities**

**SUMMARY**

As we near the close of fiscal year 03/04 we are projected to under-spend our overall \$7.8 million budget by three to five percent. We have been closely monitoring our expenditures by fund source (we have over 20 different fund sources) and we are projected to not overspend in any of the fund sources (see Attachment 1). As you know, we have reduced our staffing levels by approximately 15 positions over the past two years. The good news is the Governor's proposed budget for Fiscal Year 04/05 will not require any further staffing reductions. If the Governor's budget is approved by the legislature, we are guardedly optimistic that the hiring freeze will be lifted and we will once again be able to at least replace staff that retire or leave for other reasons.

Provided below is next fiscal year's budget and workplan overview for our major program areas for your information and discussion. For your reference we have included our current organization chart as Attachment 2.

**DISCUSSION**

**NPDES Program**

Program resources for 2004-2005 are expected to remain at current-year levels: 4.6 PYs and roughly \$580,000. In addition, 1.1 PYs and \$125,000 dedicated to enforcement work are available for use office-wide. Ten staff are involved in the program. Program commitments include

renewing four major permits (Morro Bay/Cayucos, Pismo Beach, South San Luis

Obispo County Sanitation District, and City of Santa Barbara), 3 minor permits (Avila Beach, South County Regional Wastewater Authority (Gilroy/Morgan Hill), and Big Basin State Park), 50 inspections, and 350 monitoring report reviews. Though not formally committed, additional renewals that might come before the Board during the year include Casmalia, Goleta Sanitation District, Diablo Canyon Power Plant, and Morro Bay Power Plant. Tetra Tech, a federal contractor, will assist by performing pretreatment inspections and audits and by drafting four minor permits for renewal.

If additional resources were available, staff would perform more inspections, more inspections with sampling and lab analysis, and more detailed monitoring report reviews.

A modification to the Water Code that took effect this year defines a late monitoring report as a "serious violation" and therefore subject to a mandatory penalty. This could require significant staff resources to implement.

**NPDES Storm Water Program**

Program resources for 2004-2005 are expected to remain at the current-year level: 5.6 PYs. Five staff are involved in the program. Program commitments include reviewing 91 Phase II Storm Water

Management Plans (those listed in Attachment 3 of the permit: School Districts, Military Bases, Prisons, Universities), and approving 37 Storm Water Management Plans (those listed in Attachment 1 and Attachment 2 of the permit: Municipalities), three Erosion and Sediment Control Workshops, two Industrial Permit Workshops (one covers permit requirements, the other annual report requirements), and two Municipal Storm Water Workshops, 25 inspections, and 800 annual report reviews. The Annual Report Reviews are used to prioritize inspections. Also, because the Statewide General Industrial Permit and the Statewide General Construction Permit and the Statewide Caltrans Permit will be re-issued this year, staff will be participating in review and discussion of these documents. Tetra Tech, a federal contractor, will assist by performing initial reviews of a subsection of Attachment 3 Storm Water Management Plans. If additional resources were available, staff would perform more inspections.

#### **Waste Discharge Requirements Program**

Program resources for 2004-2005 are expected to remain at current-year levels: 5.6 PYs and about \$750,000. Ten staff work in the program. Program commitments include issuing five new WDRS, updating 12 existing WDRS (including Las Palmas Ranch, Ridgemark Estates, Rancho Larios, City of Guadalupe, City of Soledad, one dairy, and several quarries), and issuing one new general WDRs order (for fruit and vegetable processing facilities).

If additional resources were available, staff would perform more inspections, more inspections with sampling and lab analysis, and more detailed monitoring report reviews. Several older orders that need reviewing and possibly updating may not be worked on due to lack of resources.

#### **Leaking Underground Storage Tank Program**

Program resources for 2004-2005 are expected to remain near current-year levels; 6.9 PYs and approximately \$800,000. Seven staff work in the program; four full time, two about 85 percent, and one 50 percent. Program commitments are focused on managing existing cases, including review of an estimated 850 investigation and monitoring reports, workplans, and corrective action plans. Workplan commitments also include managing new cases, conducting site inspections and preparing case closures. There are approximately 380 active Regional Board lead cases; about 80 of those are A and B Rank MTBE cases. Other non-workplan tasks include implementation of new regulations requiring discharger submission of electronic information to GeoTracker, assisting in the Santa Clara Valley Water District/County of Santa Clara LOP transition and assisting local agencies with technical support on about 450 local-lead cases.

If additional staff resources were available, staff would attempt to close more cases that represent low-risk to groundwater quality, and would present revised staff-level case closure criteria to the Regional Board for consideration.

#### **Spills Leaks Investigation and Cleanup (SLIC) Program**

Program resources for 2004-2005 are expected to remain at current-year levels: 6.9 PYs and roughly \$1,300,000. Ten staff are involved in the program that focuses on groundwater clean up. Program commitments include oversight and direction at over 200 clean up sites. SLIC cases include a number of large, high-profile cleanup projects (Olin, Guadalupe Oil Field, Avila Tank Farm, Whittaker Ordnance, McCormick-Selph) and many small commercial/industrial sites (dry cleaners, metal plating, manufacturing). Staff strives to work with local oversight agencies such as Fire Departments, Health Departments,

and Water Supply Districts in order to leverage resources.

Site closure is the goal, however, many sites will take decades to reach clean up standards for closure. Staff's primary work is in directing investigation and cleanup activities and review of monitoring reports.

Program goals for 2004/2005 fiscal year include improved record keeping, implementation of electronic data and report submittal, articulation and refinement of Regional Board case closure policy and establishment of screen levels for soil contamination.

The majority of the SLIC program is funded through cost recovery, a procedure whereby the responsible party is held liable for Regional Board oversight costs. Currently the Region is under-expending our SLIC allotment, with more staff resources we would be able to address more of our outstanding or "backlogged" caseload.

#### **Military Facilities (a.k.a. DoD) Program**

Program resources for 2004-2005 are expected to remain at current-year levels: 4.7 PYs and about \$662,000. Five staff work in the program. Program commitments include review and oversight of cleanup work at various active, closed, and transferred federal Military property throughout the Region.

Funding for this program is stable and required by state legislation to remain so. DoD staff work closely with Department of Toxic Substances staff and federal facilities representatives to prioritize and oversee cleanup projects resulting from "past practices". Active military bases also have a compliance division that interfaces with the Board's various permitting programs.

In the coming fiscal year, cleanup at Vandenberg Air Force base will remain very active. This single facility receives approximately half of our oversight

resources and is aggressively addressing hundreds of sites throughout the base. Clean up activities at a number of other bases is beginning to wind down. As time and federal resources allow, "Formerly Used Defense" sites are being investigated and added to the cleanup list as needed.

#### **Land Disposal Program**

Program resources for 2004-2005 are expected to remain at current-year levels: 3.9 PYs and about \$416,000. The PYs for this program have historically been under funded, meaning that the PY value over-represents the amount of staff time available for the program. The State Board Landfill Program management has indicated that if additional funding does materialize, dollars will be added to Region 3's budget. Four staff work in the landfill program, three of which are part time or shared with other programs. Program commitments for the coming fiscal year currently include updating and re-issuing at least four landfill WDRs, (including Vandenberg, Pacheco Pass, Santa Cruz, and Los Osos), and reviewing Report of Waste Discharge submittals for the approximately 20 previously unregulated sites now covered under the recently adopted landfill general order.

If additional resources were available, staff would perform more liner construction inspections, more inspections with sampling and lab analysis, and more detailed monitoring report reviews for facilities with existing discharges to groundwater. Several older monitoring and reporting programs need reviewing for the purposes of updating to current standards. Additionally, as previously mentioned, the landfill general order will generate between twenty and thirty new reports of waste discharge that will require review and response. Additional resources would be directed at these new submittals to evaluate if further work is necessary to remedy additional surface or groundwater discharges from these sites.

### **Casmalia Hazardous Waste Disposal Facility**

The Casmalia Hazardous Waste Disposal Facility has targeted approximately 1.2 PYs for the 2004-2005 fiscal year. This is consistent with the current level of effort at the site. Casmalia will conduct Remedial Investigative field work during the current fiscal year to characterize the facilities impacts and releases, in preparation for selection of remedial alternatives. Additionally, program commitments include reissuing the facility's NPDES permit during the coming year. USEPA is acting as the lead at this site with oversight assistance provided by Regional Board staff. In previous years general funds were used for oversight efforts at the site. Funds obtained as part of the RCRA/CERCLA settlement process will be used for future staff oversight.

### **Non-Point Source Program**

Program resources for 2004-2005 are expected to remain at current-year levels: 3.0 PYs and about \$315,000. Six staff work in the program, four of which are shared with other programs. Program commitments for the coming fiscal year currently include implementation of the forthcoming agricultural waiver, continuing farm water quality short course participation, contract management for 319, Guadalupe, Moss Landing, and other non-point source related contracts, grant proposal review and comment, and watershed working group participation.

If additional resources were available, staff would be allocated toward the agricultural waiver setup and implementation. Non-Point Source Program resources will not provide adequate coverage to the anticipated scope of work generated by the forthcoming agricultural Waiver.

### **Watershed Management Initiative Chapter**

Since 1998, the Regional Boards have used their Watershed Management Initiative Chapters to identify priority activities in various watersheds, across the region, and within specific programs. The most recent update of the WMI Chapter (January 2002) identifies the following as priority activities: TMDLs, urban runoff, NPS pollution from agriculture in the Salinas watershed, NPS pollution throughout the region, expansion of CCAMP, streamlining of regulatory programs, developing a riparian corridor policy, revising the Basin Plan groundwater objectives, and undertaking high priority Basin Plan amendments. Since that time, some of these priorities have been addressed, while others have been reduced in priority as other, higher priority issues move to the fore. A case in point is waivers for irrigated agriculture, which for both political and water quality reasons has now become one of the region's highest priority issues.

### **Waivers for Irrigated Agriculture**

One of the biggest challenges with implementing watershed management has always been finding ways to address significant water quality issues that have either no funding source or receive inadequate funding. Developing a new waiver program for irrigated agriculture illustrates both the problem and the creativity required to develop a new program with no new resources, during a time of budget problems and shrinking staff.

Most programs have little flexibility in how funds are used. Fund sources with the most relevance to agricultural issues and/or the most flexibility include WMI, the NPS program (319 funds), TMDL implementation resources and grant funding (Proposition 13, 40 and 50). Program managers and staff from these programs have been meeting to identify tasks related

to the agricultural waiver and resources that can be used to implement the program.

The following tasks have been identified for FY 04/05:

Program Development (completion of documents): 0.2 PY

Data Management: 0.7 PY

Outreach: 1.0 PY

Program Oversight: 1.0 PY

Monitoring 0.5 PY

Related Support Activities (grant funding, etc.): 0.6 PY

Estimated resources needed are 4.0 PY; the funding sources identified above are able to provide approximately 3 PY, leaving a shortfall of 1 PY.

We have approached USEPA and State Board with a proposal to have our agricultural waiver become a pilot for the state's effort to develop a database tracking system for NPS management measures. We are working with them to develop a web-based enrollment and tracking system that will meet the needs of the agricultural waiver program. This will provide us with a tool that would have taken significant resources (and time) for us to develop on our own. We are also working to ensure that Region 3 projects will be competitive for approximately \$46 million in agricultural grants that will be available this fall.

The agricultural waiver is only one part, albeit a key component, of this region's strategy to addressing some of the most serious water quality impacts attributable to irrigated agriculture. The waiver will be a significant tool for future implementation of many of our TMDLs. We are optimistic that additional resources may be available within the next several years through an effort in the legislature to authorize an additional 22 PYs statewide for waiver implementation. We will work aggressively to ensure that some of those resources come here.

## **Regional Monitoring**

Recent information from State Board staff indicates that program resources for monitoring in 2004-2005 are expected to be reduced. General funding for eight of the twelve statewide PYs provided to the program has been cut, and is expected to be replaced by approximately \$800,000 in contract dollars. This will require that SWAMP contract dollars be cut by approximately 17%. If cuts are taken proportionately, this will result in approximately \$52,700 less for laboratory analysis and other contract expenditures by the Central Coast Ambient Monitoring Program. We had been anticipating approximately \$310,000 in SWAMP contract funds and 0.8 PYs for 04-05. Our new budget will include approximately \$250,000 from SWAMP, \$75,000 from the Guadalupe settlement and \$75,000 from the PG&E Elkhorn settlement.

After a hiatus in 02-03, our Coastal Confluences trend monitoring sites have been reinstated. Beginning in January 2005 watershed rotation monitoring will begin again in the Pajaro River and North Coast watersheds. Budget cuts will most likely mean that fewer sites will be monitored for toxicity, sediment chemistry and benthic invertebrate assemblages. Because conventional chemistry monitoring is relatively inexpensive, we will maintain our monthly conventional sampling program, but may need to consider eliminating a few of the analytes measured. Our monitoring activities need to be re-budgeted in order to understand the full impacts of the cuts, and we will do that as soon as our final allocation is known.

## **Basin Planning**

Basin Planning has 0.8 PY for surface water activities and 1.7 PY for groundwater activities. The surface water 0.8 PY are being used to review bacteria water quality objectives, develop biostimulation criteria, incorporate non-point source

implementation actions into the Basin Plan, develop riparian corridor protection policy, participate in the development of statewide onsite wastewater disposal regulations and data management.

Of the 1.7 PY for groundwater activities, one position is unfilled. The activities on hold until this position is filled include update of groundwater basin configurations, update of groundwater beneficial uses, and revision and clarification of narrative and numeric groundwater water quality objectives. The remaining 0.7 PY are being used for program management and data management.

### **Water Quality Certification Program**

The Water Quality Certification Program (401 Program) is currently funded at 0.4 PYs. Water Quality Certification is required for all projects which are permitted by the U.S. Army Corps of Engineers. Typically, these projects involve dredging or filling of wetlands in the jurisdiction of the Army Corps. State certification of these projects is required by law. This year approximately 126 certifications have been processed in Region 3. Our student staff handled the majority of the certifications processed in FY 03-04. We also developed and implemented a "low-threat certification" this year which has helped tremendously with the workload.

We may see an increase in funding for the 401 program in FY 04-05 for dredge and fill projects which are proposed for non-jurisdictional wetlands. State Board program management has indicated that these types of projects will be a priority in the future.

### **Timber Harvest**

The Timber Harvest program is currently funded at 0.6 PYs. Available resources have been stretched to a point where staff is finding it increasingly difficult to get sufficient field time to monitor projects. Staff is attempting to find consensus

between the varying interested parties and the Regional Board. A workshop to study monitoring options and cumulative impacts, among other topics is planned for early summer.

State Board has indicated the possibility of increased funding for this program in the coming fiscal year. Staff is also attempting to secure funding for student assistance in this program.

### **Total Maximum Daily Load Program**

Program resources for 2004-2005 are expected to remain at the current-year level: 10.2 PYs. Eight staff plan and develop TMDLs and four staff work predominantly in the Non-point Source Program have TMDL implementation coordination and tracking responsibilities. Program commitments include data collection and analysis for nine TMDL investigations, TMDL analysis and preparation of Project Reports for 12 TMDLs, and presentation of recommendations for Board Action on five TMDLs. Additionally, staff has committed to implement coordination and tracking for eight TMDLs (mostly targeted at implementation of best management practices for irrigated agriculture). On a region-wide basis, the TMDL Program workplan includes the following commitments to support the TMDL program: geographic information system and data management support, bacteria source analysis investigation in irrigated agricultural areas, development of sediment assessment protocols, assistance with the state-level effort to update the 303(d) List of Impaired Waters and program management.

If additional resources were available, staff would first, initiate additional TMDL investigations, including identifying existing data and pollution reduction efforts for the listed water bodies, establishing data collection efforts where necessary, and analyzing data to confirm impairment and/or establish numeric targets and TMDLs. Beyond that, staff would assist with

preparing and recommending Basin Plan Amendments to improve water quality objectives and interpretations of objectives to facilitate better impairment determinations and establishment of numeric targets. Finally, staff would increase the level of effort for implementation coordination and tracking.

**RECOMMENDATION**

This is an information item only, no Board action is recommended.

**ATTACHMENTS**

1. FY 03/04 Expenditure Summary
2. Current Organization Chart