

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

STAFF REPORT FOR REGULAR MEETING OF DECEMBER 5-6, 2013

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ITEM NUMBER: 26

SUBJECT: Grants Program Status

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KEY INFORMATION

Location: Throughout the Central Coast Region

This Action: Information Only

SUMMARY

The Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) Grants Program manages grants to align projects with the Central Coast Water Board's regional priorities and goals from proposal solicitation through project execution and completion. Central Coast Water Board staff facilitates the successful implementation of grant projects that address the Central Coast Water Board's measurable goals and water quality priorities, integrates grant project data and products into Central Coast Water Board Programs, and provides easy access to grant information to stakeholders.

DISCUSSION

Background

The Central Coast Water Board Grants Program provides administrative and technical oversight of grant projects being implemented in the Central Coast Region. Central Coast Water Board staff engages stakeholders throughout the region to leverage funds for projects consistent with the Central Coast Water Board's priorities and goals, and provides assistance in complying with Water Board requirements. The Grants Program efforts are coordinated closely state-wide with State Water Resource Control Board (State Board) staff, and staff participates in efforts such as regional prioritization, project solicitation and selection, and grant management. The Grants Program resources are available on the Central Coast Water Board website at the following link:

http://www.waterboards.ca.gov/centralcoast/water_issues/programs/grants/index.shtml

Funding Opportunities and Projects

Federal and state funds are available to address impacts to water quality and the associated beneficial uses. Various grant programs are administered and managed by the State and Regional Boards, as well as by the Department of Water Resources (DWR). There are several funding sources as described below. Funds are available on a competitive basis either annually or in funding cycles, as defined by the specific funding source. These programs as well as project examples are discussed below.

The California Nonpoint Source (NPS) Program: The NPS Program allocates statewide approximately \$4.5 million of federal Clean Water Act (CWA) Section 319(h) funding annually from the U.S. Environmental Protection Agency (USEPA) to support implementation of best management practices (BMPs) and planning projects that address water quality problems in surface waters and groundwater resulting from NPS pollution. The 319(h) Program is focused on controlling non-point source activities that impair beneficial uses and on limiting pollutant effects caused by these activities. Projects focused on working toward achieving the goals of the NPS Program and Total Maximum Daily Loads (TMDLs) to restore beneficial uses are the most competitive in the selection process. Each year, Central Coast Water Board staff establishes specific program preferences for impairments in watersheds that are aligned with the region's highest priorities and participates on a state-wide selection committee with USEPA, State Board, and representatives from other regional boards to evaluate and recommend proposals throughout the state for funding. There are many examples of successful 319(h) projects. A few examples are discussed below.

- In 2009, the Morro Bay National Estuary Program (MBNEP) partnered with the Coastal San Luis Resource Conservation District (CSLRCD) to reduce creek bacterial concentrations by excluding cattle from San Luisito Creek in the Chorro Creek watershed. Statistical analysis of monitoring data after less than two years showed a significant decline in bacterial levels in the areas where cattle were excluded, as well as an increase in riparian vegetation. NPS grant funds were leveraged with funding from a California Men's Colony supplemental environmental project (SEP), the MBNEP, and private landowner contributions.
- In 2010, the Resource Conservation District of Santa Cruz County (RCDSCC) completed a 319(h) implementation grant project that targeted three priority sediment TMDL watersheds to decrease excessive erosion of rural, non-county maintained roads by providing technical and cost-share assistance for erosion control practices. The result of the program has been the construction of 17 rural road erosion control projects, six technical workshops, five watershed/rural road tours, four technical training sessions, and six newsletters. The rural roads program continues to implement erosion control projects with direct water quality benefits and now includes four major watersheds in Santa Cruz County. The RCDSCC is currently seeking for funding for implementation.
- This year, the City of Watsonville, working in collaboration with the RCDSCC and other technical experts such as California State University Monterey Bay (CSUMB), completed a 319(h) planning grant project to identify the causes of toxic algal blooms in Pinto Lake. One result from the project is an implementation strategy of next steps to correct the problem. The City of Watsonville is currently pursuing funding for implementation.

- Two 319(h) implementation grants in the San Lorenzo and Morro Bay watersheds awarded to the RCDSCC and the Bay Foundation of Morro Bay in 2011 are underway to control sediment discharges from rural roads and improve anadromous fisheries habitat. Additionally, Central Coast Water Board staff manages an agricultural water quality grant awarded to the Coastal San Luis Resource Conservation District (CSLRCD) in the Morro Bay watershed to implement riparian fencing and irrigated agricultural practices, such as a nutrient tailwater treatment system. These projects, totaling approximately \$1.5 million, are implementing TMDLs and the NPS Program and primarily address the Central Coast Water Board's goal of *Preventing and Correcting Degradation of Aquatic Habitat*. The most recently funded grant projects are included in Attachment 1.

Proposition 50 and Proposition 84 Agricultural Water Quality Grants: Agricultural Water Quality Grants are managed by Central Coast Water Board staff and are being carried out in priority watersheds throughout the region. In 2012, Ecology Action, a non-profit organization, along with RCDs, completed a regional Livestock and Land Proposition 50 project for approximately \$1 million. This project implemented management practices on 15 sites and properly managed over 2,000 tons of manure. The management practices also prevented approximately 20,000 pounds of nitrogen, billions of bacterial colonies, and approximately 7,250 tons of sediment from entering Central Coast waterways.

With a \$750,000 Proposition 50 grant, the RCDSCC, the Ag Water Quality Coalition, the Natural Resources Conservation Service (NRCS), and other technical assistance providers are actively working with growers to implement irrigation and nutrient management (INM) practices on irrigated lands in the Pajaro River watershed.

Three Proposition 84 projects are starting up in the Salinas, Pajaro and Santa Maria River watersheds to implement a range of INM practices that will reduce nutrient loading to surface waters and groundwater; these INM grants total \$3 million. The Salinas River project, led by a partnership between Coastal Conservation and Research, the Central Coast Wetlands Group, the Monterey Bay National Marine Sanctuary and partnering organizations including UC Cooperative Extension and the RCD of Monterey County, began in April 2013 and is underway. The Pajaro River project, led by the RCDSCC with assistance from technical service providers including CSUMB, will begin shortly. The City of Santa Maria and the Cachuma RCD are scoping the Santa Maria River watershed for construction of a large denitrification system.

These projects collectively address *Preventing and Correcting Threats to Human Health* and *Preventing and Correcting Degradation of Aquatic Habitat* by reducing pollutant discharges through effective land management consistent with the Nonpoint Source, Agricultural Regulatory, and TMDL Programs. These projects will address the goal of *Preventing and Correcting Threats to Human Health* by reducing nitrate in groundwater as well as *Preventing and Correcting Degradation of Aquatic Habitat*. Awarded grant projects are included in Attachment 1.

Proposition 84 Stormwater Grant Program (SWGP): The SWGP funds provide \$82 million in grants statewide to local public agencies for the reduction and prevention of storm water contamination of rivers, lakes, and streams. Three implementation grants totaling more than \$4.5 million were awarded in 2012 to our region to install Low Impact

Development (LID) design features in Santa Cruz, Santa Barbara, and San Luis Obispo Counties. Recently, the City of Santa Barbara completed construction of permeable pavers at six sites. In addition, planning grants totaling more than \$1 million, including one to implement the Joint Effort in Santa Barbara and another to incentivize LID in the Monterey Bay area, have begun. These grants are managed by State Board staff, provide compliance assistance for the Storm Water Program, and embody the Water Board's priority of *Preventing Degradation of Hydrologic Processes* by implementing LID design principles. SWGP projects funded in the Central Coast Region are included in Attachment 1. There is approximately \$38 million remaining for additional implementation projects, which are currently being reviewed statewide.

Central Coast Water Board staff participates in outreach and solicitation to municipalities and provides technical input during the proposal development process. The Low Impact Development Initiative (LIDI) provides municipalities assistance with planning, design, and implementation of LID projects and programs. Central Coast Water Board staff coordinates with LIDI to support the vision of healthy watersheds through the implementation of LID design principles, hydromodification controls, and sustainable development throughout the Central Coast Region.

The Clean Beaches Initiative (CBI) Grant Program: The CBI Grant Program, managed by State Board staff, provides bond funding for implementation and research projects that restore and protect the water quality and the environment of coastal waters, estuaries, bays, and near shore waters. In 2014, approximately \$32 million is available statewide for coastal water quality improvement projects at priority beaches. The Clean Beaches Task Force, composed of local agencies, environmental advocacy groups, academia, government, and scientific research organizations, reviews proposals and recommends projects for funding. Central Coast Water Board staff provides input into the proposal review process for regional projects. Priority is given to projects that reduce bacterial contamination on California public beaches. Recently, the State Board recommended funding for the Noble Gulch Trunk Line Relocation project for over \$1.5 million, which drains to Capitola Beach in Santa Cruz County. This project implements the Soquel Pathogen TMDL as well as complies with WDR permit requirements to address *Preventing and Correcting Threats to Human Health* by preventing sewage spills to Capitola Beach. The most recently funded grant projects are included in Attachment 1. Additional proposals throughout the region are currently being reviewed.

Integrated Regional Water Management (IRWM): IRWM is a collaborative effort to manage all aspects of water resources in a region. IRWM encourages local agencies, including disadvantaged communities (DACs), to work cooperatively to manage local and imported water supplies to improve quality, quantity, and reliability. The State Board has awarded over \$75 million of Proposition 50 IRWM funds to the Central Coast Region, including \$12.5 million to both the Santa Cruz and Monterey IRWM areas and \$25 million to both the Pajaro and Santa Barbara IRWM areas. The Department of Water Resources (DWR) currently administers a number of IRWM Grant Program funding opportunities including Proposition 84 IRWM Implementation and Proposition 1E Storm Water Flood Management. The Central Coast Water Board encourages local agencies and organizations to promote healthy, functioning watersheds through engaging in the IRWM process in each of the six IRWM areas in the Central Coast Region, which are: Santa Barbara County; San Luis Obispo County; Monterey Peninsula, Carmel Bay, and South Monterey Bay; Greater Monterey County; Pajaro River Watershed; and Santa Cruz County. Water Board staff coordinates with each

IRWM area representatives to encourage projects that complement Water Board priorities. Central Coast Water Board staff liaisons are assigned to each of the funding areas to identify opportunities to prioritize efforts to maximize water quality benefits through the IRWM process and to facilitate cross-program input and regional consistency. Planning and implementation projects awarded in the Central Coast region exceed \$100 million cumulatively. An additional \$22 million will be awarded in 2015 in the Central Coast region. These projects collectively address the Central Coast Water Board's measurable goals and water quality priorities, such as *Preventing/Reversing Seawater Intrusion and Preventing Further Degradation of Groundwater Basins from Salts*. The most recently funded grant projects are included in Attachment 1.

TMDL Contracts: Central Coast Water Board staff recommends and manages priority projects for TMDL development and implementation. TMDL contract dollars have funded pesticide monitoring in the Santa Maria watershed for TMDL development as well as numeric target monitoring and development in the San Lorenzo River watershed. Currently, two projects are underway in the region totaling \$300,000. In one project, University of California Santa Barbara researchers are applying methodologies developed for the San Lorenzo River watershed to develop sediment numeric targets supportive of healthy water quality and healthy salmonid populations in the Pajaro River watershed. In the other project, the CSLRCD will implement farm-scale BMPs in a treatment-train approach to reduce pollutant loading in irrigation runoff and storm water originating on irrigated agricultural lands in the Oso Flaco watershed. The Oso Flaco BMP project also includes the construction of a demonstration woodchip nitrate bioreactor to treat agricultural runoff. These projects address *Preventing and Correcting Degradation of Aquatic Habitat* by determining and measuring tangible improvements to water quality, and by implementing BMPs to reduce pollutant loading to sensitive resources. The most recently funded grant projects are included in Attachment 1.

Settlements:

Central Coast Water Board recommends Supplemental Environmental Projects (SEP) funds for LIDI, Groundwater Assessment and Protection Program (GAP), and the Central Coast Ambient Monitoring Program (CCAMP) as high priority, established, long-term projects. In 2010, SEP funds were used for LID design assistance for 21st Street in Paso Robles. This project will incorporate green street principals to eliminate flooding and provide water quality benefits. Recently, staff awarded approximately \$50,000 of Pacific Gas and Electric (PG&E) settlement funds to provide technical assistance to limited-resource growers in the Greater Salinas Valley Region. The funds will be used to implement water quality improvement practices in accordance with the current Agricultural Order requirements. The most recently funded grant projects are included in Attachment 1.

Regional Collaboration and Outcomes

Central Coast Water Board staff collaborates across programs internally and with stakeholders externally to ensure grants are aligned with Water Board priorities. Central Coast Water Board Program staff, in coordination with State Board staff, solicits projects according to priority watersheds and grant funding criteria. Central Coast Water Board staff keeps abreast of projects managed by State Board and DWR. Each regionally managed project team presents kick-off and wrap-up meetings to maximize data and project integration in Central Coast Water Board programs.

Central Coast Water Board staff encourages stakeholders to apply for grant funds to maximize priority water quality protection projects while leveraging sustainable, industry and cooperator led efforts. Each grantee develops a Project Assessment and Evaluation Plan to ensure performance measures are established for tangible outcomes and measureable results. Grant projects are occurring in an adaptive management framework as projects include milestones and submittals, as well as project effectiveness monitoring. Central Coast Water Board staff tracks project outcomes that are aligned with the Central Coast Water Board's measurable goals and water quality priorities.

ATTACHMENTS

1. Table of recent and current funded projects

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