

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

RESOLUTION NO. R3-2012-0024

**FUNDING FOR THE CENTRAL COAST AMBIENT MONITORING PROGRAM—
GROUNDWATER PROTECTION PROGRAM, AND SPECIAL PROJECTS**

Whereas, the California Regional Water Quality Control Board, Central Coast Region (hereafter “Water Board”), finds that:

1. The Water Board has directed staff to prioritize water quality issues, and actions to address those issues, and to propose allocations of settlement funds to support those priority actions. The Board directed staff to consider “regional benefit” and “leveraging” when developing proposals for funding.
2. The Water Board established a vision and tangible goals for the Central Coast Region. The Central Coast Ambient Monitoring Program (CCAMP) is very effective at measuring the Water Board’s performance in achieving the vision and measurable goals with regard to surface water quality and other physical and biological parameters for surface water. However, the Water Board requires additional tools to effectively measure its performance in achieving its vision and measurable goals associated with protecting and restoring groundwater quality.
3. Preventing and correcting water quality-related threats to human health is the Water Board’s highest priority. Widespread and severe groundwater nitrate pollution, primarily due to intensive irrigated agricultural land use practices, in addition to other regional groundwater issues such as seawater intrusion and salt loading, requires the implementation of ongoing regional-scale groundwater monitoring and assessment to protect public health and sustainably manage groundwater supplies.
4. People who rely on domestic wells and small water system wells are most at-risk to health exposures from drinking water polluted with nitrate and other potentially harmful constituents given these wells are typically shallow, located in more rural areas within or adjacent to agricultural areas, and are not tested regularly to ensure the water meets public health standards.
5. The Water Board has identified riparian and wetland habitat protection and groundwater recharge area protection as high priorities, which may require the development and implementation of Basin Plan amendments and expert technical services to support the amendments.
6. The Water Board has effectively utilized funds from various sources, including the Guadalupe Oil Field Settlement and PG&E Moss Landing Settlement, since 1998, to fund priority water quality-related projects and to conduct water quality monitoring in the Central Coast (i.e., CCAMP and the Central Coast Cooperative Monitoring Program).
7. The implementation of programs and projects that address and provide ongoing action and evaluation in alignment with our highest priorities are necessary to help us achieve our

measurable goals, will hold us accountable as a performance-based organization to achieve tangible results, and will result in the greatest possible outcomes for the Central Coast Region over the long-term.

8. A total of approximately \$1,771,400 in settlement funds is currently available for Water Board allocation to fund priority projects in the Central Coast Region.

Guadalupe Fund

9. In 1998, approximately \$15.6 million from the \$43.8 million UNOCAL settlement associated with pollution at the Guadalupe Oil Field was deposited into the Guadalupe Water Quality Restoration Trust (the "NFWF Trust") held by the National Fish and Wildlife Foundation (NFWF). Use of these funds for "water quality projects" is subject to Water Board approval.
10. In total, the Water Board has approved the allocation of \$6.9 million of Guadalupe Settlement funds for CCAMP via resolution numbers 99-02, R3-2007-0042 and R3-2007-0046. The Water Board determined that the region-wide benefit criterion applied, and directed use of these endowment funds in watersheds throughout the Region with CCAMP.
11. The Water Board has allocated about \$9.4 million of the NFWF Trust funds for implementation of various other water quality related projects throughout the Region.
12. As of the October 1, 2010 to September 30, 2011 NFWF Trust reporting period, approximately \$1,544,287 were still available (unobligated) within the NFWF Trust. These funds are currently incurring fund administrative and grant coordination fees of about \$29,000 semiannually (based on existing balance of approximately \$2.5 million, of which \$950,000 is obligated).

PG&E Moss Landing Fund

13. In 2003, a \$5 million settlement agreement was reached in response to back-flushing of hot water into Elkhorn Slough by PG&E, former owner of the Moss Landing Power Plant.
14. The settlement agreement allocated \$2,850,000 and \$950,000 of this money to Non-Point Source Project and Non-Point Source Monitoring Funds, respectively, to be managed by the Community Foundation for Monterey County ("Community Foundation") with Water Board oversight of the project ranking criteria and project selection.
15. The Non-Point Source Funds were used to implement projects to reduce and monitor non-point sources of pollution, with an emphasis on sediment, nutrients, pesticides and other pollutants associated with agricultural practices, within the watersheds tributary to the Elkhorn Slough and Moss Landing Harbor, including the Salinas River, Moro Cojo Slough, and Tembladero Slough (Salinas and Bolsa Nueva Hydrologic Units).
16. The Water Board also designated \$950,000 of this money for CCAMP to conduct monitoring activities in the Monterey Bay area. High priority is given to coastal confluences monitoring, including routine sampling of creeks in the Monterey Bay area.
17. At its July 11, 2003 public meeting, the Water Board approved the project evaluation/ranking criteria for the use of the Non-Point Source Funds. The approved criteria included a provision for Executive Officer approval of project awards up to \$50,000 with Water Board review of awards greater than \$50,000. The Water Board also added a provision for periodic

assessment of the program along with a process for revision of the criteria and priorities if the Water Board determines the funding approach is ineffective or insufficient.

18. As of the January 30, 2012 trust fund projection statement, approximately \$170,103 and \$57,010 are currently available (unobligated) within the Non-Point Source Projects and Non-Point Source Monitoring Funds, respectively, for a total of \$227,113 in available funds. These funds are currently incurring fund administrative and grant coordination fees of about \$13,000 annually.

THEREFORE, the Water Board hereby resolves that:

1. All remaining Guadalupe settlement funds of approximately \$1,540,000, within the NFWF Trust be allocated for the development and implementation of the CCAMP Groundwater Assessment and Protection (GAP) program and implementation of two priority projects as described within the May 3, 2012 staff report, Item number 12. Specifically, \$800,000 of these funds will be used to establish an endowment to generate an annual revenue stream for ongoing CCAMP-GAP development and implementation with the remaining fund balance allocated for the initial implementation of CCAMP-GAP and the implementation of two additional priority projects, as described below. Staff shall receive Board approval for proposed projects prior to spending any of the principal of the endowment.
2. Allocate \$471,000 to two groundwater projects, where the total amount spent on each project will depend on need and staff's ability to leverage these funds with other funding sources. The Executive Officer will deposit any unused funds for these projects into the CCAMP-GAP endowment (above). These projects are as follows:
 - a. Technical assistance to local agencies to help build the groundwater database infrastructure of CCAMP-GAP. Once the groundwater database infrastructure is built, the CCAMP-GAP endowment will provide support over the long term.
 - b. A regional outreach and sampling program for domestic well owners to address the severe health threat from nitrate pollution in domestic wells. In addition, some of these funds will be available on a sliding-scale, as-needed basis for Limited Resource Farmers and Ranchers, or Socially Disadvantaged Operators, to help them comply with the groundwater sampling requirements of the Irrigated Agriculture Order.

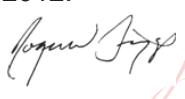
Reserve the remaining \$500,000 (total approximate amount) from the Guadalupe settlement fund to support priority basin planning amendments. The Executive Officer may allocate these funds for technical assistance for basin planning updates, such as third party consulting expertise regarding the economic, social, and scientific analyses (triple bottom line analyses) associated with proposed Basin Plan amendments. The interest earnings from the \$500,000 will be available for CCAMP-GAP development and implementation. Staff shall receive Board approval prior to using any portion of the \$500,000 for projects other than those pertaining to the Basin Plan amendments.

3. The interest earnings from the balance of the Guadalupe settlement funds within the NFWF Trust tentatively obligated for the Wild Cherry Canyon Project will be available for CCAMP-GAP development and implementation.
4. All remaining PG&E Moss Landing settlement funds of approximately \$227,000 within the Community Foundation Non-Point Project and Monitoring Funds be allocated for the implementation of the regional domestic well outreach and sampling program and the initial implementation of CCAMP-GAP. These funds will be preferentially allocated for

implementation of the domestic well project and secondarily for CCAMP-GAP implementation. The PG&E funds will only be allocated for portions of these projects implemented within the Salinas and Bolsa Nueva Hydrologic Units.

5. The Executive Officer may also allocate CCAMP-GAP funds toward other priority projects, such as:
 - Domestic Well Sampling Program (for an ongoing or repeat program at specified frequency, or to supplement/leverage local agency domestic well sampling efforts)
 - Special studies (groundwater age dating, isotopic analyses, modeling, etc.)
 - Well abandonment/destruction
 - Development and implementation of well head protection programs
 - Emergency Replacement water supply
 - Groundwater recharge (e.g., active recharge projects)
 - Groundwater basin/aquifer assessment and ongoing trend analyses
 - Salt and Nutrient Management Planning (e.g., plan development, Basin Planning, implementation, etc.)
 - Seawater intrusion related projects
 - Technical support for Basin Plan amendments
 - Testing and implementation of technologies to reduce groundwater pollution
6. The CCAMP-GAP endowment and operational reserve accounts will be managed by a single trustee (foundation), a 501(c)(3) nonprofit organization, to be selected by the Executive Officer to facilitate the most cost effective and efficient management of the funds.
7. Prior to transferring any funds to the CCAMP-GAP endowment, the EO shall ensure that the Water Board can later redirect those funds to be expended for other purposes or projects as approved by the Water Board.
8. The Executive Officer is directed to develop and finalize the necessary agreements and contracts with NFWF, Community Foundation and additional parties, such as the Bay Foundation of Morro Bay, or other appropriately qualified foundation, to consolidate and manage these funds.

I, Roger W. Briggs, Executive Officer of the California Regional Water Quality Control Board, Central Coast Region, do hereby certify the foregoing is a full, true, and correct copy of a Resolution adopted by the California Regional Water Quality Control Board, Central Coast Region, on May 3, 2012.

 Digitally signed by Roger W. Briggs
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Executive Officer

Date

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