

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
SEPTEMBER 7, 2010**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION TO ALLOCATE \$3.8 MILLION FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO FUND THE DEVELOPMENT OF THE CENTRAL VALLEY SALINITY AND NUTRIENT MANAGEMENT PLAN (PROJECT)

DISCUSSION

The Central Valley Regional Water Quality Control Board (Central Valley Water Board) is requesting an additional \$3.8 million from the CAA to continue to fund the Project for the last two years of a three-year project. The Central Valley Water Board is requesting additional funding of \$2 million in support of the Project for year two and \$1.8 million in support of the Project for year three.

Prior to the release of funds for year three of the Project, the Central Valley Water Board will submit a request to the State Water Resources Control Board (State Water Board) to release \$1.8 million in funding for year three of the Project. Funding is contingent upon whether the Central Valley Water Board has demonstrated sufficient progress in implementing the Project and developing outside stakeholder support and funding. Outside stakeholder support and funding will largely be provided by members of the Central Valley Salinity Coalition (Coalition). The Coalition is an organization made up of interested private and public entities in the Central Valley Region. Founding members of the Coalition include California League of Food Processors, Western United Dairymen, the San Joaquin Valley Drainage Authority, the City of Fresno and other local entities. It is expected that contributions from Coalition members will exceed the amount of CAA funding provided by the State Water Board.

The requested funds are in addition to funding included in State Water Board [Resolution No. 2009-0023](#). Resolution No. 2009-0023 allocated \$1.2 million for the first year of the Project it required the Central Valley Water Board report progress on the Project to the State Water Board at the conclusion of year one. The Central Valley Water Board, in conjunction with the Coalition, provided the report at the State Water Board's May 18, 2010, board meeting. To date, of the \$1.2 million allocated in Resolution No. 2009-0023, approximately \$1.15 million remains.

The Project for year two, Collaborative Surface and Groundwater Data Collection/Analysis Project consists of:

- | | |
|--|-------------------|
| • Surface and groundwater data collection and analysis work plan - | \$ 325,000 |
| • Develop standardized methods for surface and groundwater data - | \$ 265,000 |
| • Develop or provide data to characterize water and salt balance, current and future sources, and related activities - | \$ 975,000 |
| • Analyze and evaluate data from regions, perform analysis, and establish numeric salinity and nitrate objectives - | <u>\$ 435,000</u> |

Total: \$2,000,000

The Project for year three, Implementation Planning and Analysis Project, consists of:

- Implementation Planning and Analysis Work Plan - \$ 325,000
- Planning Implementation Modeling and Analysis Report - \$ 565,000
- Implementation Requirements, Projects, Programs, and Plan Report - \$ 425,000
- Environmental review documentation for Basin Plan Amendments - \$ 485,000

Total: \$1,800,000

The Project for year two and three is estimated to cost more than \$3 million for each year. At this time, the State Water Board does not anticipate providing CAA funds beyond those considered in this resolution. The remainder of the costs is expected to be provided by Coalition members and other local and regional entities.

The requested allocation is consistent with the purposes of Water Code Section 13442. Section 13442 provides that the State Water Board may order moneys to be paid from the CAA to a public agency with the authority to cleanup or abate the effects of a waste in order “to assist it in cleaning up the waste or abating its effects on the waters of the state.”

POLICY ISSUE

Should the State Water Board:

1. Approve funding of \$3.8 million from the CAA to the Central Valley Water Board to conduct work for years two and three of the Project?
2. Require the Central Valley Water Board to report progress on this effort to the State Water Board annually? The report would cover progress in implementing the Project and in developing outside stakeholder support and funding.
3. Require the Central Valley Water Board to submit a request to the State Water Board to release funding for year three of the Project? The additional funding request will consist of \$1.8 million in support of the third year of work and shall be contingent on the Central Valley Water Board demonstrating sufficient progress in implementing the Project and developing outside stakeholder support and funding.

FISCAL IMPACT

As of April 31, 2010, the uncommitted CAA balance is estimated to be no less than \$7 million according to the most current data.

REGIONAL BOARD IMPACT

Yes. Central Valley Water Board oversight.

STAFF RECOMMENDATION

The State Water Board should:

1. Approve funding of \$3.8 million from the CAA to the Central Valley Water Board to conduct work in support of the Project;
2. Require the Central Valley Water Board to report progress on this effort to the State Water Board. The report should cover progress in implementing the Project and in developing outside stakeholder support and funding; and
3. Require the Central Valley Water Board to submit a request to the State Water Board to release funding for year three of the Project. The additional funding request will consist of \$1.8 million in support of the third year of work and shall be contingent on Central Valley Water Board demonstrating sufficient progress in implementing the Project and developing outside stakeholder support and funding.

State Water Board action on this item will assist the Water Boards in reaching Goal 4 of the Strategic Plan Update: 2008-2012, to comprehensively address water quality protection and restoration, and the relationship between water supply and water quality, and describe the connections between water quality, water quantity, and climate change, throughout California's water planning processes.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2010-

TO ALLOCATE \$3.8 MILLION FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA)
TO FUND THE DEVELOPMENT OF THE CENTRAL VALLEY SALINITY AND NUTRIENT
MANAGEMENT PLAN (PROJECT)

WHEREAS:

1. The Central Valley Regional Water Quality Control Board (Central Valley Water Board) requests funding of \$3.8 million to conduct years two and three of a three-year Project in support of the development of a salinity and nutrient management plan for the Central Valley. It is expected that the Project will provide the basis for a Central Valley Water Board Basin Plan amendment that will address ongoing salinity and nutrient concerns in the Central Valley Region;
2. In accordance with [Resolution No. 2009-0023](#), the Central Valley Water Board was awarded \$1.2 million from the CAA to conduct the first year of work for the Project. The \$1.2 million was allocated to the San Joaquin Valley Drainage Authority, a Joint Powers Agency that is a member of the Central Valley Salinity Coalition (Coalition), a group of public and private stakeholders. Of the \$1.2 million allocated approximately \$50,000 has been encumbered;
3. The Central Valley Water Board is requesting additional funding of \$2 million for year two and \$1.8 million for year three. Funding for year three is contingent upon whether sufficient progress in implementing the Project has been demonstrated and outside stakeholder support and funding has been developed. It is expected that Coalition members will contribute funds and services to the Project that exceed the contribution from the CAA. Prior to the release of funds for year three of the Project, the Central Valley Board will report to the State Water Resources Control Board (State Water Board) at a public board meeting on the cumulative progress achieved during years one and two. The progress report will include a detailed accounting of expenditures, services received, a line item report of in-kind, and contract services contributions from Coalition members and/or additional public and private entities, a summary of work accomplishments to date and timeline for completion of work. If the year two and three Project (Collaborative Surface and Groundwater Data Collection/Analysis and Implementation Planning and Analysis Project) is not completed by June 1, 2014, the Central Valley Water Board will provide estimates of when work is expected to be complete and identify additional funding sources, if necessary, that will be utilized to complete the Project; and
4. The requested allocation is consistent with the purposes of Water Code Section 13442. Section 13442 provides that the State Water Board may order moneys to be paid from the CAA to a public agency with the authority to cleanup or abate the effects of a waste in order "to assist it in cleaning up the waste or abating its effects on the waters of the state."

DRAFT

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves funding of \$3.8 million from the CAA to the Central Valley Water Board to complete year two and year three of the Project;
2. Requires the Central Valley Water Board to report progress on this effort to the State Water Board on at least an annual basis at a publicly noticed State Water Board meeting. Prior to the release of funds for year three of the Project, the Central Valley Board will report to the State Water Board at a public board meeting on the progress achieved during years one and two. The progress report will include a detailed accounting of expenditures, services received, a line item report of in-kind, and contract services contributions from Coalition members and/or additional public and private entities, a summary of work accomplishments to date and timeline for completion of work. If the year two and three Project (Collaborative Surface and Groundwater Data Collection/Analysis and Implementation Planning and Analysis Project) is not completed by June 1, 2014, the Central Valley Water Board will provide estimates of when work is expected to be complete and identify additional funding sources, if necessary, that will be utilized to complete the Project; and
3. Requires the Central Valley Water Board to demonstrate sufficient progress in implementing the Project and developing outside stakeholder support and funding prior to releasing \$1.8 million for the third year of the Project. If sufficient progress has not been demonstrated in achieving the Project goals, the State Water Board may disencumber any remaining unexpended funds, require a showing of additional stakeholder support and funding prior to releasing additional funds, or eliminate funding for the final year of the Project; and
4. Any unexpended funds shall revert to the CAA as of June 1, 2014, unless the Deputy Director or Assistant Deputy Director of the Division of Financial Assistance authorizes an extension. The funds will be available until June 1, 2014.

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 Board held on September 7, 2010.

Jeanine Townsend
Clerk to the Board