

DRAFT
STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
April __, 2010

ITEM X

SUBJECT

CONSIDERATION OF A RESOLUTION TO ALLOCATE \$ 2 MILLION FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO THE CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD (CENTRAL VALLEY WATER BOARD) IN SUPPORT OF THE DEVELOPMENT OF A SALINITY AND NUTRIENT MANAGEMENT PLAN

DISCUSSION

In accordance with the State Board Resolution No. 2009-0023, the Central Valley Regional Water Board requests funding of \$ 2 million to support Year Two work in the development of a salinity and nutrient management plan for the Central Valley. Resolution No. 2009-0023 requires the Central Valley Water Board to submit requests to the State Water Board for funding subsequent phases of the Project. The additional funding requests will consist of \$2 million in support of the second phase and \$1.8 million in support of the third phase of work, provided that funding is available from the account, and the Central Valley Water Board has demonstrated sufficient progress in implementing the project and developing outside stakeholder support and funding. A summary of the activities and accomplishments of year one are provided below.

History

In 2006, the Central Valley Regional Water Board (Regional Water Board) in cooperation with the State Water Resources Control Board (State Water Board) initiated a comprehensive and collaborative multi-year planning, study and research effort to develop and implement a salinity and nutrient management plan (Management Plan). This effort will result in comprehensive Basin Plan Amendments to the Sacramento River and San Joaquin River Basin Plan, the Tulare Lake Basin Plan and the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary.

Salinity is likely the largest long-term chronic water quality impairment to surface and groundwater in the Central Valley. Salinity and nitrate from current and legacy sources impair multiple beneficial uses of waters throughout the basin and has resulted in pollution of drinking water sources for some communities in the Central Valley. Through actions by the Regional Water Board to regulate and control salinity and nitrates, the Board recognized that significant changes to the existing Basin Plans are needed to enable the Board to regulate salts and nitrates to protect water quality throughout the

Central Valley. Given the size of the Central Valley Water Board's jurisdictional area, the number of potential stakeholders that could be impacted by the Basin Plan amendments and the complexity and costs involved in the regulation of salinity and nitrates, the Central Valley Water Board recognized a much more comprehensive approach was needed. As a result, a collective effort to develop the Management Plan was initiated and has been termed the Central Valley Salinity Alternatives for Long-Term Sustainability Initiative (CV-SALTS Initiative). A Draft Comprehensive Workplan Outline (attached) was developed by the Technical/Economic and Executive Committees of the CV-SALTS Initiative and provides all activities and the primary projects to complete the plan. Critically important for this is the development of appropriate and applicable uses and objectives for the numerous surface and ground water bodies throughout the entire Central Valley. There are many waterbodies within the Central Valley with limited or no data that can be used to establish this information. To address this concern the Salinity and Nutrient Management Plan Work Plan has identified the projects described below as critical components for the successful completion of the basin plan amendments.

Salinity and Nutrient Management Regional Work Plan

The CV-SALTS Initiative Salinity and Nutrient Management Work Plan (Work Plan) defines the core of work required for development of a Central Valley Salt Management Plan. The Work Plan defines the technical and policy tasks and elements to be conducted to ensure protection of beneficial uses through objective setting based on surface and groundwater quality and integrated stakeholder implementation planning. Work Plan efforts include the identification and documentation of protocols and processes for all tasks required to develop a Salinity and Nutrient Management Plan. Projects are identified for three funding years with partial funding from the CAA, this effort will proceed with funding from the stakeholders through the Central Valley Salinity Coalition. The first critically important project identified in the Work Plan is Salinity and Nitrate Objective and Beneficial Use Study. This project involves the establishment of a process model developed through the use of existing, reliable and usable data from areas and water bodies within the Central Valley that can then be used to establish beneficial uses and objectives for areas where little or no data exists.

A brief status of projects completed and underway funded by Year One funding is described below:

First Year 2009-2010 Activities and Accomplishments

Salinity and Nitrate Objective and Beneficial Use Study Project - Funding Year 1

The following describes the work completed and underway as part of the Salinity and Nitrate Objective and Beneficial Use Study project to demonstrate sufficient progress has been achieved in implementing the project and developing outside stakeholder support:

1. A contracting mechanism between the Regional Board, State Board Central Valley Salinity Coalition (CVSC), and San Joaquin Valley Drainage Authority to expend the

funds provided by the State Board in a transparent but expeditions manner was established.

2. A work plan and scope of work was developed by the Technical Committee and CVSC for the Salt and Nitrate Pilot Implementation study Scope of Work. Tasks completed included procurement and contracting with a consulting team to conduct data and determine salt and nitrate balance in the Yolo, Modesto and Tule River pilot areas in accordance with the program work plan outline. Draft Pilot Project Report reviewed by the Technical and Executive Committees and stakeholders and comments and proposed revisions submitted to the consultant team.
3. Final Pilot Project Report submitted on February 22, 2010 by the consultant team and CVSC that incorporated changes and addressed comments by stakeholders in a responsive manner. This project was funding with \$261,942 from the State Board CAA First Year Funds, cash member contributions of \$190,000 and approximately \$60,000 of in-kind contributions.
4. Scope of Work for Phase 1 of the Beneficial Use and Objective Study to collect waterbody information, map beneficial uses in surface and groundwater and provide key information from all available sources throughout the Central Valley was developed by the Technical Committee and CVSC. This project was funding with \$50,000 from the State Board CAA First Year Funds and approximately \$20,000 of in-kind contributions and will be completed in July 2010.
5. Received approximately \$450,000 in cash and an additional \$300,000 of in-kind services and contract funds as matching from stakeholders in support of this work. In addition to contract work, the CVSC and stakeholders have accomplished the following:
 - Expanded General and Board Level membership to over 22 members
 - Coordinated Leadership Group meeting and held monthly committee meetings to advance work
 - Prepared and presented CV-SALTS to industry leaders, governments and stakeholder groups for outreach
 - Partnered with the US Bureau of Reclamation to initiate regional salt source study in the West Valley matching
 - Developed and Updated Matrix of Coordinated Programs which lists all salt related efforts by the Waterboards, DWR and outside entities
 - Partnered with Water Education Foundation, industry and academic groups to submit grant applications for approximately \$400,000 for award in 2010.
 - Coordinated with the State Board on the Hoffman Report on Salt Tolerance
 - Developed review criteria for salt and nitrate Best Management Practices
 - Outreach to major water and water related agencies and groups, local land use and others with scoping questions for region-wide issues

2010-2011 Activities

The following describes the work that will be completed as part of the Salinity and Nitrate Objective and Beneficial Use Study and other efforts during 2010:

1. Refine the Scope of Work for Phase 2 Beneficial Use and Objective Study based on the results and findings of the Source Pilot Implementation Study and the Phase 1 Beneficial Use and Objective study. In this phase, from known data the beneficial uses will be evaluated to determine if uses should be modified, revised or established, and with existing data proposed water quality objectives for salinity and nitrate will be drafted. They will be finalized and procured by competitive process RFQ or RFP scheduled for June or July. This project is funded with \$989,000 from the State Board CAA First Year Funds and will be fully funded with member contributions and in-kind contributions. This work will be completed in approximately 10 months.
2. Based on the Phase 2 data and the characteristics the final product will be developed a decision matrix protocol and process that can be used as a model to establish beneficial uses and preliminary objectives in the other areas throughout the Central Valley.
3. The next steps also include expanding membership and contributions and to secure anchor funding and partnerships for the intensive data collection required to review for antidegradation analysis.

Year Two - 2010 Funding Request

Collaborative Surface and Groundwater Data Collection/Analysis Project - Funding Year 2

The following describes the work to be done as part of the Collaborative Surface and Groundwater Data Collection Project which will be completed in partnership with CVSC and regional partners:

1. Establish a project work plan in accordance with program work plan outline.
2. Develop standardized methods for aggregation and collection of salinity and nitrate water quality and related data in surface and groundwater, expanding these standards across the Central Valley to fill all data gaps,
3. Aggregate all data from the region and analyze and evaluate, perform analysis to update beneficial uses if necessary and establish numeric salinity and nitrate objectives for protection of waterbodies of the region.
4. Using the decision matrix protocol and process developed in the prior project establish proposed objectives based on the new data for implementation planning.

Deliverable – Interim and final report and data attachments supporting establishment of proposed objectives for surface and groundwater for all areas in the Central Valley Region.

Project Timeline: 18-24 months

Total Cost of Project Estimated Between: \$3,000,000 to \$5,000,000
Requested Funding Year 2 amount from CAA Fund: \$2,000,000

Forecast of Funding for 2011

Limit Implementation Planning and Analysis Project - Funding Year 3

The following describes the work to be done as part of the Limit Implementation Planning and Analysis Project:

1. Establish a project work plan in accordance with program work plan outline.
2. Based on the proposed objectives, establish limits for all activities and discharges to attain long term salt balance sustainability for the region,
3. Develop implementation projects, programs and regulations and schedule with stakeholders to achieve all objectives in a timely manner
4. Evaluate implementation alternatives to be able to complete any environmental documentation required.

Deliverable - final report and data attachments documenting the project, program and limits that will be implemented to meet objectives and protect beneficial uses and the alternatives and schedule to comply with process and environmental review documents.

Project Timeline: 18-24 months

Total Cost of Project Estimated Between: \$3,000,000 to \$5,000,000

Requested Funding Year 3 amount from CAA Fund: \$1,800,000

POLICY ISSUE

Should the State Water Board:

1. Approve of \$ 2.0 million, from the CAA to the Central Valley Water Board to conduct work in support of the development of a salinity and nutrient management plan?
2. Approve of \$1.8 million for year 3, from the CAA to the Central Valley Water Board to conduct work in support of the development of a salinity and nutrient management plan provided funding is available from that account?

FISCAL IMPACT

As of **-date-**, the latest data available, the uncommitted CAA balance is estimated to be no less than **\$-----**.

REGIONAL WATER BOARD IMPACT

Yes, the Central Valley Regional Water Quality Control Board.

STAFF RECOMMENDATION

That the State Water Board approve \$ 2 million for year 2 and \$1.8 million in year 3 from the CAA to the Central Valley Regional Water Quality Control Board in support of project for the development of a salinity and nutrient management plan.

Policy Review _____

Fiscal Review _____

Legal Review _____

Exec Review _____