

STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING - DIVISION OF FINANCIAL ASSISTANCE
June 16, 2005

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION ADOPTING GUIDELINES FOR THE PROPOSITION 50 DAIRY WATER QUALITY GRANT PROGRAM ([DWQGP](#))

DISCUSSION

The State Water Resources Control Board (State Water Board) was appropriated \$5 million from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) for the DWQGP. The purpose of the DWQGP is to provide funding to eligible applicants for projects that reduce threats to, or impairment of, surface or ground waters from dairy operations. Adoption of Guidelines is required to implement the Proposition 50 program.

Staff consulted with the California Department of Food and Agriculture and also convened a multi-agency scoping team to assist with development of the Guidelines. Staff solicited stakeholder input by conducting two public workshops following the release of the draft Guidelines.

In California there are more than 2200 dairies. Regulatory programs are being updated or developed at the Regional Water Quality Control Boards (Regional Water Boards) to address discharges from dairy operations. Financial assistance to the dairy community can work in tandem with the regulatory programs to enhance compliance and ease the economic burden of implementing the new programs.

The Guidelines propose a competitive funding process with grant caps and matches for projects. Public agencies, non-profit organizations, and dairy operators are eligible for the funding. In order to encourage regional or multi-dairy projects proposed by a public agency or a nonprofit organization, the maximum project amount for regional or multi-dairy projects is \$3 million and the minimum amount for all proposed grant projects is \$250,000. Projects at individual dairies can be funded to a maximum of \$500,000. The proposed match required for projects is 30 percent of the total project cost, unless the applicant is a disadvantaged community, in which case the match requirement will be waived.

The Guidelines contain proposed ranking criteria for the projects. The criteria reflect preferences identified in the bond acts, implementing statutes, and State Water Board, Regional Water Boards, and multi-agency scoping team priorities.

POLICY ISSUE

1. Should the State Water Board adopt the proposed DWQGP Guidelines at its June 16, 2005, meeting?
2. Should the State Water Board place a maximum grant amount of \$500,000 on projects at individual dairies and a maximum amount of \$3 million on regional and multi-dairy projects, and place a minimum grant amount of \$250,000 on all projects?
3. Should the State Water Board Require a 30 percent fund match on all projects except those submitted by a disadvantaged community?

FISCAL IMPACT

The Proposition 50 funds for dairy water quality projects have been appropriated to the State Water Board. The Governor's proposed FY 05-06 budget includes one position to administer the program.

REGIONAL WATER BOARD IMPACT

Yes, all Regional Water Boards.

STAFF RECOMMENDATION

That the State Water Board:

1. Adopts the proposed DWQGP Guidelines;
2. Place a maximum grant amount of \$500,000 on projects at individual dairies and a maximum amount of \$3 million on regional and multi-dairy projects, and place a minimum grant amount of \$250,000 on all projects.
3. Require a 30 percent fund match on all projects except those submitted by a disadvantaged community.

DRAFT

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION No. 2005 –**

**ADOPTION OF GUIDELINES FOR THE PROPOSITION 50
DAIRY WATER QUALITY GRANT PROGRAM (DWQGP)**

WHEREAS:

1. The State Water Resources Control Board (State Water Board) is authorized to administer \$5 million in bond funds from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50) for the DWQGP;
2. Funding is needed to reduce threats to, and impairments of, surface and ground waters from dairy operations;
3. The State Water Board has consulted with the California Department of Food and Agriculture and held public workshops in development of the DWQGP Guidelines; and
4. The draft Guidelines have been distributed for public comment, and the comments have been taken into consideration.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Hereby adopts the proposed DWQGP Guidelines;
2. Places a maximum grant amount of \$500,000 on projects at individual dairies and a maximum amount of \$3 million on regional and multi-dairy projects, and places a minimum grant amount of \$250,000 on all projects; and
3. Requires a 30 percent fund match on all projects except those submitted by a disadvantaged community.

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 Resources Control Board held on June 16, 2005.

Debbie Irvin
Clerk to the Board