

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

**STAFF REPORT FOR REGULAR MEETING OF SEPTEMBER 10, 2004**

Prepared on August 18, 2004

**ITEM NUMBER: 25**

**SUBJECT: Guadalupe Settlement Fund: Funding for Farm Water Quality Courses and the Irrigated Agriculture Cooperative Monitoring Program**

**SUMMARY**

Staff proposes allocating approximately \$525,000\* of Guadalupe Settlement Funds to:

- 1) Augment Farm Water Quality Planning Short Courses through the University of California Cooperative Extension (UCCE) (\$50,000\*); and
- 2) Assist the Agricultural Committee in setting up the Cooperative Monitoring Program established under the newly adopted Conditional Waiver for Irrigated Lands (\$475,000\*).

Funds allocated to UCCE would provide for 15 short courses over a two-year period, resulting in education of approximately 600 growers in the watersheds in proximity to the Guadalupe Oil Field.

Funds allocated to the Agricultural Committee would assist the committee in establishing the region-wide Cooperative Monitoring Program, by supporting development of a quality assurance project plan and by supporting the first year of monitoring at thirteen sites in the greater Santa Maria River watershed. Additional funds will be requested from the PG&E Moss Landing Settlement Monitoring Fund to serve as leveraged funding and initiate similar monitoring at twelve sites in the lower Salinas River area.

**DISCUSSION**

**Farm Water Quality Education**

The recently adopted *Conditional Waiver of Waste Discharge Requirements for Discharges from Irrigated Lands* (Conditional Waiver)

requires all irrigated operations to complete 15 hours of water quality education and develop farm water quality plans. One of the most effective ways for farmers to complete these requirements is by attending University of California Cooperative Extension's (UCCE) Farm Water Quality Planning short course. These classes have been offered throughout the Central Coast for the past two years under a Federal Clean Water Act Section 319(h) grant; this grant has now been completed, and has educated over 500 growers in the Central Coast Region, to date.

During the 15-hour short course, growers learn about the hydrologic cycle, regulatory requirements, and management practices for irrigation management, nutrient management, pesticide management, and erosion control. During class participation a complete self-assessment and development of a plan is established for each specific farm, which identifies implementation strategies aimed at reducing polluted runoff. One condition of the waiver is the development of this farm plan.

Regional Board staff estimates that there are approximately 2500 farming operations in the Central Coast. UCCE estimates that it could serve an additional 1600 to 2000 farmers over the next two to three years by offering an additional 40 classes with about 50 growers in attendance per class. UCCE has received a Coastal Conservancy grant for approximately \$50,000 to offer the courses in the northern part of the region. UCCE intends to apply for an additional \$50,000 from the PG&E settlement funds to offer short courses in Salinas and Elkhorn Slough areas. The Guadalupe funds will allow UCCE to further

enhance coverage of the Central Coast Region by offering courses in southern San Luis Obispo and Santa Barbara counties. The Guadalupe funds would be leveraged by the Coastal Conservancy grant, PG&E Settlement Funds, and matching funds through nominal charges to attending farmers and would ensure that all Central Coast farmers have ample opportunity to complete their required education within the mandated three-year time period.

Several of the sessions will be offered in Spanish enabling Spanish speaking farmers to receive information and comply with the conditions of the waiver.

#### **Cooperative Monitoring Program**

Under the terms of the Conditional Waiver, all dischargers covered under the waiver must either conduct individual water quality monitoring or participate in the Cooperative Monitoring Program. Twenty-three Central Coast agricultural organizations have agreed to implement the Cooperative Monitoring Program. Settlement funds offer an opportunity for the Regional Board to assist Central Coast farmers in establishing a successful and cost effective monitoring program that will meet the legal requirement to evaluate the adequacy and effectiveness of the waiver program.

Under the tasks and timetable established by the Conditional Waiver, the Cooperative Monitoring Program will establish an Agricultural Committee by September 1, 2004. This committee will identify or establish a nonprofit organization to apply for grant funds to assist with monitoring. The Agricultural Committee will also establish two subcommittees, a Monitoring Subcommittee and a Cost Allocation Subcommittee. The Monitoring Subcommittee will ensure that a Quality Assurance Project Plan (QAPP) is developed as required by the Conditional Waiver and that monitoring is initiated at 25 of the required 50 sites in agricultural areas of the region by January 1, 2005. The QAPP will provide guidance ensuring reliable data collection and quality. The initial twenty-five monitoring sites are in two areas of concentrated agricultural activity that exhibit severe water quality impairment, the greater Santa Maria River (13 sites) and lower Salinas (12 sites) watersheds. Existing settlement funds in those areas offer the

Regional Board an opportunity to assist the agricultural industry in developing and implementing a complex monitoring program. Funds will support hiring staff, developing a QAPP, conducting sampling, and managing and evaluating data. Having an established non-profit organization and program in place will also allow the agricultural industry to leverage this proposed grant from the Regional Board's settlement funds and on-going management practice implementation by farmers, by applying for Agricultural Water Quality Grant Program funds available through Propositions 40 and 50 as well as other grant sources.

#### **Guadalupe Fund Blueprint Consistency**

In December 2003, the Regional Board approved the concept of targeting the Guadalupe Fund toward resolving non-point source-related discharges in the geographic area coincident with the source of the settlement funds (southern San Luis Obispo and northern Santa Barbara Counties). This was referred to as the Blueprint for expenditure of the Guadalupe Fund (Attachment 3).

Both of the proposals in this staff report are consistent with the goals and components of the Guadalupe Fund Blueprint. The Blueprint outlines projects in the targeted watersheds that address non-point source-related discharges. The Farm Water Quality Courses provide education and guidance in selecting appropriate Best Management Practices for implementation on individual farms, which corresponds to the conceptual implementation projects identified in the Blueprint. The proposed Cooperative Monitoring Program equates to conceptual water quality monitoring identified in the Blueprint for targeted watersheds and will ensure that data used by the program is compatible with the Surface Water Ambient Monitoring Program.

#### **Guadalupe Settlement Fund Criteria:**

In 1999, the Regional Board adopted a resolution identifying seven criteria to evaluate project funding requests for the Guadalupe Settlement Fund. Both proposals are evaluated using each of these seven criteria, as follows:

- **Direct Water Quality Nexus:** The Farm Water Quality Short Courses provide tools for growers to identify and implement projects that lead to direct

water quality improvements. The Cooperative Monitoring Program will provide monitoring data to assist Regional Board staff and other stakeholders in identifying areas of specific water quality problems and monitoring change associated with best management practice implementation for agricultural-related nonpoint source discharges;

- **Geographical Nexus:** The lower Santa Maria and Oso Flaco Watersheds are adjacent to the Guadalupe Oilfield and are the areas of focus for the portion of funding allocated through the Guadalupe Settlement Fund for both of the proposed projects;
- **Leveraging Value of Funds:** Guadalupe Settlement Funds will be leveraged against additional funding sources on both projects. The Coastal Conservancy grant will provide a match for the short courses. The PG&E Settlement Funds, matching funds from the growers, and additional funding sources will provide leverage funding to both projects;
- **Beneficial Use Protection:** Farm Water Quality Short Courses will assist farmers in selection of best management practices, which will result in reduction of pesticides, nitrates, and sediment, providing protection of beneficial uses of the receiving waters. The Cooperative Monitoring Program will help improve beneficial use protection by identifying locations with impaired water quality associated with nonpoint source discharges, allowing stakeholders to better target best management practices;
- **Petroleum Nexus:** Generally a petroleum nexus does not exist with this project. Many of the existing Guadalupe contracts did not meet this criteria either;
- **Region-wide Benefit:** Farm Water Quality Short Course funding will act as a missing piece to region-wide course offerings. Development of a QAPP and start up of the Conditional Waiver monitoring program will have great region-wide benefit from nonpoint source discharge reduction; and

- **Institutional Stability and Capacity of the Applicant to Complete the Project:** UCCE will be the recipient of the portion of funds to conduct Farm Water Quality Planning short courses. UCCE has already successfully conducted numerous short courses through 319(h) grants. The grantee for the Cooperative Monitoring Program will be the newly formed nonprofit organization, the Central Coast Agricultural Water Quality Coalition (the Coalition). The coalition is comprised of representatives from 23 agricultural groups throughout the region who have already demonstrated themselves as skilled grantees through work on other successful projects.

### RECOMMENDATION

Regional Board approval to allocate approximately \$525,000\* of Guadalupe Settlement Funds to fund the following projects:

- 1) UCCE to conduct Farm Water Quality Planning short courses throughout Southern San Luis Obispo and Santa Barbara Counties (\$50,000\*) and;
- 2) Agricultural Committee to initiate the Cooperative Monitoring Program and monitor 13 sites in the greater Santa Maria watershed for one year (\$475,000\*).

### ATTACHMENTS

1. UCCE 5 Year Work and Budget (to be included as part of a supplemental sheet for this item)
2. Agricultural Committee's Cooperative Monitoring Program Scope of Work and Budget (to be included as part of a supplemental sheet for this item)
3. Guadalupe Fund Blueprint

\*The current funding allocations are an estimate. Detailed budget will follow as part of a supplemental sheet to this item.