

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

STAFF REPORT FOR REGULAR MEETING OF MARCH 24-25, 2005

Prepared on March 4, 2005

ITEM NUMBER: 26

SUBJECT: Moss Landing Power Plant Backflushing Settlement, Monterey County,  
Supplemental Environmental Projects, Request for Funding

SUMMARY

On July 11, 2003, the Central Coast Regional Water Quality Control Board (Regional Board) approved criteria for evaluating supplemental environmental projects to be funded by Pacific Gas and Electric Company (PG&E) through a court settlement agreement. The purpose of these funds is primarily to improve water quality via projects that reduce pollution from agricultural sources and to monitor the effectiveness of these projects. Both the Board-approved criteria and the criteria contained in the consent judgment were used to rank proposals and allocate funds to individual projects. The approved criteria included a provision for Board review of awards greater than \$50,000.

The purpose of this item is to obtain Board approval for four projects, each of which is over \$50,000, for this round of project submittals.

DISCUSSION

Background

The Regional Board and PG&E agreed to settle a dispute regarding alleged violations of the National Pollutant Discharge System Permits (NPDES permits) that were held by PG&E from 1974 through 1998 for the company's operation of the Moss Landing Power Plant in Monterey County. The alleged violations supported assessment of civil liability pursuant to Water Code Section 13385.

PG&E and the Regional Board agreed to settle the alleged violations via a consent judgment,

which requires PG&E to provide \$5,000,000 for the following Supplemental Environmental Projects:

- a) Payment of \$2,850,000 to establish a "Non-Point Source Projects Fund" through the Community Foundation for Monterey County. A portion of the funds is used to administer the funding program.
- b) Payment of \$950,000 to establish a "Nonpoint Source Monitoring Fund" with the Community Foundation for Monterey County.
- c) Payment of \$950,000 to establish a Fund with the Community Foundation for Monterey County to supplement the Central Coast Ambient Monitoring Program's (CCAMP) activities in Monterey Bay and associated watersheds; and
- d) Payment of \$250,000 to fund Regional Board staff oversight costs.

The Regional Board approved criteria for allocation of these funds on July 11, 2003 (Attachment 1).

Funding Cycle

The first grants were approved by the Regional Board on December 2, 2004. Beginning in 2005, there will be two funding cycles per year until approximately 2007 or until the funds have been allocated. Funds were invested in bonds such that a portion is released every six months. For this current funding cycle, there are four proposed projects with budgets that exceed \$50,000. Projects with budgets exceeding \$50,000 require

Regional Board approval. . The Scope of Work (SOW) and budgets for these proposals can be found in Attachments two through five.

These projects represent a variety of activities, such as water quality monitoring, project implementation and education and outreach activities. The ratio of implementation versus education and outreach is an important factor to consider. This ratio is not specified in the criteria for how these funds are to be used. However, Regional Board staff think that directing approximately 30% of the "Non-Point Source Project Funds" toward education and outreach will be necessary to ensure successful implementation of projects over the long-term. Successful implementation of on-the-ground changes, such as management practices, is a complex, intensive, long-term effort that requires an understanding of socio-economic issues and the many variables that growers must deal with. We are literally affecting economic and cultural change; education and outreach is therefore a key component in our overall effort.

These proposed projects, and all projects proposed for funding via this settlement, will be linked together as part of a larger effort to affect real change in the Moss Landing area. For example, the education and outreach activities grant summarized below will directly link with the Resource Conservation District (RCD) technical assistance grant approved in December. Growers who attend education and outreach events will be referred to the RCD (or other appropriate technical assistance agencies), with follow up to ensure referrals lead to technical assistance. Overall, the bulk of the "Non-Point Source Projects Fund" (approximately 70%) will be spent on implementation.

### **Summary of Recommended Grants**

#### **Project Grants**

1. The Community Alliance for Family Farms (CAFF) is requesting \$200,000 from the Projects fund for on-site implementation of vegetated waterways. Attachment two provides the scope of work and budget.

During this three-year project, CAFF and the Central Coast Ag Water Quality Coalition will

install and promote 10 vegetated waterways in the Elkhorn Slough watershed. The project's measurable results will be to: 1) improve the quality of water running off the sites and protect the local hydrologic system; 2) educate growers and others in the watershed about the benefits of these practices and how to install and maintain them; and 3) increase the total number of plantings in the watershed in order to obtain cumulative effects of pollutant reduction.

Staff and other reviewers scored this project very high. Vegetated waterways and engineered wetlands are known to be effective at reducing nutrients and pesticides, and vegetated banks prevent erosion.

2. The Agriculture and Land-Based Training Association (ALBA) is requesting \$320,000 from the Projects fund for outreach and education. Attachment three provides the scope of work and budget.

During this three-year project, ALBA and the Central Coast Ag Water Quality Coalition will provide outreach and education to English and Spanish speaking farmers in the lower Salinas and Elkhorn Slough watersheds. Measurable results include, but are not limited to: 1) Produce 1,000 English language and 500 Spanish language problem/solution oriented directories for growers. These directories are a catalogue of practices currently available that reduce water quality pollution. 2) Create and maintain five Watershed Working Groups, including one that is Spanish speaking. This entails assisting farmers with completion of Farm Water Quality Plans, providing water quality education and promoting the implementation of water quality practices. 3) Conduct a minimum of eight educational events that teach practical, in-field methods for pollution reduction. A minimum of 600 growers will be notified before these events. 4) Directly refer at least 60 farmers to technical assistance groups implementing water quality protection practices. 5) Assist another 40 growers with planning and implementing water quality protection practices.

Staff and other reviewers scored this project very high. One purpose of the PG&E funds is to provide dollars to implement the Monterey Bay Sanctuary's plan for Agriculture, as reflected in Regional Board approved criteria five through eight (see Attachment 1 for criteria). This proposal will support the key element of the Sanctuary's plan for Agriculture; the formation of watershed working groups. It also provides education and outreach dollars to Spanish speaking growers to help them complete Farm Water Quality Plans and bridge the language barrier to implementation management practices.

3. The Coastal Watershed Council (CWC) is requesting \$180,417 from the Projects fund to train growers and technical assistance staff in the collection of high quality, water quality monitoring techniques. Education and materials will be offered in both English and Spanish. Attachment four provides the scope of work and budgets.

During the two and a half year project, CWC staff will provide training, tools, and on-site assistance to help farm operators conduct individual water quality monitoring. This is an element of the Farm Water Quality Plans included in the course taught by the University of California Cooperative Extension. Measurable results include: 1) Quality Assurance/Quality Control documents and procedures designed specifically for grower self assessment. 2) Data will be reported from 20 farms, although training will occur for up to 80 growers in English and Spanish.

Staff and other reviewers scored this project high. Almost all water quality monitoring at this point is for assessing watershed conditions. Regional Board staff have found growers often times do not believe that water coming from their individual farms is the cause of water quality impairment. Also, researchers and technical assistance personnel say it is difficult for growers to know if the practices they implement are effective without having water quality data directly tied to the property. Regular water quality monitoring performed by researchers or other knowledgeable personnel

is often too expensive for growers. By training growers in simple, yet scientifically defensible techniques for water quality monitoring, they can understand how their farm might be contributing to pollution. Farmers get quick turn around time with their data, which better enables them to evaluate how their pollution prevention practices are performing. Though the number of growers that receive training is limited, the documents and procedures will be developed with technical assistance staff able to train growers after the grant is finished.

4. The Elkhorn Slough Foundation is requesting \$170,200 from the Monitoring fund to perform water quality sampling and data analysis. Attachment five provides the scope of work and the budget.

During the two year period of this project, the overall goal is to continue, expand, and improve the Foundation's 15 year broad-scale water quality monitoring program. A portion of the funds will go to the University of California at Santa Cruz to support development of statistical approaches to detect long-term trends, assess pollution abatement strategies, and inform design of future programs. Measurable results include: 1) Analysis of the previous 15 years worth of data at 20 sites within the Elkhorn slough and lower Salinas. 2) Improved statistical and GIS analysis of agricultural management practices. 3) Continued monitoring of previous sites in coordination with Central Coast Ambient Monitoring Program (CCAMP) and the Ag Waiver monitoring.

Staff and reviewers scored this project very high. This project offers the unique opportunity to establish water quality trends from the past 15 years of well-established, long-term sampling. In addition, several researchers within the project area have noted there is a need to have a statistician check our current data analysis techniques. This project provides that opportunity.

**RECOMMENDATION**

Staff recommends that the Regional Board approve these four proposed projects.

**ATTACHMENTS**

1. PG&E fund criteria
2. Scope of Work and Budget for the Community Alliance for Family Farms
3. Scope of Work and Budget for the Agriculture and Land-Based Training Association
4. Scope of Work and Budget for the Coastal Watershed Council
5. Scope of Work and Budget for the Elkhorn Slough Foundation

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