

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

RESOLUTION NO. R3-2009-0048

ALLOCATION OF GUADALUPE SETTLEMENT FUNDS

The California Regional Water Quality Control Board, Central Coast Region (hereafter "Water Board"), finds that:

Wild Cherry Canyon Preservation Project

1. The Water Board's vision for the Central Coast is "Healthy Watersheds," and the Board supports outstanding watershed and coastal region conservation efforts.
2. The American Land Conservancy is pursuing the acquisition and preservation of the 2,400 acre "Wild Cherry Canyon" property, located in the Irish Hills near Avila Beach. This project proposes to purchase the existing 199-year lease that controls all use of the property, including all development, for \$24 million. This is an outstanding large-scale, coastal watershed conservation opportunity of regional significance. The Irish Hills are recognized as one of California's premier conservation areas by The Nature Conservancy, The David and Lucile Packard Foundation, the San Luis Obispo County Land Conservancy, and the American Land Conservancy.
3. This project meets the requirements of the Guadalupe Water Quality fund because it is a very large scale water quality project that will protect multiple coastal watersheds and miles of riparian habitat. Also, the watersheds drain to Avila Bay, which is a 303(d) listed water body requiring protection. The larger coastal bight in this area is called San Luis Obispo Bay, which is the receiving water for drainage from both Wild Cherry Canyon and the Guadalupe Oil Field.

Watershed Protection Projects

4. The consequences of urban development are among the most significant water quality issues facing the Central Coast over the next several decades. To address this issue, the Central Coast Water Board is implementing a progressive, stepwise process to achieve healthy watersheds. The steps in this process include: basic permit requirements; Low Impact Development requirements; hydromodification requirements; and requirements for planning and design for healthy watersheds. This final step in this process requires municipalities and entities that possess principle land use authority, to plan and coordinate with other entities in their watershed and to establish watershed protection measures such that future growth co-exists with healthy watersheds over the long term. Staff is planning to develop recommendations for the final planning and design step following four major phases: Problem Definition; Identification of Gaps in Current Approach; Tool Identification and Analysis (new or adjustments to existing policies and regulations); and Tool Selection for any land uses that affect water quality.
5. In the coming fiscal year (2009-2010), Water Board staff will begin evaluating approaches and options to adjust our requirements and policies to attain the goals of

healthy watersheds. Water Board staff will need support from outside experts, consultants, and practitioners. Staff has determined an immediate need for such outside assistance in completing the phases for the planning and design step in addressing land development impacts on watersheds as described in 4, above. The Water Board will determine success based on the implementation of requirements for watershed-scale land development planning and indicators of improved watershed conditions. As Water Board staff pursues other watershed projects, staff anticipates a similar need for consulting services.

6. The process for proceeding is flexible, and the Executive Officer will determine how to provide the services in the most effective manner and will make any necessary adjustments. The Executive Officer will provide regular progress reports to the Water Board, including recommendations to reallocate the funds to other projects if necessary due to nonperformance.

Guadalupe Fund

7. The Central Coast Water Board is responsible for allocating the \$15 million Water Quality Fund established by a 1998 settlement with Unocal and others regarding illegal discharges at the Guadalupe Oil Field. Unocal is still responsible for oilfield cleanup and restoration of any resources directly affected by the spills and leaks, so the settlement funds are not used for that purpose. The Water Board selected the first round of Guadalupe projects in 1999 through a general Request for Proposals. In 2003, the Water Board added "regional benefit" and "leveraging" to its list of considerations when allocating funding from the Guadalupe Water Quality Fund. Since 1998, the Water Board has allocated all but approximately \$2 million of the original \$15 million settlement fund and earned interest.

THEREFORE, the Water Board hereby resolves that:

Wild Cherry Canyon

1. The Executive Officer shall transfer \$950,000 to the American Land Conservancy for the acquisition and preservation of the 2,400-acre "Wild Cherry Canyon" property, located in the Irish Hills near Avila Beach. The \$950,000 will go toward the \$24 million purchase of the existing 199-year lease that controls all use of the property, including all development. This transfer of \$950,000 is conditional upon the Executive Officer's determination that the grantees have obtained all other funds necessary to complete the purchase of the lease by June 30, 2010, and that the grantees meet all contract requirements and implement conditions that prevent degradation of the natural values and ecological functions of the property, restrict road development, and prohibit recreational off-road vehicle use. If the American Land Conservancy does not obtain all other funds necessary to complete the purchase of the lease by June 30, 2010, the \$950,000 will remain in the Guadalupe Settlement Fund for future use.

Watershed Protection Projects

2. The Executive Officer may make available the balance of the Guadalupe settlement fund for high priority watershed protection projects, after accounting for the \$950,000 that

shall remain dedicated to the Wild Cherry Canyon Preservation Project, until June 30, 2010. After June 30, 2010 the remaining balance of settlement funds shall be available for high priority watershed protection projects.

3. The funds available for high priority watershed protection projects shall be used to secure services to support and facilitate the implementation of watershed-scale land development planning and whole watershed protection throughout the Central Coast Region. The Executive Officer will determine the most effective methods for securing the services and will provide regular progress reports to the Water Board.

I, Roger W. Briggs, Executive Officer of the California Regional Water Quality Control Board, Central Coast Region, do hereby certify the foregoing is a full, true, and correct copy of a Resolution adopted by the California Regional Water Quality Control Board, Central Coast Region, on July 10, 2009.

Executive Officer

Date