

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

**STAFF REPORT FOR REGULAR MEETING OF March 17&18, 2016**  
Prepared March 8, 2016

**ITEM NUMBER:** 13

**SUBJECT:** Budget and Priorities

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**SUMMARY**

This item continues the information sharing and discussion with the Central Coast Water Board regarding the organization's budget and priorities. The intent of this item is to clarify and provide appropriate opportunities for the Board Members to provide input on current budget and priorities, and to contribute to acquisition and distribution of new resources.

NOTE: Attachments to this staff report will be distributed prior to the Board meeting.

**DISCUSSION**

The Central Coast Water Board is currently experiencing an expanding budget (more positions) and facing increasing complex and integrated water quality and resources challenges.

Examples of those challenges and opportunities include:

- Increased stakeholder engagement to tackle these issues collaboratively, including working with environmental justice advocates and disadvantaged communities,
- Climate change and drought impacts leading to more projects needing permits, such as groundwater replenishment, desalination, and recycled water,
- Widespread groundwater pollution from agricultural fertilizer applications, on-site wastewater treatment systems, and oilfield waste discharges,
- Increased number of facilities enrolled under the new General Permit for Storm Water Discharges from Industrial Activities, and
- New nonpoint sources of pollution such as cannabis cultivation.

This makes it important to review and confirm, or modify, priorities and resource distribution.

Regional Water Quality Control Boards' (Regional Water Boards') Chairs, in coordination with State Water Resources Control Board (State Water Board) Members, have initiated a collaborative process to evaluate and recommend changes to resource distribution amongst the Regional Water Boards, and to provide input and influence on the budget process for acquiring new resources.

This staff report provides a brief review of the current budget and priorities, the status and content of the collaborative process in which the Board Chairs are currently engaged, and additional information for the Central Coast Water Board to consider to provide input on current budget and priorities, and to contribute to acquisition and distribution of new resources.

## Background

The Central Coast Water Board's current and recent past budget and priorities are based on the vision of *Healthy Watersheds* and measurable goals of healthy aquatic habitat, properly managed land to protect watershed functions, and clean groundwater. For more information and background on the vision, please see the Staff Report from Water Board Meeting Agenda Item 3, June 4, 2008 at:

[http://www.waterboards.ca.gov/centralcoast/board\\_info/agendas/2008/jun/item3/item3\\_vision\\_staff\\_rpt\\_6\\_08.pdf](http://www.waterboards.ca.gov/centralcoast/board_info/agendas/2008/jun/item3/item3_vision_staff_rpt_6_08.pdf).

Additionally, decisions and implementation of Central Coast Water Board programs and policies, and adjustments to projects and strategies, are based on the following priorities/projects that Central Coast Water Board staff asserts will ensure progress towards achieving the vision and measurable goals:

- Preventing and Correcting Threats to Human Health
- Preventing and Correcting Degradation of Aquatic Habitat
- Preventing Degradation of Hydrologic Processes
- Preventing/Reversing Seawater Intrusion
- Preventing Further Degradation of Groundwater Basins from Salts

During discussion at the January 12, 2016 Board Meeting, Board Members suggested revising the priority statements to reflect the desired outcomes, such as "protect and promote human health (aquatic habitat, reversal of seawater intrusion, etc)" instead of "prevent threats to human health or "prevent degradation of aquatic habitat."

For more information on the priorities, please see Attachment #1 to the Staff Report from Water Board Meeting Agenda Item 18, July 14, 2012 at:

[http://www.waterboards.ca.gov/centralcoast/board\\_info/agendas/2011/July/Item\\_18/index.shtml](http://www.waterboards.ca.gov/centralcoast/board_info/agendas/2011/July/Item_18/index.shtml)

Currently, resources are being spent as shown in Attachment 1. The total number of positions we are funded for in fiscal year 2015-2016 is 65.2, as compared to 73.0 positions in 2008.

New resources acquired since 2008 have been tied or targeted to new programs (such as the 2.8 positions for the Irrigated Lands Regulatory Program and the one position augmentation for the Clean Water Act, section 401, Water Quality Certification Program). Central Coast Water Board has used as much flexibility in resource alignment as possible to supplement programs like irrigated agriculture or stormwater regulatory programs, as regionally needed per water quality priorities. In general, most of the resources are dedicated to the programs addressing the highest priority water quality problems, e.g. irrigated agriculture regulatory program. Additionally, staff within each program prioritizes their tasks to focus most on the highest priorities. For example:

- inspections and collaboration with growers operating where groundwater and/or surface water quality is most impaired,
- stormwater permit requirements for low impact development that improve watershed processes and habitat,
- increasing grant funds to improve or protect wetlands and riparian habitat,
- permitting projects proposed because of the drought emergency.

Recently, as new positions and budget have been approved related to newer water quality challenges, Central Coast Water Board has further realigned resources. Specifically, the latest changes include:

- Creating the Active Oilfield Unit with a new senior engineer and three new geologist positions,
- Recruiting a Senior Environmental Scientist (Specialist) to take on a lead role for water quality and habitat assessment, stakeholder involvement and recommending strategies to protect and improve water quality and habitat related to recycled water projects, cannabis cultivation, other key implementation actions established by approved Total Maximum Daily Loads (e.g., targeting grant funds to wood chip bioreactor nitrification systems to treat agricultural runoff in sensitive wetland and riparian areas),
- Increased inspection and enforcement of violations of Clean Water Act section 401 Water Quality Certification conditions where sensitive habitat and water quality are negatively impacted,
- Shifting stormwater regulation and management to increase implementation of low impact development, improved stormwater capture and treatment through distributed retention and infiltration features, and provide effective tools for municipalities to prioritize and evaluate type, location and effectiveness of best management practices based on assessing potential and actual pollution load reduction,
- Securing an additional scientific aide position to augment administrative tasks, predominately data entry and database management associated with tracking permits and compliance, groundwater cleanup cases and enforcement actios.

Consequently, Program Managers have only assign staff to conduct the highest priority and most impactful projects and tasks, e.g., most likely to improve the worst water quality problems, protect the highest value resources so they maintain a healthy condition, or deter or prevent further pollution or beneficial use degradation. For example:

- Irrigated Lands Regulatory Program- Staff is unable to address all the areas identified to have nitrate pollution in drinking water wells, including many in disadvantaged communities (schools, labor camps, small communities, etc.).
- Water Quality Certifications- Staff only thoroughly reviews and oversees the highest priority 401 Water Quality Certifications (such as large projects with long lengths of riparian impact or multiple acres of wetland and aquatic habitat encroachment like the Salinas River Maintenance Project). Adequate oversight includes tracking compliance with project and mitigation implementation through inspections and report reviews for these few projects. Lower priority projects receive minimal review and limited oversight.
- Stormwater Program: Stormwater staff provides minimal oversight of permittees in each of the primary NPDES permits: Municipal, Industrial, and Construction, and staff must balance oversight tasks between all three of these permits. Staff resources constrain capacity for oversight of non-traditional Municipal Separate Storm Sewer Systems, adequate compliance assistance on permittees' implementation of Post-Construction Requirements, and adequate oversight of a most industrial facilities and construction sites.

### **Future Considerations of Budget and Priorities**

At the January 16, 2016 Board Meeting, Board Members requested additional visibility on the organizations priorities, programs and resources. Attachments 2, 3, and 4 present a look at Central Coast Water Board priorities by program, priorities by resources and priorities related to resource needs.[NOTE: Attachments will be posted in a supplemental to this staff report before

the Board meeting.] This highlights the programs and issues in the Central Coast Region on which staff has focused their work and requests for additional resources. Approval of additional resources for Fiscal Year 2016 -2017 have already been made and the State Water Board, in conjunction with the Chairs and Executive Officers, is determining how to distribute those resources to the Regional Water Boards. The Central Coast Water Board may receive 2-5 additional staff positions for regulating cannabis cultivation facility discharges and groundwater site cleanup.

On January 25 & 26, 2016, the State and Regional Water Boards Management Coordinating Committee (Executive Officers and Managers) met and discussed future budgets and priorities, focusing on additional resource needs aligned with highest priority issues and programs throughout the State. The purpose of the discussion was get preliminary agreement on the priority needs for which the State Water Board will pursue requests for additional resources for the Fiscal Year 2017-2018 and identify steps and actions needed to prepare the requests.

The key outcomes and decisions from that meeting included preliminary agreement on the priority requests for additional resources and recording the agreements and suggested next steps for input and consideration at a meeting scheduled for February 1, 2016, with all the Board Chair's and their Executive Officers.

At the meeting on February 1, 2016, the Chairs, with their Executive Officers, discussed the following:

- Review of State Budget timelines (see Attachment 5)
- Overview of Governor's 2016-17 budget proposal (see Attachment 6)
- Review of current budgeting approach (see Attachments 7 and 8)
- Performance measures and their influence on Regional/State Board budgets
- Discussion of 2017-18 budget priorities
- Approaches for combining efforts to address statewide or multiregional priorities
- Discussion and next steps

The key outcomes and decisions from that meeting included agreement on priority requests for additional resources to increase staff in key programs and to develop key policies to address the highest priority water quality and beneficial use protections needed in the State.

The Chairs and Executive Officers will be meeting again to refine priorities and determine steps to take to prepare recommendations for additional resources. The State and Regional Water Boards will collaborate and implement the established and typical procedures and schedule for providing input to the State budget process.

Central Coast Water Board staff recommends that the Central Coast Water Board provide input through direction in the following ways/forums:

- The budget and priorities agenda items/discussions during at least two Central Coast Water Board meetings-
  - October 2016, to review performance and progress to adjust priorities, programs, projects as appropriate based on the review
  - January 2017, to review priorities and plan for the following Fiscal Year 2018-2019
- October 2017 Coordinating meetings and workshops to prepare for the next budget process that includes all the Regional Water Board and State Water Board Chairs and Executive Officers.

**Conclusion**

The Central Coast Water Board continues to adapt its priorities, projects and resource distributions as water quality and socio/economic conditions in the region and the state of California demand. This requires the organization to be both nimble and adaptive to respond to changes, while at the same time, maintain clear priorities, acknowledge limits of existing resources, and continuously evaluate alignment with priorities and effectiveness of programs and projects to achieve the vision and measurable goals. The Central Coast Water Board has effectively managed its budget and realigned its resources for the past ten years to make progress towards Healthy Watersheds indicated by clean groundwater, healthy aquatic habitat and properly managed land. The Central Coast Water Board plans to continue on this path in 2016-2017.

**ATTACHMENTS**

Attachment 1- Resources by Program

Attachment 2- Priorities by Program

Attachment 3- Priorities by Resources

Attachment 4 - Priorities by Resource Needs

Attachment 5- Review of State Budget Timelines

Attachment 6- Overview of Governor's 2016-17 Budget Proposal

Attachment 7- Review Of Current Budgeting Approach 1

Attachment 8- Review of current budgeting approach 2