

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

STAFF REPORT FOR REGULAR MEETING OF JULY 11, 2003

Prepared on June 16, 2003

ITEM NO: 29

SUBJECT: Executive Officer's Report to the Board

Brief discussion of some items of interest to the Board follows. Upon request, staff can provide more detailed information about any particular item.

Watershed and Cleanup Branch Reports

**REGULATION SUMMARY OF
APRIL/MAY 2003**

[Corinne Huckaby 805/549-3504]

Orders

Reports of Waste Discharge Received	17
Requirements Pending	69
Inspections Made	53
Self-Monitoring Reports Reviewed (WB)	172
Self-Monitoring Reports Reviewed (CB)	11
Stormwater Reports Reviewed	10

Enforcement

Non-Compliance Letters Sent:	
NPDES Program	0
Non-Chapter 15 WDR Program	13
Chapter 15 Program	0
Unregulated	0
Stormwater	8
CAOs Issued	0
ACL Complaints	1

WATER QUALITY CERTIFICATIONS

[Corinne Huckaby 805/549-3504]

In general, staff recommends "Standard Certification" when the applicant proposes adequate mitigation. Measures included in the application must assure that beneficial uses will be protected, and water quality standards will be met.

Conditional Certification is appropriate when a project may adversely impact surface water quality. Conditions allow the project to proceed under an Army Corps permit, while upholding water quality standards.

Staff will recommend "No Action" when no discharge or adverse impacts are expected. Generally, a project must provide beneficial use and habitat enhancement for no action to be taken by the Regional Board. A chart on the following page lists applications received from April 12, 2003 to June 6, 2003.

WATER QUALITY CERTIFICATION APPLICATIONS RECEIVED FROM APRIL 12, 2003 THROUGH JUNE 6, 2003

County	Date Received	Applicant	Project Description	Receiving Water	Project Location	Comments
Monterey	May 12, 2003	City of Monterey	State Route 68/Ragsdale Drive Widening	Laguna Grande	Monterey	Pending
San Luis Obispo	April 14, 2003	City of San Luis Obispo	Main Street Drainage Enhancement	Santa Rosa Creek	Cambria	Pending
	April 18, 2003	City of San Luis Obispo	Coon Creek Culvert Replacement and Fish Passage Enhancement	Coon Creek	Montana De Oro	Pending
	April 30, 2003	Margarita Farms	Santa Margarita Ranch Development Project, Tract #1	Santa Margarita Creek	Santa Margarita	Pending
	April 30, 2003	City of San Luis Obispo	City of San Luis Obispo Water Reuse	San Luis Obispo Creek	San Luis Obispo	Pending
	May 2, 2003	Rite III, Inc.	Gateway Center North/Gateway Center South	Salinas River	Paso Robles	Pending
	May 5, 2003	Peoples' Self-Help Housing Corp.	Creekside Gardens Residential Development	Unnamed tributary to Salinas River	Paso Robles	Pending
	May 15, 2003	City of Paso de Robles	13th Street Bridge Widening and Adjacent Roadway Improvements	Salinas River	Paso Robles	Pending
Santa Barbara	April 17, 2003	City of Santa Barbara	Las Vegas Bridge Replacement and Creek Restoration	Las Vegas Creek	Santa Barbara	Pending
	April 24, 2003	Fairview Shopping Center LLC	Fairview Shopping Center Remodel and Expansion	Las Vegas Creek	Goleta	Pending
	April 25, 2003	Santa Barbara County PWD	Old Coast Highway Bridge Replacement	Nojoqui Creek	Between Gaviota and Buellton	Pending
	May 20, 2003	James Boyd	Boyd Seawall Repair	Pacific Ocean	Carpinteria	Pending
Santa Clara	April 17, 2003	Sal Akhter	Grading Permit for Sal Akhter	Sillet Creek	Gilroy	Pending
	May 9, 2003	Pete Knoedler	Regency Centers Princevalle Drainage Outfall	Princevalle Drainage (tributary to Millers Slough and Llagas Creek)	Gilroy	Pending
Santa Cruz	May 13, 2003	County of Santa Cruz PWD	China Grade Road, P.M. 1.85 - Storm Drain Repair		Boulder Creek	Pending
	May 14, 2003	Mount Hermon Assoc.	Mount Hermon Camps and Conference Center Master Plan Recreational Field	Two unnamed tributaries to Bear Creek	Mount Hermon	Pending
	May 14, 2003	County of Santa Cruz	Two Bar Road Culvert Repair Project	Two Bar Creek	Boulder Creek	Pending
	May 21, 2003	County of Santa Cruz Public Works Department	Amesti Road Groundwater Drawdown	Corralitos Creek	Corralitos	Pending

WATERSHED BRANCH REPORTS

Status Reports

City of Guadalupe Wastewater Treatment Plant Improvement Project [Todd Stanley 805/542-4769]

Summary

The City of Guadalupe (City) Wastewater Treatment Plant Improvement project is two years behind schedule and potentially threatened by a significant City budget deficit. Regional Board staff remains concerned about the City's ability to complete the proposed project, due to uncertainty about their institutional and fiscal stability, and the absence of city-engineering oversight for this project. Staff is considering suspending the grant contract until the City provides reasonable assurances of their institutional stability and engineering oversight capability.

Background

On July 20, 1998, the Regional Board and fellow plaintiffs, California Department of Fish and Game, Department of Toxic Substances Control, and California State Coastal Conservancy, entered into a Settlement Agreement and Judgment with Unocal concerning diluent spills in Unocal's Guadalupe Oil Field. The parties agreed to settle for the State's monetary claims of \$43.8 million. Of that total, \$15.7 million was dedicated to water quality projects to be selected by the Regional Board.

The settlement agreement established a trust, *Guadalupe Oil Field Settlement Water Quality Project Trust*, with the National Fish and Wildlife Foundation. The initial deposit to the trust (\$15,653,972) was made on September 30, 1998. Settlement money is held in an interest-bearing account administered by the National Fish and Wildlife Foundation.

On May 20, 1999, the Regional Board adopted Resolution No. 99-02, funding ten projects with monetary grant awards from the trust. Among these projects was the City of

Guadalupe's proposal to upgrade its wastewater treatment facility with improvements to biosolids handling, elimination of leakage from the existing aeration ponds, and the upgrade of spray field irrigation components.

The Guadalupe Oil Field Settlement Water Quality Trust Grant Contract No. 98-289-2 (Contract) was completed and signed January 2000, while John L. Wallace & Associates (JLWA), the City's consultant on the project, prepared preliminary plans and engineering analysis.

On June 26, 2000, the Guadalupe City Council approved of proceeding with a detailed feasibility study of JLWA's proposal to convert the City's existing wastewater treatment facility (based on conventional aerated ponds) to an Advanced Integrated Pond System (AIPS).

By memorandum dated August 7, 2000, JLWA notified Regional Board staff of their recommendation for the AIPS conversion. The recommendation was based on JLWA's determination of technical and financial benefits for the City, including the project's completion within the budget of the Contract (\$1.3 million). The memorandum also requested the revision of the Contract's Scope of Work to accommodate the AIPS conversion project's planning and completion. The Contract was amended and signed in November 2000.

JLWA's final feasibility study was submitted on February 21, 2001, and conditionally approved by Regional Board staff on March 8, 2001. The design of the AIPS was approximately 25 percent complete on October 5, 2001, and approximately 75 percent complete on May 14, 2002.

The selected project called for emergency sludge removal from two of the current treatment plant's four aerated wastewater treatment ponds, which was performed in 2000. A substantial amount of sludge remains in the four ponds and must be removed prior

to the conversion of the ponds to the AIPS technology.

Upon AIPS-design completion, JLWA distributed the project for competitive bidding in late 2002. From the 24 bid packages issued by JLWA, only two proposals were received. JLWA presented the bids to the City Council at their April 8, 2003 meeting. Both of the submitted proposals came in significantly higher than the \$900,000 budgeted for construction (approximately double the budgeted amount for the AIPS construction). These high bids were attributed to design and cost uncertainties regarding: 1) unknown sludge volume removal; 2) the potential for high ground water and necessary dewatering; and, 3) unknown clay volume importation for lining the converted ponds. The unexpectedly high bids were due to the contractors' perceived exposure to the financial risk presented by the unknowns detailed above. Given the budget shortfall on the project, the City Council rejected the bids.

The project's budget shortfall is additionally compounded by inflated construction costs resulting from project delays and JLWA's under-estimation of the cost to construct the AIPS.

In discussions with representatives of the City, Regional Board staff stated that sludge removal is part of the normal operation and maintenance of the existing wastewater plant, and, as such, should be budgeted and borne by the City. This task is estimated to cost up to \$150,000 and would come from operations and maintenance funds. In addition, JLWA will better quantify the clay liner requirements, revise the bid package and scope of work to reduce or eliminate cost uncertainties where possible, and re-circulate the package out to bid at their own expense. Ground water concerns may be addressed by dewatering to an existing onsite storage pond for irrigation. Through these changes, the most prominent unknowns in the initial AIPS bid package have likely been eliminated, and this should result in improved accuracy in subsequent bid

submittals. New bids are anticipated in mid-July 2003.

Approximately \$400,000 of the \$1.3 million in grant funding has been used to date. The bulk of this money was spent on sludge removal, with the remainder spent on engineering costs. The original cost estimate to construct the AIPS was approximately \$900,000, which excluded the additional sludge removal still required.

Bob Hurford (former staff member as of June 6, 2003) met with the City and JLWA on April 21, 2003, to jointly develop a plan to complete the wastewater treatment plant improvement project. They discussed options on managing the expected budget shortfall, including: 1) Abandon the project entirely; 2) Re-scope the project to reduce costs and deliver a scaled down plant; 3) Request the Regional Board approve the full amount of the budget shortfall to complete the project as originally proposed; and, 4) Request the Regional Board approve a portion of the amount of the budget shortfall, with the City dollar-matching up to 50 percent of the additional grant funding to complete the project as originally proposed.

Another alternative is to repair the existing, aged facility's primary clarifier and sludge digester. The existing facility, however, has experienced chronic sludge handling problems and suffered from poor operations and maintenance. By maintaining the commitment to the original project, the City may benefit from a wastewater treatment plant that is easier and more economical to maintain, more energy efficient, and free of sludge disposal problems. The water quality benefit can be measured by the replacement of an aged plant with a new plant designed to deliver consistently higher quality effluent with fewer potential violations over the next few decades.

Staff Concerns

At the time of the original grant award in May 1999, staff was concerned about the City's capacity to complete their proposed project, and the availability of additional funding sources. The concerns were based on the

condition of the current plant (which cast doubt on the City's ability to execute and maintain the proposed plant upgrades), the lack of City staff dedicated to managing the project, the limited availability of additional funding sources for wastewater treatment plant upgrades, and the difficulty in securing such funds.

By electronic correspondence on October 13 and November 1, 2000, Regional Board staff conveyed their concern that this project was behind schedule. Staff urged the City to commit City staff time to insure the project proceeded in a satisfactory manner and achieved its ultimate purpose. Regional Board staff also reminded the City of our intended, limited construction oversight role as grantor of the funds, and noted our authority to terminate the contract. The City's ultimate responsibility for the project's success or failure was emphasized.

Per the First Amended Scope of Work, October 6, 2000, the finished designs, plans, and specifications for conversion to an AIPS were due December 29, 2000. The design was finished in late 2002, making the project approximately two years behind schedule.

On May 22, 2003, the Santa Barbara Grand Jury issued a report entitled, *Guadalupe - A City in Turmoil and Transition*, which is highly critical of the City's operations and functions. The report focused on the City mayor, city practices, and the questionable use of grant money (as applicable to a beautification program, not this grant contract). Of further concern is that some Grand Jury findings regarding city practices were referred to the Santa Barbara County District Attorney for investigation. The contents of the referred findings and the investigation are not yet known.

In recent months, resignations or terminations were enacted for the city engineer, city administrator, city attorney, and city clerk. At the City's April 22, 2003 City Council meeting, which Regional Board staff attended, some council members voiced their interest in

terminating JLWA as the city's engineering consultant (also named as the Project Manager for Contract # 98-289-2). No action was taken on this suggestion.

The Settlement Agreement and Judgement which established the *Guadalupe Oil Field Settlement Water Quality Project Trust*, Exhibit B, Selection of Authorized Projects, paragraph 19, states that the Regional Board shall consider the institutional stability and capacity of the recipients when selecting water quality projects for funding.

The facts gathered to date suggest that it may be advisable to suspend the availability of Contract No. 98-289-2 funds. Regional Board staff is considering such a suspension, which would conceivably be enacted until such a time that the necessary elements of institutional stability, including but not limited to project management, engineering, fiscal policy, and legislative capacity are reasonably assured. If such conditions do not become evident, contract termination would be considered.

Regional Board staff will continue to urge the City's increased commitment to the project's completion, including the City's primary role in securing whatever additional funds as may prove necessary. It is our intent to continue to encourage the City's efforts to successfully complete the upgrade of their wastewater treatment system.

Greenhouse Priority Project Update [Mike Higgins 805/542-4649]

Summary - In the Regional Board's problem-solving Pilot Project, the Board effectively introduced a point source discharge regulatory program into the Carpinteria Valley greenhouse industry. The approach resulted in open communication with the industry and ultimately in near-complete compliance. However, recent monitoring indicates other nutrient sources in the Carpinteria Marsh watershed. Regional Board staff proposes to extend

problem-solving techniques to address these new sources.

Background - To achieve our mission to preserve, enhance, and restore the quality of the State's waters, the State and Regional Boards implement a strategy described in the Strategic Plan. The strategy's core is an implementation plan, which focuses on six goals and includes 27 key strategic projects. The goal of the Key Strategic Project for Prioritization is to facilitate the use of limited funds for the highest priority projects. Our Executive Officer (EO), Roger Briggs, participates in this Strategic Project's workgroup, which is drafting criteria to consistently guide priority setting by the boards. The workgroup developed several Guiding Principles, including the need to transition to a 'problem-solving' organization from a 'program-driven' organization. The workgroup developed a goal of providing regional boards the flexibility to pick their most important problems and fix them by applying problem-solving techniques. The pilot problem-solving effort to address Priority Projects ran from July 1, 2002 to June 30, 2003.

Introduction - The Board selected the ongoing effort to reduce pollutant discharges from Carpinteria Valley greenhouses to the Carpinteria Marsh and Arroyo Paredon Creek as a Priority Project. The greenhouse effort fit in well with the Priority Project criteria developed by the workgroup. The workgroup recommended regional boards use problem-solving techniques described in Malcolm Sparrow's book, *The Regulatory Craft*. The workgroup based its guidance on three distinct but interrelated core elements Sparrow recognized as inherent to successful regulatory approaches. The core elements are:

1. Clear focus on results;
2. Use of a problem-solving approach;
3. Investment in collaborative partnerships.

Sparrow also lists six core principles found in successful problem-solving approaches. These are:

1. Nominate the problem for attention;
2. Define the problem precisely;
3. Determine how to measure impact;
4. Develop solutions or interventions;
5. Implement the plan with periodic monitoring review and adjustment; and,
6. Close project, allowing for long-term monitoring.

Discussion - The following discusses the pilot project's correspondence with the core elements and core principles noted above.

1. **Nominate the problem** - Santa Monica and Franklin Creeks discharge into the Carpinteria Marsh, one of the few tidal wetlands remaining in southern California. The Central Coast Ambient Monitoring Program (CCAMP) and others have found elevated nutrient (nitrate and phosphate) concentrations in Franklin Creek. Monitoring also detected elevated nutrient levels in Arroyo Paredon Creek, which discharges directly to the Pacific Ocean. Discharges of pollutants, including nutrients, pesticides, and sediment, from the creeks into the slough threaten its and the creeks's beneficial uses. Wastewater discharges from greenhouses, open-air nurseries, orchards, row-crop agriculture, and residential development likely contain substantial nutrient levels.
2. **Define the problem precisely** - Staff decided to address nutrient sources in the Carpinteria Marsh watershed sequentially, beginning with the greenhouses. Staff chose the greenhouses because each greenhouse generates several thousand gallons per day of wastewater containing elevated nitrate levels. Also, staff inspections discovered discharges to surface waters from several greenhouses. Since the Board adopted no waste discharge requirements to regulate any discharge from a greenhouse, the discharges were illegal, as well as potentially impairing the beneficial uses of the Marsh and creeks.

3. **Define how to measure effect** - Our CCAMP program will continue to monitor nutrients in Arroyo Paredon, Franklin, and Santa Monica Creeks. We will also use water quality monitoring data from other sources for the targeted creeks.

4. **Develop solutions and interventions** - Staff decided to notify all greenhouse operators in the Carpinteria Valley of their noncompliant status and of ways to return to compliance within a reasonable time period. Staff planned a subsequent workshop to clarify the Board's approach. After reviewing their proposals to return to compliance, staff planned to inspect the greenhouses to confirm their progress.

5. **Implement the plan with periodic monitoring review and adjustment** - In a July 2001 letter, the EO notified the greenhouse operators in the Carpinteria Valley that the Clean Water Act requires them to cease discharge of pollutants to surface waters or apply to the Board for a permit specifying waste discharge requirements. The letter required the operators to report, by October 2001, their

proposed measures to eliminate the discharges or to apply for a permit. Shortly after the letter went out, a Regional Board subcommittee conducted a workshop to answer questions and clarify the issues. Most of the greenhouse operators/owners attended the workshop. All greenhouse operators responded to the initial letter by stating that they intended to cease discharging wastewater to the creeks. Only one (Sterling Nursery) indicated they needed more time to achieve compliance. In accordance with a compliance time schedule agreed to by staff and the owner, this greenhouse will eliminate its greenhouse discharge and establish the first phase of its upgraded nursery irrigation system by September 30, 2003.

The following table shows staff's level of effort in inspecting the Carpinteria Valley greenhouses and other discharges pointed out by members of the public. Staff inspected all greenhouses and nurseries in the Carpinteria Marsh and Arroyo Paredon watersheds. Staff focused first on the largest greenhouses with the largest wastewater discharges.

Table 1
Greenhouse and Nursery Inspections

Carpinteria Valley

NO.	REPLIED⁴	COMPANY/FACILITY	NUMBER OF INSPECTIONS
1	X	ABE NURSERY	1
2	X	B & H FLOWERS, INC	2
3	X	BRAND FLOWERS INC. GREENHOUSES ³	4
4	X	BRAND FLOWERS INC. GREENHOUSES ³	
5	X	BRAND FLOWERS INC. GREENHOUSES ³	
6	X	BRAND FLOWERS INC. GREENHOUSES ³	
7	X	CASITAS GARDENS NURSERY ¹	1
8	X	COLORAMA WHOLESALE NURSERY	
9	X	ENDOW NURSERY	1
10	X	EVER-BLOOM, INC.	1
11	X	FUJI CASITAS PASS NURSERY	1
12	X	GALLUP & STRIBLING ORCHIDS	6
13	X	GIOVANNI NURSERY ²	3
14	X	H & M ROSES	

NO.	REPLIED ¹	COMPANY/FACILITY	NUMBER OF INSPECTIONS
15	X	HI-MARK NURSERY	1
16	X	HOLLANDIA PRODUCE ³	3
17	X	HOLLANDIA PRODUCE ³	3
18	X	ISLAND VIEW NURSERY	1
19	X	J & C FARMS, WESTLAND FLORAL ³	
20	X	J & C FARMS, WESTLAND FLORAL ³	
21	X	J & C FARMS, WESTLAND FLORAL ³	
22	X	J & C FARMS, WESTLAND FLORAL ³	3
23	X	J & C FARMS, WESTLAND FLORAL ³	
24	X	J & C FARMS, WESTLAND FLORAL ³	
25	X	J & C FARMS, WESTLAND FLORAL ³	
26	X	JOHANNES FLOWERS	1
27	X	KITAGAWA NURSERY	1
28	X	KONO & SONS	1
29	X	LIONELLO ORCHIDS ¹	
30	X	MAXIMUM NURSERY	1
31	X	NISHIMURA FARMS, INC	1
32	X	NORMAN'S NURSERY	1
33	X	OCEAN BREEZE INTERNATIONAL ³	
34	X	OCEAN BREEZE INTERNATIONAL ³	
35	X	OCEAN BREEZE INTERNATIONAL ³	
36	X	OCEAN BREEZE INTERNATIONAL ³	
37	X	OCEAN BREEZE INTL., KM NURSERY ³	2
38	X	OCEAN BREEZE INTL., OCEAN BREEZE NURSERY ³	
39	X	OCEAN BREEZE INTL., OCEAN BREEZE NURSERY ³	
40	X	OCEAN BREEZE INTL., PADARO FLORAL ³	
41		ORCHIDS ROYALE ¹	
42		RANCHO SAREL ¹	1
43	X	SAITO NURSERY	1
44	X	STERLING NURSERY	2
45	X	SUNSHINE FLORAL ³	
46	X	SUNSHINE FLORAL ³	5
47	X	VALLEY FLOWERS, INC. ³	
48	X	VALLEY FLOWERS, INC. ³	3
49	X	VALLEYHEART GARDENS, INC. ¹	
50	X	WESTERLAY ROSES ³	
51	X	WESTERLAY ROSES ³	9
52	X	YAMAOKA FLOWERS	1
53		CHIA NURSERY	1
54		TRIO NURSERY	1
55		CHANNEL ISLANDS FLORAL ¹	
56		SUMMERLAND FLORAL, INC	1
		<i>Total Inspections</i>	61

1. In the Carpinteria Creek drainage, which does not discharge to Carpinteria Marsh.
2. Also called Yamaoka Nursery.
3. Each row corresponds to a separate greenhouse operation.
4. 'X' means the entity responded to the EO's July, 2001 letter.

Through the mail and at the December 2002 public meeting, Santa Barbara Channelkeeper, a citizen's group, reported several other

discharges. These included discharges from Westerlay Roses, Hollandia Produce, Myriad Flowers, Florabundance, Colorama, H&M

Roses, Valley Flowers, Sunshine Floral, and Everbloom. The following table describes

Channelkeeper's reports and staff's resolution of the reported discharges.

Table 2
Discharges reported by Santa Barbara Channelkeeper

Carpinteria Valley

DISCHARGER	NO. OF INSPECTIONS	DISCHARGE TYPE	RESOLUTION
Westerlay Roses	9	Excess well water from malfunctioning level control and pump control.	Plugging hole in channel wall eliminated discharge. Small volumes of well water now discharge to ground near tanks.
Hollandia Produce	3	Discharge from open channel to Santa Monica Creek	Discharge was eliminated in accordance with response to EO's 7/1/01 letter.
Myriad Flowers	2	Discharge of boiler blowdown to channel draining to Santa Monica Creek	Rerouting disposal to landscape irrigation eliminated discharge.
Florabundance	1		No discharge was observed
Colorama	1		No discharge was observed
H&M Roses	3		No discharge was observed.
Valley Flowers	3	Discharge to Santa Monica Creek.	Discharge resulting from groundwater pumped to lower the water table to below ground surface and prevent local flooding.
Sunshine Floral	5	Discharge to Arroyo Paredon Creek.	Discharge resulting from groundwater pumped to lower the water table to below ground surface and prevent local flooding.
Pipe at Eucalyptus Street	4	Discharge to Franklin Creek	No discharge observed since first visit
Valley Flowers	3	New potential discharge from pipe in channel wall, Santa Monica Creek	No discharge observed during first and most recent inspection of this pipe outlet.
Everbloom	1	Small volumes of excess potable landscape irrigation water entered short length of pipe and discharged to open channel.	Ever-bloom removed pipeline, allowing excess potable water to soak into the ground.

6. As the above tables describe, inspections of greenhouses and other reported discharges determined the greenhouses eliminated all but one ongoing discharge of irrigation wastewater. The ongoing components of the Priority Project are long-term monitoring and ongoing follow-up inspections. The single exception is Sterling Nursery, which is working to eliminate nutrient discharges to Franklin Creek in accordance with a time schedule agreed to by the nursery owner and staff.
7. Staff is conducting inspections to follow up on the first round of inspections and to confirm the permanent elimination of these discharges.

Franklin Creek monitoring. CCAMP monitoring for nutrients found high levels at the mouth of Franklin Creek and low levels at the mouth of Santa Monica Creek. South of Foothill Road, both creeks are concrete-lined flood control channels. Staff subsequently sampled several Franklin Creek stations three times. Monitoring found elevated nitrate levels in flows entering Franklin Creek. Two sampling events found a tributary draining an area of open-field agriculture contained over 200 mg/L nitrate. The tributary is now dry. Sampling of discharges from pipes low in the Franklin Creek channel walls found high nitrate concentrations. The pipes drained from residential areas.

Conclusions and Recommendations - Discharges to Franklin Creek, containing high nutrient, may impair Carpinteria Salt Marsh's beneficial uses by eutrophication and reduction of oxygen concentrations to levels that do not support life. The Board oversees regulatory programs, which address pollutant sources from different land uses. Staff will coordinate focus of these programs to reduce nutrient discharge to the Marsh, as follows:

1. The Non-Point Source program staff will:
 - a. Continue to participate in watershed working groups for the targeted

watersheds, to help eliminate and/or mitigate discharges;

- b. enlist the support of UC Cooperative Extension to provide information and training on Best Management Practice implementation to owners of open field agricultural operations;
- c. enlist the support of NRCS (Natural Resource Conservation Service) and RCD (Resource Conservation District) staff to provide expert advice to individual landowners on BMP implementation.

2. Stormwater program staff will ensure the City of Carpinteria's Phase II Stormwater Pollution and Prevention Plan (SWPP) (to be submitted for our review on August 8, 2003) includes all reasonable measures necessary to control nutrient runoff from residential areas.

The forthcoming waiver policy proposes to require conditional waivers of individual irrigated agriculture operations. The Board may rely on local groups to administer the waivers, since we don't have the resources to do so. The local group would package and summarize the waiver administration, and report to the EO. They could also continue to serve as an information conduit by, for example, bringing in information on Best Management Practices to educate growers. Groups have formed in the area to address water quality problems, including the Carpinteria Marsh oversight committee.

Focus on the targeted watershed areas is an "investment in a collaborative partnerships" with the landowners, homeowners, the UC Cooperative Extension, RCD, and the NRCS. This is one of the three core elements Sparrow found to be integral to most successful problem-solving approaches. Implementing the other two core elements - a focus on results and using a problem-solving approach - in the agricultural and residential areas seems the logical extension of the Board's regulation of polluted wastewater discharges in the targeted watersheds.

Although we ran into a few bugs during this pilot project, the result is a very high success rate. Follow-up is necessary: by the greenhouses, us, and the locals (agencies, interest groups, and members of the public), who can be our eyes and ears in the field. The success of this program prompted us to pursue the Sparrow method – improving compliance in the construction stormwater program. Another item in this Board meeting agenda, a staff report on the Phase II stormwater program, also includes information on this new problem-solving project.

Administrative Extension of WDR Order No. 01-012, Highland Sanitary Association [Matt Thompson 805/549-3159]

Staff administratively extended Waste Discharge Requirements Order No. 01-012, National Pollutant Discharge Elimination System (NPDES) Permit No. CA0049441 for Highlands Sanitary Association on June 6, 2003.

Highlands Sanitary Association is a group of eleven homeowners in the Carmel Highlands neighborhood of Monterey County with a wastewater treatment plant that discharges to Monterey Bay. The Regional Board reissued Highlands Sanitary Association's NPDES permit in March 2001 but only extended it two years. Highlands Sanitary Association has since committed to constructing a sewer line to connect to Carmel Area Wastewater District and eliminate their treatment plant and ocean discharge. The project is being administered by Carmel Area Wastewater District and is expected to be complete by Fall 2004. In the meantime, and since imposition of a Mandatory Penalty Order in May 2003, Highlands Sanitary Association has made improvements to their treatment plant to comply with the terms of their NPDES permit.

Staff found no substantive changes to the continuity, character, or volume of the waste discharge that would require changes in the terms of the NPDES permit. Waste Discharge Requirements Order No. 01-012, NPDES No. CA0049441 remains in full force, fully effective, and enforceable until December 30, 2004.

Upon completion of the sewer connection project and elimination of all waste discharges from Highlands Sanitary Association, staff will recommend that Order No. 01-012, NPDES No. CA0049441 be rescinded (likely in Fall/Winter 2004).

Basin Plan Exemption, Santa Barbara County [John Robertson 805/542-4630]

The Basin Plan prohibits the installation of an individual subsurface disposal system where the slope of the disposal area is greater than 30 percent. The Basin Plan also provides for subsurface disposal system exemptions provided certain conditions are met. The Executive Officer may grant an exemption if the discharge will not cause, under fully developed conditions, any of the following: (1) damage to public or private property; (2) ground or surface water degradation; (3) nuisance condition; or, (4) a public health hazard.

In this case, Mr. David Fee of Santa Barbara, made such an exemption request. On June 10, 2003, Regional Board staff granted an exemption to the Basin Plan prohibition of installing new onsite sewage disposal systems where the natural ground slope of the disposal area exceeds 30 percent. The exemption is for a septic tank/drywell system serving a proposed single-family dwelling at 883 San Antonio Creek Road, near San Antonio Creek, Santa Barbara County. The system was approved by Santa Barbara County Public Health Department and forwarded to this Regional Board for exemption approval on April 24, 2003.

A geotechnical assessment concluded that the proposed disposal area will not contribute to slope instability or surfacing of untreated effluent. The subsurface disposal system consists of two drywells, four feet in diameter and fifty feet deep. The drywells were over excavated ten feet and back filled with native soil. No groundwater or impervious bedrock was encountered within ten feet of the bottom of the drywells. The drywells are sealed down to a level (12 feet and 16 feet respectively) where the slope from the property line to the top perforations in the drywells is less than 30 percent.

The applicant sealed the upper section of each drywell to comply with the Basin Plan's Site Suitability Requirement #4, page IV-61. This section requires that a line projected 20 percent downgradient from the highest point of discharge from the drywell must not intersect the ground surface within 100 feet of the drywell. The projected line from the proposed drywell nearest the San Antonio Road cut slope (the nearest cut slope or bank) does not intersect the slope. Therefore, the proposed drywell complies with the specified Basin Plan requirement.

Carmel River Listing Status [Lisa McCann 805/549-3132]

David Dilworth of HOPE has submitted correspondence [See Attachment No. 1 and provided comments to the Regional Board about listing the Carmel River as impaired by pathogens, pesticides and fecal coliform. Staff replied to Mr. Dilworth's first letter by mail and offers some additional information in this Executive Officer's Report.

Both letters submitted by Mr. Dilworth and staff's response to his first letter are itemized below and are attached to this report in their entirety:

- Mr. Dilworth sent a letter dated March 4, 2003 to David Smith and Cheryl McGovern, staff from US EPA Region IX, Total Maximum Daily Load Program, which Cheryl McGovern forwarded by email to Lisa McCann.
- Lisa McCann sent a reply to Mr. Dilworth in a letter dated April 4, 2003.
- Mr. Dilworth sent another letter, addressed to the Board and to Lisa McCann, dated April 30, 2003.
- Mr. Dilworth commented, consistent with the information in these letters, at the May 16, 2003 Regional Board meeting, during the public forum.

Staff has reevaluated the information submitted and comments made by Mr. Dilworth and offers the following additional information.

Readily available data and information for pathogens, pesticides, coliform and nitrates in the Carmel River does not support listing this

waterbody as impaired. This information includes the Regional Board's ambient water quality monitoring data, the Pesticide Use Database of the Department of Pesticide Regulation, monitoring data from Monterey County and monitoring data from the Monterey Peninsula Water Management District.

The Regional Board's Central Coast Ambient Monitoring Program (CCAMP) monitored the Carmel River for total coliform, fecal coliform, nitrates, and other parameters in 2001 and 2002. These data are available online at www.ccamp.org. Staff reviewed these data and concludes that the Carmel River is not impaired by bacteria or nitrates.

CCAMP does not routinely monitor for pesticides in water because detecting pesticides in surface waters is difficult. This is because applications are sporadic, short-term events, some pesticides adhere to soil and slowly migrate to water, while others are highly soluble and are quickly transported downstream. Therefore, low probability of detection and expensive analyses makes it inefficient to use limited monitoring dollars for pesticides in surface waters. However, CCAMP does routinely monitor for pesticides in shellfish or fish tissue and/or in sediment every five years in major waterbodies. Staff uses other indicators, which are less expensive to monitor, to determine if additional pesticide monitoring is warranted (such as land use information, the Pesticide Use Database and nitrate levels indicating the potential for other pollutants generated by agricultural activities). Staff looked at the levels for each of these indicators and determined that more intensive or in-stream monitoring of pesticides for the Carmel River is not warranted. In fact, compared to all other waterbodies in Region 3, the Carmel River has the lowest levels of nitrates in surface water, very little use of pesticides according to the Pesticide Use Database, and minimal land use activities likely to be loading pesticides into the river.

Regarding pathogens, staff evaluates bacterial indicators only because we have numeric standards for these indicators of pathogens. The Basin Plan states that 1) the geometric mean of five samples taken in a 30-day period shall not exceed 200 most probable number of organisms (MPN)/100

milliliters (mL), nor 2) shall more than ten percent of all the samples collected in a 30-day period exceed 400 MPN/100mL to protect the recreational beneficial use. Since ambient water quality monitoring samples are collected on a monthly basis, our data set does not include five samples in a 30-day period or more than one sample in a 30-day period. Therefore, in this situation, we evaluated 1) the geometric mean of the entire data set against the limit of 200 MPN/100mL, and 2) the percent of total samples exceeding 400 MPN/100mL. The geometric mean of samples at each station was well under the limit of 200 MPN/100mL. Additionally, only one of 35 samples (three percent) exceeded 400 MPN/100mL. The individual sample that exceeded the objective had 500 MPN/100mL. Other information indicating presence of other pathogens, such as giardia and cryptosporidium, will be considered along with bacterial indicators, during the next impairment evaluation (see information on List Update below). However, threshold values do not exist for comparison with such pathogen data. According to the Department of Health Services' Draft *Proposed Interim Enhanced Surface Water Treatment Rule* (<http://www.dhs.ca.gov/ps/ddwem/publications/Regulations/IESWTRdraftreg03-25-03.pdf>), these pathogens are proposed to be managed through treatment requirements for water suppliers to remove the pathogens, but not by comparing concentrations in water with established safe levels. Research shows 1) that standards for such pathogens based on public health criteria remain elusive because concentrations of oocysts in water at the time that any impacts (such as infections) occur are rarely available and 2) that where data for water does exist, infectious rates are variable; evidence shows episodes of infections at oocyst concentrations thought to be safe and episodes with no infections when high concentrations of oocysts were detected (<http://www.cdc.gov/ncidod/IED/vol8no6/01-0271.htm>).

Regarding nitrates, the Basin Plan states that waters shall not contain concentrations of nitrate (as nitrogen) that exceed 10 mg/L to protect the municipal and domestic supply beneficial use. Additionally, the Basin Plan states that "water shall not contain biostimulatory substances in

concentrations...that...cause nuisance or adversely affect beneficial uses," and "waters shall remain free of toxic substances..." Nitrates can contribute to exceedances of each of these narrative water quality objectives. Values of nitrate (as nitrogen) have been recorded in literature to cause biostimulation or toxicity to aquatic life at levels ranging from 1 mg/l to 10 mg/l. The maximum level of nitrate (as nitrogen) sampled is 0.130 mg/L; the mean level of all 42 samples is 0.022 mg/L. These values are well below both the numeric water quality objective of 10 mg/l and the literature values indicating numeric interpretations of the narrative water quality objectives.

Monterey Peninsula Water Management District (MPWMD) regularly monitors both groundwater and surface water quality of the Carmel River. Their *2001-2002 Annual Report for the MPWMD Mitigation Program* states "Ground water quality conditions in both the Carmel Valley aquifer and the Seaside Basin have remained acceptable in terms of potential indicators of contamination from shallow sources such as septic systems..." and "Surface water quality for steelhead trout was considered acceptable for most parameters, with the exception of temperature..."

Beginning in the late 1970's, Monterey County recognized that uncontrolled development of Carmel Valley could lead to nitrate contamination of groundwater. Monterey County commissioned an extensive study that resulted in controls on the density of development. As evidenced by water quality monitoring data, these controls have been effective in preventing nitrate contamination of Carmel River.

Additionally, Regional Board staff was successful in directing Proposition 13 funding to the Carmel River Watershed Conservancy to develop a watershed management plan for the Carmel River Watershed. The project relies on existing information, such as that discussed above, is identifying data gaps and will proposing a plan to improve and protect the Carmel River. The project is directed by a technical advisory committee made up of staff from the Regional Board, other state agencies, local agencies, as well as landowners and environmental advocates.

Nevertheless, staff will review and reconsider the information provided by HOPE and any additional information collected or submitted during the next List Update, scheduled for 2004. If the subsequent analysis indicates conditions have changed and impairment exists, staff will recommend adding the Carmel River to the List of Impaired Waters. Staff will insure that HOPE is informed of solicitations for data and information (expected Fall 2003) and for any opportunities for interested parties to review and comment on staff recommendations (expected Summer 2004).

Regardless of whether the Carmel River is listed as impaired for any of these constituents, the Regional Board will continue to implement its existing water quality protection programs in place for the Carmel River. Regional Board staff will continue working with waste dischargers, Monterey Peninsula Water Management District, Monterey County Department of Environmental Health Carmel River, and the Carmel River Watershed Conservancy, to identify and eliminate water quality problems in the Carmel River Watershed.

Information on Agricultural Waivers and the Formation of an Agricultural Advisory Panel
[Alison Jones 805/542-4628]

Pursuant to a recent amendment to California Water Code section 13269, all waivers of waste discharge requirements (WDRs) that existed on January 1, 2000, expired on January 1, 2003. This applied to several waivers adopted by the Central Coast Region in 1983, including two waivers applicable to irrigated agriculture. One of these waivers was for irrigation return water (tailwater) and the other was for non-NPDES storm water discharges. In order to develop an effective replacement for the expired waivers, staff of the Central Coast Regional Water Quality Control Board conducted a series of internal and external meetings. In March of 2003, staff convened a panel made up of representatives of environmental and agricultural organizations throughout the Central Coast Region. The purpose of the panel is to assist staff in developing recommendations to the Regional Board for a replacement to the expired waivers.

A series of five meetings was held during March and April, 2003. During the initial meeting, the panel adopted meeting ground rules, discussed the consensus-based process to be employed, and heard presentations by Regional Board staff and researchers on current water quality data. Regional Board staff outlined regulatory issues, and the Coalition of Central Coast County Farm Bureaus presented information on some of the current efforts by agriculture in the region to address nonpoint source pollution. During subsequent meetings the panel listened to and documented each representative's issues and concerns related to water quality protection and potential impacts of new regulation, developed a goal statement, and looked for areas of agreement on how best to protect water quality in the agricultural areas of the Central Coast. The panel is currently reviewing and revising a draft list of recommendations. The panel's recommendations will be included in a report to the Regional Water Quality Control Board.

Regional Board staff is working concurrently to develop draft documents that will address conditions of compliance and monitoring and reporting requirements. Staff will consult with the advisory panel as documents are developed.

CLEANUP BRANCH REPORTS

Status Reports

Underground Tanks Summary Report dated June 2, 2003 [John Goni 805/542-4628 and Burton Chadwick 805/542-4786]

[See Attachment No. 2]

REGIONWIDE REPORTS

Regional Monitoring and Basin Planning [Karen Worcester 805/549-3333]

Monitoring Program Activities – The Central Coast Ambient Monitoring Program (CCAMP) team, led by Mary Adams, has completed quality assurance checking for five years of watershed and coastal confluences monitoring data. This job has been a massive undertaking. We have documented

all data quality decisions and have ensured consistency with the Surface Water Ambient Monitoring Program's Quality Assurance Program Plan. This very large database is now available to be uploaded into the U.S. Environmental Protection Agency's Storage and Retrieval (STORET) database. Dave Paradies recently modified our STORET export tool so that it works with the newly released STORET Version 2.0. Few other agencies or organizations in the State of California have entered data into the new STORET system.

We have been developing a new "Biostimulatory Risk" index, which ranks sites according to relative indications of nutrient impairment. Because of the uptake and transformation of nutrients from inorganic to organic forms, nutrient impairment can manifest itself in several ways: through increased concentrations of various nutrient forms (nitrogen or phosphorus), through depressed or highly variable oxygen and pH levels, through presence of excessive chlorophyll in the water column or excessive algal growth, and through various combinations of the above listed conditions. The Biostimulatory Risk Index provides a tool for evaluation of relative impairment, given these complex interactions.

With funding soon available from the Duke back flushing settlement, the CDFG/U.C. Davis sea otter research team is planning new work associated with study of pathogens in Elkhorn Slough and Morro Bay. U.C. Davis graduate students are planning complementary research on presence of Toxoplasma in cats and their prey in the Morro Bay area. Scoping has also begun for Proposition 13 funded work on sea otter tissue bioaccumulation. Sample selection will take into consideration cause of death and other associated information, to best enable associations to be drawn between death from disease and tissue burden of chemicals. Dave Paradies will provide software assistance to ensure that data developed from this effort will be stored in a system compatible with CCAMP.

Surface Water Ambient Monitoring Program funds appear to be diminishing to near zero for the upcoming fiscal year. There do not currently appear to be sufficient resources to support continued watershed monitoring. Consequently,

we have submitted a joint proposal for Proposition 13 funds, in collaboration with Regions 1 and 2, through our Fish and Game Master Contractors. Proposals are currently undergoing review at the Regional Board staff level.

Basin Planning – Several Basin Planning tasks that are undergoing review at the State Board have met with obstacles. The proposed Nonpoint Source amendment refers to State Board's Nonpoint Source Pollution Control Program (January 2000). Though the State program has been approved by the State Board (Resolution (99-114)), it has not obtained approval through the Office of Administrative Law (OAL), and as such it may difficult to adopt the Nonpoint Source Pollution Control Program into our Basin Plan by reference.

State Board staff are also concerned that the shellfish standard proposed for inclusion into our Bacterial Indicators amendment is more stringent than FDA requirements in terms of monitoring frequency, and therefore will require scientific peer review. They have indicated that they prefer to have this standard adopted into the Ocean Plan rather than into our Basin Plan. Consequently, we may need to delete it from our amendment as currently proposed.

Total Maximum Daily Load Program [Lisa McCann 805/549-3132]

Regional Board staff in the Watershed Assessment Unit continue to implement priority activities of the Total Maximum Daily Load (TMDL) Program. Staff is completing the work planned for fiscal year 2003-2003 and will begin working on tasks planned for fiscal year 2003-2004.

See Attachment No. 3: TMDL Components/Projects Completed During Fiscal Year 2002-2003 and for TMDL Projects to be Completed during Fiscal Year 2003-2004.

Main activities completed during the *fourth and final* quarter of fiscal year 2002-2003 include the following:

- *Prepared Status Report for Salinas River Siltation TMDL;*

- *Prepared Draft TMDL Reports for San Luis Obispo Creek Nutrients and Pathogen TMDLs, Pajaro River Nutrients TMDL and Clear Creek-Hernandez Reservoir Mercury TMDL;*
- *Drafted Numeric Targets for Monterey Harbor Metals TMDL;*
- *Drafted Problem Statement for Salinas Nutrients TMDL;*
- *Submitted Administrative Records for TMDLs presented to the Regional Board in May 2003;*
- *Scoped TMDL development needs for additional listed waterbodies.*

Main tasks to be completed during the first quarter of fiscal year 2003-2004 include the following:

- *Initiate Implementation of Morro Bay Pathogens, Morro Bay Sediment and San Lorenzo River Sediment TMDLs;*
- *Prepare Basin Plan Amendment Documents for San Luis Obispo Creek Nutrients and Clear Creek-Hernandez Reservoir Mercury TMDL;*
- *Prepare Basin Plan Amendment Documents for Chorro and Los Osos Creeks Nutrients and Dissolved Oxygen TMDL;*
- *Finalize TMDL Reports for San Luis Obispo Creek Pathogen TMDL and Pajaro River Nutrients TMDL;*
- *Manage contracts for data collection and analysis for several projects;*
- *Evaluate newly listed impaired waters and begin developing project plans;*
- *Review and comment on proposed State Listing Policy.*

USEPA approved the 2002 Clean Water Act Section 303(d) List of Impaired Waters. The USEPA approved the recommendations proposed by the State Water Resources Control Board (<http://www.swrcb.ca.gov/303dupdate.html>) and added some constituents to a few existing listed waterbodies in Region 3. The changes do not affect Region 3's approach or schedule for evaluating listed waters, developing TMDLs or implementing TMDLs.

Desal Task Force [Roger Briggs 805/549-3140]

State Water Resources Control Board Member Pete Silva asked Roger Briggs to be the Regional Board representative (for the entire state) on the Desalination Task Force. Roger agreed and the attached memorandum [See Attachment No. 4] from Thomas Hannigan, Department of Water Resources Director, provides the background for the task force. Task Force meetings will run through the summer and fall. Roger will keep the Board informed of pertinent developments with this task.

ADMINISTRATIVE REPORTS

Presentations and Training [Roger Briggs 805/549-3140]

Burton Chadwick, Associate Engineering Geologist in the Tanks and Spills Unit, attended the State Water Resources Control Board's Water Leadership Academy course, Developing, Managing, and Using Scientific Data Effectively in Oakland on April 22, 2003. The course illustrated the application of the scientific method to real world water quality problems, described options for presenting technical information to non-technical audiences, and examined the link between scientific information and policy development.

Karen Worcester provided an overview of marine water quality issues in the Central Coast for a multi-stakeholder group that has been meeting for a number of months to find creative solutions for marine issues of concern in the San Luis Obispo County area. This Marine Interests Group Working Committee has invited speakers from a number of different subject areas to address marine issues in a televised public forum. Karen focused on issues such as nutrient and pesticide inputs from major river mouths, beach closures, and pathogens and bioaccumulation of chemicals in marine mammals and their prey.

Dane Hardin, Program Manager of the Central Coast Long-Term Environmental Assessment Program (CCLEAN) presented findings by both CCLEAN and CCAMP at a meeting of the Monterey Bay National Marine Sanctuary's Scientific Advisory Committee. CCLEAN has

completed its first year of effluent and river mouth monitoring, using solid phase extraction columns to look at loading of persistent organic chemicals to the Sanctuary. Dane reviewed these findings and also showed initial sand crab bioaccumulation results collected by the Department of Fish and Game and U.C. Santa Barbara, under contract to CCAMP. He described CCAMP proposals to create a long term sand crab and mussel tissue monitoring program using settlement funds. The Sanctuary Advisory Committee expressed interest and support for our findings and suggested that the next annual Sanctuary conference focus on water quality issues.

On May 29, 2003, Donette Dunaway presented "Urban Development Impacts and Watershed Protection" to the Atascadero Kiwana Club. The presentation included a variety of typical negative impacts documented in watersheds as surrounding lands are developed, and methods for minimizing the negative impacts. The presentation was geared toward the general public, and included measures that individuals can do, and actions that local government can require to protect water quality. This presentation is part of the "Small Cities" outreach being developed by our office staff.

On May 18, 2003, Sandy Holgate participated in an environmental workshop (Waters of Life Day) at the United Methodist Church in Arroyo Grande. This was an Earth Day follow-up attended by several local environmental agencies and organizations. Ms Holgate made a presentation using our Enviroscope Model, which incorporates the hydrologic cycle with water quality protection.

Budget and Staffing [Roger Briggs 805/549-3140]

We have had significant resource reductions recently, due to the budget crisis. We sacrificed contract money first to protect our valuable staff. The sampling portion of our CCAMP monitoring program, for example, has been nearly zeroed out. We then began losing existing vacancies to the budget crunch, and have been losing any newly created vacancies when people leave our staff. We have had to shift workload, and prioritize competing demands as a result of the following staffing reductions:

1. John Robertson left the Land Disposal Unit (mostly Landfills) for a promotion to Senior of the Southern Watershed Unit at the same time we had Chapter 15 funding cuts, thus losing that position in the Landfill Unit. John had been lead person for the Land Disposal Unit. Michael LeBrun was already supervising the DoD Unit, but took on the supervision of the Land Disposal Unit. He continues to supervise both units.

2. Paul Jagger retired as Assistant Executive Officer (AEO). Brad Hagemann promoted into the position, leaving his Supervising Engineer position vacant. We did not fill that position due to budget cuts, and consequently have two managers (EO & AEO) rather than three. This situation, coupled with our low supervisor-to-staffing ratios, makes our organization about the "leanest" in the State and Regional Boards. For example, the Colorado River Basin has about 65% of our staffing, but has four management level staff rather than our two.

3. Bonnie Glendenning, our receptionist, left the staff and we were unable to backfill her position, so various other staff rotate reception duties (which takes them away from their regular duties). We have had some help from AARP volunteers (half time work for part of the time since Bonnie left).

4. Lida Tan and Maura Mahon left the staff, but we were only able to hire one person in replacement (Ryan Lodge).

5. Rick Aleshire retired and left the Tanks Unit. Cleanup cases were prioritized and reshuffled among remaining cleanup staff.

6. Angus Lewis left the staff, leaving only Howard Kolb for Basin Planning. Howard is also our LAN/WAN tech staff rep and backup LAN operator. Basin Planning projects are cut back by about 60% due to Angus' departure.

7. Matt Fabry left the staff, from the Northern Watershed Unit. Matt Keeling from the Tanks Unit is filling in half-time in the Northern Watershed Unit, and only working half-time in the Tanks Unit, with another reshuffling and prioritizing of tank cases.

8. Jay Cano retired from the Tanks Unit Senior position and we have advertised for a replacement. However, we were informed by Personnel and Budgets that we could only hire from within (internal promotion) and would not be able to backfill the resulting vacancy. Thus we lose another technical staff.

9. Bob Hurford left the staff from the Southern Watershed Unit. We are unable to backfill that position, prompting another prioritization and shuffling of tasks in the Watershed Branch.

10. Dan Berman was a contract employee working in our CCAMP program, assisting Mary Adams with fieldwork and data entry and analysis. Dan left the staff last month for a job with the National Estuary Program.

11. We have additional workload from the Proposition money administration. We were allocated 1.1 Personnel Years for this work for our 03-04 budget, which we anticipate to be woefully inadequate for the work demand. However, the amount of the augmentation seems to be a moot point for now, because we are unable to hire anyone. We are basically using that added position to lessen the vulnerability to the 10% Layoff Plan.

We have had to designate several staff as "surplus," which affords those staff some priority in seeking other state jobs, but starts the clock running for those staff to potentially receive 30-day layoff notices, if the administration decides that our organization must implement a layoff plan. Our staff are our most valuable asset, and we sincerely hope the administration and the legislature will develop a budget that avoids this draconian action.

This report describes the effective loss of eleven staff (including ten technical staff) over the last couple years of budget reductions (in October of 2000, we had 80 positions). All of the above-described reductions and potential reductions require us to constantly prioritize among the increasing demands and requests for our time. In the June agenda materials, we provided a priority setting exercise in a format requested by the State Board. That was a fairly high level evaluation, and staff is now taking that priority list and developing subsets of priorities that are consistent with that document but are more detailed to assist with the day to day priority setting within individual units of our staff.

ATTACHMENTS

1. Letter from David Dilworth, HOPE, dtd 3/4/03 to CALEPA re Carmel River Listing
2. Underground Tanks Summary Report dated June 2, 2003
3. TMDL Components/Projects Completed During Fiscal Year 2002-2003 and for TMDL Projects to be Completed during Fiscal Year 2003-2004
4. Memo from Dept. of Water Resources to Roger Briggs dtd 5-28-03 re Desalination Task Force